



Automated Outsourcing Services

General Information & Service Offering Guide



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1 GENERAL INFORMATION

About us

Automated Outsourcing Services [AOS] is an independent third party fund administration and financial services company with offices in South Africa, Guernsey and Mauritius. AOS provides customised fund administration, business and technology solutions on an outsource basis to its local and international clients through exceptional service and technology.

Our history

Established in 1997, AOS's entrepreneurial spirit and innovative business model rapidly attracted other financial services companies seeking to benefit from the cost & risk reduction value propositions that outsourcing bring. In a short space of time, AOS established its presence in South Africa as a leader in its field. In 2007, AOS reached its ambition to become South Africa's first independent majority black owned fund services, business and technology outsource company. By 2011 AOS had further expanded its operations globally by establishing an office in Mauritius.

Licenses

- FAIS Category I FSP – Intermediary Services
- FAIS Category II FSP – Discretionary FSP [Sunstrike Capital (Pty) Limited]
- FAIS Category III FSP – Administrative FSP
- Collective Investment Schemes
- Section 13B – Investment & Benefit Administrator
- Long Term Insurance (Category C)
- Nominee Company [FSB and Strate approved] – [Investors Independent Nominee (Pty) Ltd]
- Offshore Management Company – [Guernsey International Management Company Limited]
- Offshore Protected Cell Company – [The Offshore Mutual Fund PCC Limited]
- Local Management Company – [Itransact Fund Managers (Pty) Ltd]

Company and contact details

Physical Address: 15 Philips Street, Ferndale, Randburg, 2194, South Africa

Postal Address: PO Box 4769, Randburg, 2125, South Africa

Company Registration Number: 1997/013802/07

Financial Service Provider Number: 650

Tel: +27 [0] 11 561 6600

Fax: +27 [0] 11 388 1182

Email: info@aospartner.com

Shareholding

Shareholding comprises of the management of Automated Outsourcing Services (Pty) Ltd and Pan-African Capital Holdings (Pty) Ltd.

Directors

Dr I Abedian [Chairman], M R Baisley [Managing], C M Gill, L C Morel, L Solms, K Cenenda.

2 VALUE PROPOSITION

To enable financial services companies to:

- Focus on their core business activities by outsourcing their non-core activities whilst retaining control of important business outcomes
- Decrease investment in expensive capital assets and projects
- Redirect capital to core business activities
- Easily manage complex business supply chains and strategic delivery mechanisms in one convenient place
- Reduce and control operating costs such as human resources, technology (and their expensive upgrades) office space and training to name but a few
- Gain access to propriety and/or globally recognised and accepted systems and capabilities
- Enjoy access to the latest software and technology
- Access to expert business process, technology and development consultants
- Enjoy peace of mind through world class business continuity services

3 CORE COMPETENCIES

AOS provides a diverse and innovative range of professional fund administration and financial services products and related services that focus on the following core competencies:

- Exchange Traded Funds [ETF] – Branded Investment Plan Product Platforms
- Securities Trading
- Collective Investment Schemes
- Mutual Funds including Protected Cell Companies
- Wrap Funds
- Life Portfolios
- Segregated Portfolio Administration
- Retail Pension Benefit Administration
- Hedge Funds
- Investment Product Platform – ETF's, ETN's, ETF Portfolios, Retirement Annuity, Preservation Fund, Living Annuity, Unit Trusts
- Structured Products – Listed or Unlisted
- Endowment Policies
- Protected Funds
- White Labelling – PCCs, CISs, Robo Advisor, Platform Products
- Customer Interaction Centre and Reporting Platform
- Registry Services – 4AX
- Low Cost Products / Payroll Deductions
- Asset Management – Index (Passive) Solutions, Segregated Retail and Institutional Portfolios

4 SERVICE OFFERING

AOS believes that one size does not fit all and as such offers bespoke, tailor-made solutions to each client. The AOS Service offering is grouped into the following core areas of competence:

4.1 FUND ADMINISTRATION SERVICES

Transfer Agency Services

- Client record keeping
- Bank account reconciliation
- Third party and fund payment services
- Income distributions
- Trade settlements
- Fund distributions
- Commission calculation and payments
- FICA / KYC
- Fund reporting
- Contact centre services

