

3 March 2023

Dear Investor

Proposed change of the SA Asset Management BCI Managed Fund's investment policy

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

The investment manager, Johannesburg Securities and Portfolio Management (Pty) Ltd t/a SA Asset Management (Pty) Ltd, ("SAAM"), requested us to ballot investors to obtain their approval to change the **SA Asset Management BCI Managed Fund's** investment policy to a fund of funds mandate that will invest in other funds, thus no longer investing in direct securities. The portfolio's name will change to the **SA Asset Management BCI Balanced Fund of Funds**.

How does the proposed change in investment policy impact your investment?

- It will result in better diversification and thus potentially less volatile long term investment returns and at a reduced risk level.
- It should also reduce the trading costs incurred by the portfolio as it no longer will invest in direct securities.
- The ASISA category will remain unchanged, and the portfolio will continue to be managed in compliance with prudential investment guidelines for retirement funds.

All investors in the portfolios are given an opportunity to vote in favour of, or against the proposed amendment in the investment policy in terms of clause 67 of the Deed. For the ballot to be successful a response rate of at least 25% of total assets per portfolio is required, of which more than 50% should vote in support.

Action required

Kindly study this document, complete the attached form and return it to our auditors by no later than **28 April 2023**. The similarities and differences between the portfolios are illustrated in *Annexure A*.



1. Please complete and sign the enclosed ballot form and return it in the enclosed self-addressed envelope (where applicable) **or** via email to za_bciballots@pwc.com
2. If you have disposed of your participatory interests, no action is required.
3. **If you do not vote, then your vote will not be taken into account – so please vote.**

Please do not include any other instructions regarding your holdings with your ballot form, for example requests for purchases, switching instructions, etc. Your ballot form will go directly to our auditors and should such instructions be sent to the auditors, it will not be processed.



We will appreciate a vote in support.

Your rights as an investor

The rights of investors are firmly entrenched in the Act and the Deed:

1. All investors in the portfolios are given an opportunity to vote in favour of, or against, the proposals above.
2. An independent auditor will verify the outcome of the ballot.
3. Should you not be comfortable with the proposal in so far as they relate to the portfolio in which you hold participatory interests, you may switch your investments to any of the Boutique Collective Investment Scheme portfolios, at no switching cost, provided we receive your switching instructions before 31 May 2023. Should you not be comfortable with the proposal and do not wish to switch your investments to any of the Boutique Collective Investment Scheme portfolios, you may elect to redeem your participatory interests at any time and withdraw your money at the NAV price, as defined in the Deed, subject to that it is a discretionary investment. **By electing to redeem or switch your participatory interests, it will constitute a CGT event for which you will be liable to pay CGT at your next income tax assessment.**
4. If you choose not to switch or withdraw your investments prior to 31 May 2023, the proposals as set out in this letter (to the extent that they are approved by investors) will automatically apply to your investment.



Effective date

The effective date of the proposed investment policy change shall be 31 May 2023, provided that the necessary consent is obtained from investors and the Financial Sector Conduct Authority.



For more information

If you are in any doubt as to what action to take, please consult your financial advisor or call BCI at 021 007 1500.

Attachments

Annexure A: Comparison between current and proposed portfolio and impact of changes

Annexure B: Ballot form

Yours faithfully



Gregory Abrahams

Managing Director





Annexure A: Portfolio Comparisons

SA Asset Management BCI Managed Fund (current)	SA Asset Management BCI Balanced Fund of Funds (proposed)	Notes
<p>Investment policy The SA Asset Management BCI Managed Fund is a managed portfolio that seeks to sustain a high long-term total return.</p> <p>The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act and the portfolio's net equity exposure will range between 0% and 75% of the portfolio's net asset value.</p> <p>In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing instruments, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. Where the aforementioned schemes are operated in territories other than South Africa, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is, to the satisfaction of the manager and the trustee, of sufficient standard to provide investor protection at least equivalent to that in South Africa.</p> <p>The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio's investment objective. The manager may include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.</p> <p>The portfolio's equity exposure percentage will not be the same as any other SA Asset Management co-branded portfolio's percentage equity exposure.</p>	<p>Investment policy The SA Asset Management BCI Balanced Fund of Funds aims to provide investors with a moderate to high long term total return.</p> <p>The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act and the portfolio's net equity exposure will range between 0% and 75% of the portfolio's net asset value.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, consist of participatory interests and other forms of participation of local and global collective investment schemes, or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective, investing in, amongst others, equity securities, property securities, non-equity securities, money market instruments, preference shares, listed and unlisted financial instruments, bonds and other interest-bearing instruments and securities.</p> <p>To the extent that the assets in the portfolio are exposed to exchange rate risk, the manager may enter into financial transactions for the exclusive purpose of hedging such exchange rate risk subject to the conditions and limits as stipulated by the Act.</p>	<p>Slightly lower risk profile resulting in less volatile long term returns.</p> <p>Similar</p> <p>Change from a standard mandate investing in direct securities to a fund of funds portfolio that invest in other portfolios only. It should result in better manager and holdings diversification.</p> <p>Similar</p> <p>No longer relevant.</p>



<p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	Similar
<p>Annual service fee (excluding VAT) Class A: 1.10%</p> <p>Performance fees None</p>	<p>Annual service fee (excluding VAT) Class A: 1.10%</p> <p>Performance fees None</p>	No change
<p>Income distribution declaration 30 June and 31 December</p>	<p>Income distribution declaration 30 June and 31 December</p>	No change
<p>Benchmark ASISA SA Multi Asset High Equity category average</p>	<p>Benchmark ASISA SA Multi Asset High Equity category average</p>	No change
<p>ASISA Category SA Multi Asset High Equity</p>	<p>ASISA Category SA Multi Asset High Equity</p>	No change





Annexure B: Ballot form: Proposed SA Asset Management BCI Managed Funds investment policy change

I, the undersigned,
(please print full names*)

account number.....

date of birth/registration number

Linked Services Product company name, if any:

+ do hereby vote to accept/reject the proposals as set out in annexure A to the ballot letter (please mark with a "X"):

		ACCEPT	REJECT
1	Amend the SA Asset Management BCI Managed Funds' investment policy to a fund of funds mandate, to be known as the SA Asset Management BCI Balanced Fund of Funds		

SIGNED AT _____ on this day of _____ 2023

(please sign in full)

If you are signing in a representative capacity, please insert your own name and the name of the person / trust / deceased estate / company / close corporation on whose behalf you are signing.

+ Note: Please complete, sign and return the ballot form to our auditors in the enclosed pre-paid, self-addressed envelope (if applicable) **or** via email to za_bciballots@pwc.com, to reach them by no later than midnight on 28 April 2023.