



**INVESTMENT MANAGEMENT MANDATE**

Between

**INVESCI ASSET MANAGEMENT (PRIVATE) LIMITED**

Of 41 Harare Drive, Chisipite, Harare  
("INVESCI")

And

..... **PENSION FUND**

Of .....

Represented by

.....

("The Client")

**WHEREAS**

1. INVESCI is a provider of investment management services;
2. The Client wishes to engage the services of INVESCI to provide investment management services to it;
3. The parties have agreed that INVESCI will provide such investment management services on the following terms.

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# 1 DEFINITIONS

In this agreement the following words shall mean:

- 1.1. "Client" shall mean .....
- 1.2. "commencement date" the date of commencement of this agreement shall be the date funds are first received by the Investment Manager from the Client;
- 1.3. "middle market price" shall be ascertained by reference to the Zimbabwe Stock Exchange stock and share prices on the relevant day and shall be:
  - 1.3.1. the sales price where a sales price is stated;
  - 1.3.2. where the buyer price only is stated, the seller price is derived from adding 10% to the buyer price. The implied sales price is obtained by averaging the buyer price and the derived seller price.
  - 1.3.3. where the seller price only is stated, the buyer price is derived from dividing the seller price by 1.1. The implied sales price is obtained by averaging the seller price and the derived buyer price.
  - 1.3.4. where a buyer and a seller price are stated but no trades recorded, the sales price will be derived from the average of the buyer price and the seller price.
- 1.4. "investment portfolio" all investments of whatever nature made on behalf of a Client by INVESCI and shall include inter alia stock market investments, investments in the money market, debentures, government approved stock, properties, and private equity.
- 1.5. "services" the investment management services detailed in Clause 4.
- 1.6. "Fund" the investment portfolio for the ..... Pension Fund
- 1.7. "Custodian" shall mean .....
- 1.8. "The Investment Manager" shall mean INVESCI Asset Management (Pvt) Ltd ('INVESCI').

## **2. PERIOD OF AGREEMENT**

This Agreement shall commence on the Commencement Date specified in the schedule and shall continue on an annual basis unless terminated as provided in Clause 12.

## **3. INVESTMENT POLICY STATEMENT & CONSULTATION**

- 3.1. INVESTICI will manage Fund's portfolio in line with the Fund's Investment Policy Statement.
- 3.2. Prior to the conclusion of any Agreement and, if so requested by the Client, INVESTICI shall discuss with the Client, at no charge, their requirements regarding the management of their investment portfolio.
- 3.3. Once an Agreement is concluded, INVESTICI shall arrange for purchases and sales of investments at its sole discretion acting in accordance with the clients' Investment Policy Statement.

## **4. INVESTMENT MANAGEMENT SERVICES**

INVESTICI shall provide the following services to the Client.

- 4.1. The investment portfolio will be managed in accordance with the prevailing Pensions guidelines. In this instance, The Pensions and Provident Funds Act, 1976 [Chapter 24:09] as amended as well as the Insurance and Pensions Commission Investment Guidelines (Circular 1 of 2013).
- 4.2. INVESTICI will keep detailed records of all purchases and sales of investments in respect of the investment portfolio.
- 4.3. INVESTICI will provide monthly investment portfolio valuations within seven (7) days of the month end.
- 4.4. At the request of the Client, INVESTICI will provide interim investment portfolio valuations.
- 4.5. As at 1 April, 1 July, 1 October and 1 January of each year INVESTICI will prepare a valuation of the investment portfolio on the basis set out in Clause 9 as part of the quarterly report to the Board of Trustees of the Pension Fund.
- 4.6. If requested by the Client, INVESTICI shall advise on the best method of liquidating investments in order for the Client to withdraw all or part of its capital from its investment portfolio.

## **5. NOMINATION OF STOCKBROKER**

- 5.1. INVESCI shall only appoint stockbrokers registered with the Zimbabwe Stock Exchange as it may consider fit or desirable to purchase and sell shares.
- 5.2. Any fees charged for services rendered by any stockbrokers appointed in terms of this Clause shall be debited to the Client.

## **6. PAYMENTS**

- 6.1. All payments of amounts relating to disinvestments due to the Client in terms of this Agreement shall be paid by INVESCI, through the Custodian, to the registered office of the Fund.
- 6.2. All fees shall be requested from the custodian from any monies held by them on behalf of the Client. In the event that no monies are held, INVESCI may liquidate investments held in custody at the custodian in order to pay any fees that may be due.

## **7. COST OF SERVICES**

- 7.1. At the beginning of each month in each year, the compensation of INVESCI for its services shall be structured as follows:
  - 7.1.1. a basic portfolio management fee of 1% of the beginning market value of the Fund divided by 12 (0.0008 per month) shall be charged from the Fund each month.