Fund Accounting and Pricing Services

- Calculation of the net asset value and fund price (unitisation)
- Calculation of fund income and expense accruals
- Preparation of monthly and annual financial statements
- Maintenance of the fund's financial books and records
- Payment of the funds expenses
- Calculation and payment of dividends and distributions
- Corporate actions
- Settlements via custodian banks
- Fund valuations
- Regulation 28 reporting

Offshore Fund Administration Services

AOS is highly experienced in the creation and administration of offshore mutual funds. The following services are provided in conjunction with AOS's strategic offshore business partners:

- Global custody
- Compliance
- Company secretarial
- Transfer agency
- Fund accounting & pricing
- Fund structuring and listing
- Project management



AOS, in conjunction with its partners can provide investment managers with a comprehensive and professional set of outsourced fund administration solutions via our Guernsey registered principal management company.

Sub cells in AOS's protected cell company [PCC] may be rented by investment managers wishing to establish their own offshore investment funds without having to invest in onerous requirements such as substantial time, human expertise and the prohibitive capital requirements needed to establish and operate an offshore investment fund.

The rented cell may invest into other CIS's, direct equity or any other agreed and approved instruments as stipulated in the Supplemental and Scheme Particulars.

4.2 SECURITIES ADMINISTRATION SERVICES

AOS provides outsourced administration services for exchange traded fund [ETF] product providers on a full outsourced basis which includes performing the investor due diligence and providing customer interaction services to the investor. This allows retail investors to access specific product providers' ETF's and ETN's without going through a stock broker, by investing small recurring premiums or lump sums. The solution includes product provider branded investment plan platforms or a white labelled solution utilising AOS's Category III license and Nominee.

The securities services extend to products that have direct securities as their underlying investments e.g. ETF based retirement funds, portfolios and structured products.

4.3 ITRANSACT - INVESTMENT PRODUCT DISTRIBUTION PLATFORM

Itransact is an online investment product and administration platform that can administer and distribute index and securities related products such as retail Exchange Traded Funds [ETFs], Exchange Traded Notes [ETNs], structured products and notes, segregated ETF portfolios, ETF retirement and living annuities, endowments and tailor made index solutions for high net worth investors and companies.

The platform enables direct investors and financial advisors to access a diverse range of index and securities related products, via monthly debit order and lump sum investments. The platform provides full online reporting capabilities to investors and financial advisors.

Itransact currently distributes and administers over 100 index products from 11 local and international index managers and banks including Absa Capital, Barclays Satrx, BNP Paribas, Sygnia, Coreshares, Investec, Ashburton, Standard Bank, Societe Generale and Stanlib.

4.4 LOCAL AND OFFSHORE FUND SOLUTIONS

AOS has a significant stake in a local CIS management company and has the ability to offer local co-branding opportunities.

In addition, AOS also has a Guernsey domiciled white labelled protected cell company, which allows clients to “rent a cell” in the ready-made structure. The company is FSB approved should the client wish to market their offshore fund in South Africa.

4.5 TAILOR-MADE STRUCTURED PRODUCTS SOLUTIONS

AOS provides a turnkey specialist service that administers, supports and distributes tailor-made retail structured products on behalf of investment product suppliers, who wish to outsource the distribution of their structured products to investors via a national network of professional independent financial advisors who are supported by skilled business development consultants.

4.6 SEGREGATED PORTFOLIO SOLUTIONS

AOS has a majority stake in local category II financial services provider and is able to provide passive and index fund, portfolio management solutions, and administration services to both the retail and institutional market. The bespoke system used currently manages in excess of 1,100 individual fully segregated portfolios and is extremely scalable, with administration being performed by AOS.

4.7 BUSINESS & TECHNOLOGY SOLUTIONS

AOS provides a diverse range of business and technology solutions to its clients as well as the financial services industry. Knowing that every business has its own needs, we tailor out service offerings to the requirements of each of our clients. AOS is able to support open and close-ended, and multi-currency funds, through various service models.

Outsourcing is a flexible management tool which allows organisations to concentrate on their core activities. AOS has significant outsourcing experience and can provide three beneficial outsourcing models to organisations wishing to outsource their fund administration.

The main benefit for the client lies in the flexibility of the models which can be changed to best suit the organisations individual requirements.

In many cases the initial step to outsource is the hardest of all. The end objectives of full visibility of service quality, transparency of cost structures or the transfer of responsibility may be apparent but how is the objective reached? A primary decision



for every client of AOS has been to decide what they want to undertake with their own staff and that which they do not, i.e. what is core or non-core to their organisation's success?

