# CATEGORY I – EVERYONE EXCEPT FOR CATEGORY II – CATEGORY IV BELOW…….

# DEFINITIONS – OF OTHER CATEGORIES

# CATEGORY II - DISCRETIONARY FSP’S (MANDATED)

Applies to reps or intermediaries who use their own discretion, judgement and wisdom, within limitations of mandate provided, to make decisions on behalf of their clients regarding the choice of financial product.

Examples:

Securities & Instruments

Foreign Currency Denominated Investments

Pension Fund Investments

Long Term Insurance

Collective Investments

# CATEGORY IIA – HEDGE FUND FSP’S

Applies to reps or intermediaries that render services of a discretionary nature in relation to a particular hedge fund.

Definition of 'Hedge Fund'

An aggressively managed portfolio of investments that uses advanced investment strategies such as leveraged, long, short and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark).  
  
Legally, hedge funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment. Investments in hedge funds are illiquid as they often require investors keep their money in the fund for at least one year.

Examples: Saffex,

# CATEGORY III – ADMINISTRATIVE FSP’S Dsses greater than the rest of the market.kes position in the market to "edge againticular hedge fund.ded, to

Applies to FSP’s that render intermediary services in respect of a choice of financial products (excluding short term insurance contract or policy) specified in FAIS on the instructions of a client or another FSP and through the method of bulking. Typically “back office FSP’s”

Some types of product categories that may be affected by the Administrative Code are:

* Retail Pension Benefits
* Wholesale Pension Funds
* Participatory Interests, including Collective Investment Schemes
* Securities and Instruments.

# CATEGORY III – ASSISTANCE BUSINESS FSP’S

Applies to FSP’s that render intermediary services in relation to administration of assistance policies on behalf of the Insurer in terms of a mandate. Single need, no advice

Examples: Funeral plans sold by funeral undertakers.