

**24 November 2023**

Dear Investor

## **Amalgamation between the STANLIB Balanced Fund and the STANLIB Multi-Asset Growth Fund**

In reviewing our existing multi-asset offerings, we have been guided by the reality that in a world of lower growth and increased volatility, delivering consistent multi-asset returns aligned with clients' expected investment outcomes requires a more flexible approach. Over the past four years, we have developed a multi-strategy capability within STANLIB with an investment process and philosophy geared for greater flexibility.

Amalgamating the two portfolios will result in:

- the increase in size and scale will result in improved fund performance; and
- improved operational efficiency and focused portfolio management in achieving return objectives.

As an investor in the STANLIB Balanced Fund, we request that you participate in a ballot on a proposed amalgamation of the STANLIB Balanced Fund and the STANLIB Multi-Asset Growth Fund.

To make this change, we request your consent by way of a ballot. This will allow us to obtain approval from the Financial Sector Conduct Authority. The ballot process was approved by the Financial Services Conduct Authority (FSCA) and our independent trustees, Standard Chartered Bank. The ballot results will be audited by PricewaterhouseCoopers (PWC).

The enclosed documents outline the details of the changes we propose, as well as the process we intend to follow. Kindly note the proposed changes that apply to the fund(s) in which you are invested. Please read the enclosed ballot pack carefully and return your ballot form(s) to the appointed auditors, PWC, in the self-addressed envelope, or scan and email the form to [za\\_ballots@pwc.com](mailto:za_ballots@pwc.com) by **09 January 2024**.

If you require more information, please speak to your financial adviser or call our Contact Centre on 0860 123 003 (Monday to Friday, 8am to 5pm).

Yours sincerely,

**René Miles**

Chief Operating Officer: STANLIB Retail

# Proposed Amalgamation of Portfolios under the STANLIB Collective Investment Scheme (“the Scheme”)

---

24 November 2023

Dear Investor

## Important: This letter requires your immediate attention and action

The purpose of this letter is to inform you of the proposed amalgamation of the **STANLIB Balanced Fund** and the **STANLIB Multi-Asset Growth Fund**, and to provide you with sufficient information to vote on this proposal.

**Proposal:** To amalgamate the STANLIB Balanced Fund with the STANLIB Multi-Asset Growth Fund

## Background to the portfolio amalgamation proposal

STANLIB Collective Investments (RF) (Pty) Ltd (“STANLIB”) has accepted strategic proposals to amend certain of the Scheme’s portfolios for the benefit of investors. To this end STANLIB wishes to accept proposals from STANLIB Asset Management Pty Limited to effect certain investment policy amendments and to amalgamate certain of the Scheme’s portfolios, with the aim of streamlining the portfolio range.

In reviewing our existing multi-asset offerings, we have been guided by the reality that in a world of lower growth and increased volatility, delivering consistent multi-asset returns aligned with clients’ expected investment outcomes requires a more flexible approach. Over the past four years, we have developed a multi-strategy capability within STANLIB with an investment process and philosophy geared for greater flexibility. Amalgamating the two portfolios will result in:

- the increase in size and scale will result in improved fund performance; and
- improved operational efficiency and focused portfolio management in achieving return objectives.

The investment policy of the **STANLIB Multi-Asset Growth Fund** will remain unchanged and therefore the portfolio is expected to retain its past track record. The primary objective of the **STANLIB Multi-Asset Growth Fund** will remain to provide capital growth over the long term while managing risk of capital loss through asset class diversification. It shall remain as a high equity multi-asset high portfolio.

As an investor in the affected portfolios, you need to vote on the proposed amalgamation, and this letter provides you with detailed information and facts to enable you to make an informed decision.

## Action required from you

- Please vote by completing the enclosed ballot form and return it to the auditors in the enclosed self-addressed envelope or scan and email the form directly to the auditors at [za\\_ballots@pwc.com](mailto:za_ballots@pwc.com) by **09 January 2024**.
- **Please do not include any other instructions regarding your holdings with your ballot form** – e.g. requests for repurchases, switching instructions, etc. will not be possible to implement with this ballot because ballot forms are addressed directly to the auditors who will not act on any transaction requests that may be included. (Please refer to our website: [www.stanlib.com](http://www.stanlib.com) for applicable forms for transactions.)
- If you have disposed of your investment(s), no action is required to vote.

## Impact of proposed amalgamation

### **Amalgamation of portfolios**

A summary of the proposed amalgamation can be found in Annexure - I.

### **Portfolio management**

STANLIB Asset Management Pty Limited will remain responsible for the investment management of the portfolio.