## **8. HOLDING OF SECURITIES AND CUSTODIAL ARRANGEMENTS**

All securities shall be registered in the name of the Pension Fund. All securities will be kept at the nominated custodian. INVESCI shall not be liable for any loss or damage arising in connection with custodial arrangements that are independent from INVESCI.

## **9. VALUATION OF INVESTMENT PORTFOLIO**

- 9.1. Whenever it is necessary to value an investment portfolio for the purposes of this Agreement, such investment portfolio shall be valued on the basis of the last traded price of any stock and/or shares held in the investment portfolio as at the relevant date.
- 9.2. The value shall also include where appropriate;

- 9.2.1. the value of any dividends accrued to the Client since the Commencement Date or the date of the last valuation made in terms of Clause 9;
  - 9.2.2. any interest earned since the Commencement Date or the date of the last valuation made in terms of Clause 9 on any part of the capital sum not invested in stocks and/or shares for any reason;
  - 9.2.3. any capital profit earned on the sale of stocks and/or shares prior to the relevant date referred to in Clause 9.1 since the Commencement Date or the date of the last valuation made in terms of Clause 9.
- 9.3. For the purposes of valuation, the value shall be calculated on the gross value of the increase in the investment portfolio and no account shall be taken of any amounts deducted or to be deducted in respect of income tax, capital gains tax or any other tax.
- 9.4. Properties shall be valued as at the most recent valuation report.

## **10. ADDITIONS TO VALUE OF INVESTMENT PORTFOLIO**

A Client may add to the amount invested in their investment portfolio at any time.

## **11. NATURE OF INVESTMENTS AND LIMITATION OF LIABILITY**

It is recorded that investment in the various asset classes (Equities, Fixed Income, Property, Bonds and Alternative Investments) is dependent on factors outside the control of INVESCI and is, therefore, risky in its nature, provided that INVESCI shall do everything reasonably possible to minimize the client's risk exposure.

The Client accepts that due to this risk, their investment portfolio may decrease in value.

## **12. TERMINATION**

- 12.1. This Agreement may be terminated by either party provided that one calendar month notice in writing has been given to the other party.
- 12.2. If a Client wishes to withdraw part of its investment, INVESCI shall value the portfolio as at the date of the request to withdraw such part.

- 12.3. It is recorded that where delays are experienced in the sale of shares after receipt of relevant instructions, INVESCI shall promptly advise the Client of such delays.

### **13. TAXES AND OTHER CHARGES**

- 13.1. In the event that a services tax is levied on the services provided by INVESCI or any stockbrokers nominated by INVESCI in terms of this Agreement, such tax shall be added to the fees due from the Client.
- 13.2. The Client shall be responsible for the payment of any capital gains or withholding tax or VAT or any other tax, or charge which may be levied on any amount due to the Client under this agreement.
- 13.3. It shall be the responsibility of the Client to ascertain what taxes (save for VAT on services) may be payable in respect of its investments. The Client acknowledges that it is within the discretion of the Commissioner of Taxes to decide whether profits earned are of a capital nature thus attracting capital gains tax or in the nature of income in which event income tax will be levied.

### **14. BREACH**

If either party breaches any of the terms and conditions of this Agreement and fails to remedy such breach within 10 working days of written notice by the other party to do so, such party shall be entitled to cancel the agreement without notice and without prejudice to any other remedies it may have in terms of the agreement.

### **15. CESSION**

INVESCI shall be entitled to cede and assign its rights and obligations under this Agreement on obtaining written approval from client. In the event that written approval is not obtained, the agreement may be terminated by either party in terms of clause 12.

### **16. WAIVER**

Failure or neglect by either party to enforce at any time any of the provisions hereof shall not be construed nor shall be deemed to be a waiver of such party's rights hereunder nor in any way affect the validity of the whole or any part of this agreement nor prejudice such party's rights to take subsequent action.

## 17. HEADINGS

The headings contained in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of any of the terms and conditions.

## 18. DISCRETION

INVESCI shall manage the Fund's portfolio subject to restrictions imposed by the client through the Investment Policy Statement (IPS).

INVESCI shall, subject to restrictions imposed by any law of Zimbabwe and by this Agreement in section 18, have power to:

- 18.1 Administer all corporate actions on the Client's portfolio and where major events occur, INVESCI to vote on behalf of the Client. In the event of referring to the Client for voting instructions, INVESCI shall allow ten working days for a response from the Client. Should there be no response within the stipulated ten working days, INVESCI will be at liberty to proceed at its discretion.
- 18.2 Instruct the Custodian on how to vote on behalf of the Client on all Annual General Meetings and Extraordinary General Meetings (for clients with independent custodial arrangements).
- 18.3 Maintain with the Custodian for any cash accruals (including interest and dividends) that it receives and to invest such cash accruals at its discretion and such funds shall form part of the Portfolio.
- 18.4 Administer and instruct the Custodian to withdraw from the investment account such monies as may be required to effect payment for investments purchased and of costs associated with any such purchase. Issue such instructions to the Custodian as may be appropriate in connection with the settlement of transactions initiated by INVESCI. All transactions will be settled by payment to, or delivery by, the Custodian of all cash, securities or other assets due to or from the portfolio. INVESCI's instructions to the Custodian shall be transmitted in writing or, at the option of INVESCI, orally and confirmed in writing as soon as practical thereafter.