Outsource Service Provider Model (OSP)

This model offers broad spectrum fund administration solutions and is performed 100% in-house by AOS on behalf of clients according to customised client requirements.

Application Service Provider Model (ASP)

This model allows the client to retain complete control over their operations and business process. AOS provides this model as an application on demand service using advanced and secure technologies. Through implementing an ASP model, the operational complexities and upfront software costs can be dramatically reduced. In addition, the issues around upgrading are no longer hurdles as AOS takes care of this.

Managed Service Provider Model (MSP)

This model is a hybrid between an ASP and an OSP whereby a shared business process model is employed with clear "segregation of duties" between AOS and the client. This model utilises various applications such as fully integrated electronic workflow (iFlow) as building blocks to suit a client's specific needs.

Technical support, physical and electronic security and business continuity services are all standard with the above applications.

AOS provides its clients with a powerful set of online web applications and tools that provide functions such as workflow, detailed reporting, query resolution etc. These integrated applications can be used in tandem or in isolation, to compliment your current systems, where certain functions are not yet catered for in existing applications.

iTracker

iTracker is an advanced electronic workflow and document management system that enables the management company with full front end control when managing specific investor tasks such as:

- Subscriptions / new applications
- Redemptions
- Switches & transfers

ACM

Designed with the management company in mind, ACM is a management reporting system that enables the generation of user defined financial and management reports, charts and graphs from its entire investment information base. ACM is available to the management company to generate these reports as and when required. Reports are available in various user defined formats and may be redistributed via email or downloaded as required.

iLog

iLog is an online query resolution system for the management company that allows a user to:

- Query transactions
- Request information
- Report faults and issues
- Track requests and queries
- View historic queries and requests

5 TECHNOLOGY

AOS has a unique blend of state of the art, internationally recognised and supported as well as complex in-house developed administration systems in its environment.

5.1 CORE APPLICATIONS

PFS-Paxus

PFS-Paxus is a specialist accounting and administration system developed by Pacific Fund Systems for use by the traditional and alternate fund administration industry. The system offers fund administrators a complete back-office fund accounting, portfolio valuation, fund pricing solution and shareholder recording keeping administrative solution on a single, fully integrated system that satisfies the needs of the most sophisticated fund administrators. It integrates all the processes that are normally performed on multiple systems, including: securities portfolio, allocation system, general ledger, fee calculation, share registry, investor communications and web portal, with all the benefits of a modern relational database design such as reliability and scalability. PFS-Paxus supports wholesale fund administration and the administration of all manner of open and closed ended traditional and alternative funds, including hedge funds and private equity investment vehicles.

PFS-Connect

PFS-Connect is a real-time 24/7 web portal that enables fund managers, investors and other authorised third parties to access their information online by communicating directly with the PFS-Paxus database providing users with access to the latest available information including a dashboard, fund data, portfolio analysis, documents, graphs and much more. Most configuration options are maintained in the core PFS-Paxus database, ensuring seamless integration, minimal IT support requirements, maximum reliability and ease of use.

Securities investment platform [SIP]

SIP is an in-house developed integrated application system intended specifically for use by the securities and exchange traded fund industry. This unique system caters for the complexities surrounding the specific needs of securities and ETF products. The system offers a well-defined workflow system and maintains integral procedures such



as distributions, management fees and realignments. It is designed to bulk trade with the market maker and allows online price capturing by the stock broker.

5.2 TECHNOLOGY SUPPORT

AOS supports its technology with two internal divisions, each with its own core competencies.

Information Systems (AOS-IS)

The primary focus of AOS-IS is supporting, maintaining and enhancing AOS's core business platforms that support its operational divisions such as Transfer Agency, Fund Accounting, Fund Pricing and Business Solutions. AOS employs only the best global software and solutions vendors to the financial services industry. Together with these vendors, AOS ensures that its applications and technology requirements are managed according to international best practise standards.

Information Technology (AOS-IT)

The primary focus of AOS-IT is supporting, maintaining and enhancing AOS's sophisticated and advanced hardware, infrastructure platforms and data centre, ensuring that AOS's partners enjoy maximum uptime on all systems. AOS-IT also manages supports and maintains AOS's disaster recovery systems and ensures that best practise IT security policies are tested and maintained on a regular basis.

6 CONTACT US

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