### **Effective date of ballot and cut-off date for instructions prior to the implementation of the proposed change**

All investors on record as at **15 November 2023** will be balloted. The proposed amalgamation of portfolios will be executed starting on **09 February 2024**, given that the necessary approval is received from investors and the Financial Sector Conduct Authority”).

### **Cut-off date for instructions prior to the implementation of the proposed changes**

Kindly note that no transaction instructions (new investments, additional investments, switches and withdrawals) will be accepted for the affected portfolios for approximately one week before the proposed amalgamation. STANLIB will therefore not be able to action any portfolio instructions between the trading closing time on **02 February 2024** and **09 February 2024**. This is to ensure that accurate, complete and up to date data is used for the purposes of the amalgamation.

## How will the proposed amalgamation affect your investment?

### 1. Value of investment

There will be no effect on the value of your investment as a result of the proposed amalgamation. For example, if you have R1000 worth of participatory interests in your current portfolio prior to the proposed changes, you will hold R1000 worth of participatory interests after the proposed changes.

### 2. Taxation implications

#### Capital Gains Tax (CGT) implications

There will be no capital gains implications as a result of the proposed amalgamation. However, should you elect to sell or switch any or all of your participatory interests, it will be viewed as a normal transaction and Capital Gains Tax may apply in that instance.

#### Special Distribution

The proposed amalgamation will result in the following:

- A special dividend will be paid on the date of the proposed amalgamation to all existing investors in accordance with income earned in your respective portfolios over the period from the last income distribution date to the date of the proposed amalgamation. STANLIB will withhold the necessary dividends tax on this dividend.
- Once the STANLIB Balanced Fund has amalgamated with the STANLIB Multi-Asset Growth Fund, the STANLIB Balanced Fund will be closed. Should you be due a tax refund, you will need to claim the refund directly from the South African Revenue Services (SARS).

### 3. Charges

No additional fees, charges, taxes or brokerage will be borne by either investors or the portfolio as a result of the proposed amalgamation. STANLIB will carry all costs relating to the proposal.

### 4. Distributions and special distribution

The distribution frequency of the STANLIB Multi-Asset Growth Fund will remain unchanged. As the amounts and income distribution dates of portfolios do not always coincide, a special dividend will be distributed on the date of the proposed amalgamation of the portfolios. The special dividend will be calculated separately for each portfolio and paid to the respective investors before the proposed portfolios are amalgamated.

### 5. Changes in policies and conditions of investment

All the differences in respect of the two portfolios proposed for amalgamation are outlined in Annexure - I.

## Your rights as an investor and the ballot process

In terms of Section 99 of the Collective Investment Schemes Control Act 45 of 2002, the Financial Sector Conduct Authority requires that **all investors** in the **STANLIB Balanced Fund** and the **STANLIB Multi-Asset Growth Fund** under the STANLIB Collective Investment Scheme are notified in writing of any proposed changes to the portfolios in which they hold a participatory interest. All affected investors are balloted so they can vote on the proposed amalgamation. Investors who do not return the completed amalgamation ballot form within the stipulated time will be deemed to have voted in favour of the proposed amalgamation.

Please note that in terms of the Act, the Financial Sector Conduct Authority will not grant his consent unless he is, *inter alia*, satisfied that the proposed amalgamation will not be detrimental to any investor. The Trustees of the Scheme, Standard Chartered Bank, have considered and consented to the proposed process.

Should you not agree with the proposed amalgamation of portfolios, you may elect at any time to switch your holdings to another portfolio, or to dispose of your holdings and withdraw your funds at the net asset value (NAV) price, as defined in the deed. **Should you elect to sell, switch any or all your participatory interests, it will be viewed as a normal transaction and Capital Gains Tax may apply in that instance.**

If you choose not to withdraw your funds prior to **09 February 2024**, the proposed amalgamation, as set out in this letter, will automatically apply to your investment, should they be consented to in terms of the ballot process.

## Conclusion

STANLIB appreciates your effort and time to consider the proposed amalgamation of the STANLIB Balanced Fund with the STANLIB Multi-Asset Growth Fund as set out in Annexure – I. I wish to encourage you to cast your vote in respect of the proposed amalgamation and if you require further information regarding the ballot process or its implication, please call STANLIB on (0860) 123 003 or email to [Contact@stanlib.com](mailto:Contact@stanlib.com).