## 19 RESTRICTION ON INVESTMENTS

- 19.1 Investments in unlisted immovable property, unquoted equities, private equity, derivative securities and foreign securities should have express authority from the Trustees.



INVESCI will be required to put forward to Trustees proposals before undertaking any of the mentioned investment vehicles.

- 19.2 Unless prior approval in writing has been obtained from the Investor, INVESCI shall not trade in securities where INVESCI or any associated Company is advising the issuer of the securities, or enter into any dealings on behalf of the Investor where an actual or potential conflict of interest may exist.
- 19.3 INVESCI may not make or enter into agreement of loan for and on behalf of the Investor.
- 19.4 INVESCI may not lend the Investor's scrip, unless prior approval in writing has been obtained from the investor.
- 19.5 INVESCI will not act outside the Investor's powers or in contravention of any law or statute.

## **20 RESOLUTION OF DISPUTES**

Any dispute arising from this Agreement shall be referred to arbitration by an arbitrator of the parties' choice in accordance with the laws of Zimbabwe provided that where the parties fail to agree on the choice, one shall be appointed by the chairman of the Harare Arbitration Centre according to the laws of Zimbabwe. A timeline will be set for resolution of such disputes agreed to by both parties and the arbitrator.

## **21 CONFIDENTIALITY**

- 21.1 The parties shall hold in confidence all Confidential Information received from each other and not divulge the Confidential Information to any person, including any of its employees, save for those directly involved in the execution of this Agreement.
- 21.2 The parties shall prevent disclosure of the Confidential Information, except as may be required by law or by any competent authority.
- 21.3 Within six (6) months after the termination of this Agreement, for whatever reason, the recipient of Confidential Information shall return same or at the discretion of the original owner thereof, destroy such Confidential Information, and shall not retain copies, samples or excerpts thereof.

21.4 It is recorded that the following information will, for the purpose of this Agreement, not be considered to be Confidential Information:

- 21.4.1 Information known to either of the parties prior to the date that it was received from the other party; or
- 21.4.2 Information known to the public or generally available to the public prior to the date that it was disclosed by either of the parties to the other, or
- 21.4.3 Information which becomes known to the public or becomes generally available to the public subsequent to the date that it was disclosed by either of the Parties to the other, through no act or failure to act on the part of the recipient of such information; or
- 21.4.4 Information that either of the Parties, in writing, authorises the other to disclose.

## 22 DOMICILUM AND NOTICES

All notices to be given in terms of this Agreement shall be in English and in writing and shall be delivered by hand or by pre-paid registered mail letter to the following addresses, or by email.

### **INVESCI ASSET MANAGEMENT (PRIVATE) LIMITED**

The Investment Manager

Physical Address: 41 Harare Drive  
Chisipite  
HARARE

Postal Address: As above.

Tel: +263 (24) 2490667/8, 2490924/5

Email: thomasc@invesci.com  
info@invesci.com

..... **PENSION FUND**

Physical Address:

Postal Address:



Tel:

Emails: .....

.....

Any such notice shall be deemed to have been received on the day of delivery, or within five days after the posting of the notice, or within 24 hours of dispatch by email or facsimile transmission provided that telefax numbers have been included in this Agreement for the convenience of the parties only and their use shall not constitute proper notification or delivery unless receipt of any such communication has been confirmed by the addressee in writing or by a return of telefax, as the case may be. (Confirmation of receipt is not necessary as long as one has proof of having sent).

The parties hereby choose the physical addresses set out in clause 22 as their respective domicilia citandi et executandi for all purposes under this Agreement.

Either party shall be entitled to change its domicilium from time to time by giving notice of such change in writing to the other party, provided that any new domicilium selected by it shall be a street address within Zimbabwe, and provided that any such change shall only be effective upon receipt of notice of such change by the other party.

### **23 WHOLE AGREEMENT**

This Agreement constitutes the whole Agreement between the parties and any variations thereto shall be of no force or effect unless reduced to writing and signed by both parties.



Signed at Harare this \_\_\_\_\_ day of \_\_\_\_\_ 2021

AS WITNESSES: -

1. ....

2. ....

..... **For INVESCI ASSET MANAGENT (PVT) LTD**  
**T. Chataika**  
**MANAGING DIRECTOR**

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2021

AS WITNESSES: -

1. ....

2. ....

..... **For ..... PENSION**  
**FUND**  
.....  
**CHAIRMAN OF THE BOARD OF TRUSTEES**