Sincerely

**René Miles**

Chief Operating Officer: STANLIB Retail

## Annexure - I

Source Portfolio <b>STANLIB Balanced Fund</b>	Target Portfolio <b>STANLIB Multi-Asset Growth Fund</b>	Changes and impact
<p><b>INVESTMENT POLICY</b></p> <p>The portfolio's main objective is to generate a reasonable level of current income and capital growth for the investor.</p> <p>The investment policy of the portfolio is to provide a medium whereby investors can obtain undivided participation in a diversified portfolio of investments in securities, non-equity securities and assets in liquid form, as set out below. The main objective in selecting investments in securities, non-equity securities and assets in liquid form is to generate a reasonable level of current income and capital growth for the investor. This objective will be achieved by a diversified spread of the investments in securities, non-equity securities and assets in liquid form in a manner which is similar to that usually employed by retirement schemes.</p> <p>To achieve the objectives the investments in securities, non-equity securities and assets in liquid form in the portfolio would normally include financially sound ordinary shares, preference shares, loan stock, debenture stock, debenture bonds, unsecured notes, participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes as the Act may allow from time to time.</p> <p>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 and of sufficient standard to provide investor protection at least equal to that in South Africa.</p> <p>The investments in securities and non-equity securities in the portfolio would normally also include investments in property shares and property loan stock, and assets in liquid form, all to be acquired at fair market prices. Furthermore, as permitted by legislation, the portfolio may also include securities listed on any exchange outside the Republic or interest bearing instruments in the currency of a country other than the Republic of South Africa, which may only be included in this portfolio if it complies with a grade A and higher from Standard &amp; Poor's or Moody's Investors Services Ltd, or such other rating agencies as defined in the Act from time to time, provided further that, if the grading of an instrument differs between rating agencies, the lower of the gradings will apply.</p> <p>Nothing in this supplemental deed shall preclude the manager from varying the ratios of securities to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange and from retaining cash or placing cash on deposit in terms of the deed and supplemental deeds thereto; provided that the manager shall ensure that the aggregate value of the assets comprising the portfolio shall consist of securities, non-equity securities and assets in liquid form of the aggregate value required from time to time by the Act.</p> <p>For the purpose of the portfolio the manager shall reserve the right to close the portfolio to new investors on a date as 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 at 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. Provided that nothing contained in this supplemental deed, the deed and any supplemental deeds thereto shall preclude the manager from purchasing for the portfolio securities and from retaining cash in the portfolio and / or placing cash on deposit in terms of the deed, the supplemental deeds thereto and this supplemental deed.</p>	<p><b>INVESTMENT POLICY</b></p> <p>The investment objective of the STANLIB Multi-Asset Growth Fund is to provide capital growth over the long term while managing risk of capital loss through asset class diversification by blending a broad range of active and passive investment strategies and approaches in a style-agnostic manner.</p> <p>In order to achieve this objective, the STANLIB Multi-Asset Growth Fund, a Multi-Asset Portfolio will primarily invest in a diversified blend of debt and equity markets both locally and offshore and can assume exposure to a wide range of other asset classes including but not limited to notes, bonds, money market instruments, debentures, and listed property as permitted by the Act from time to time. Due to the growth orientated nature of the portfolio, it can experience some volatility in the short term whilst it seeks to maximise long term capital growth. The maximum effective equity exposure of the fund will be 75%.</p> <p>The STANLIB Multi-Asset Growth Fund will predominately invest in South African markets however is permitted to include investments in offshore jurisdictions subject to the investment conditions determined by legislation from time to time.</p> <p>The STANLIB Multi-Asset Growth Fund will be managed in compliance with the Prudential Investment Guidelines that are applicable to retirement funds from time to time.</p> <p>The STANLIB Multi-Asset Growth Fund may utilise 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.</p> <p>The portfolio may also invest in assets in liquid form as permitted by the Act and the Regulations thereto from time to time and invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes in line with the investment objective of the fund 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 equal to that in South Africa.</p> <p>Nothing contained herein shall preclude the manager from varying the ratio of securities to best position the portfolio to achieve its objective in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange recognised in terms of the Act and from retaining cash or placing cash on deposit in terms of the deed and any supplemental deeds thereto.</p> <p>For the purpose of the STANLIB Multi-Asset Growth Fund 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 fund 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.</p>	<p>Similar. Investment objective is to provide capital growth for investors across both source and target portfolios.</p> <p>Similar. In order to obtain the investment objective, both portfolios may invest in a mix of a diversified portfolio of investments in securities, non-equity securities, property and assets in liquid form.</p> <p>Similar. The ASISA SA Multi Asset High Equity category limits the maximum equity exposure to 75%. No impact as the source portfolio has to adhere to the 75% limit as well. Both comply with prudential requirements.</p> <p>This allows the target portfolio to take out protection during periods of volatility although they don't have to do so.</p> <p>No change</p> <p>No change</p> <p>No change</p> <p>No change</p>
<p><b>DISTRIBUTION</b></p>	<p><b>DISTRIBUTION</b></p>	

Distribution is semi-annually not later than the last business day of January and July of each year.	Distribution is semi-annually not later than the last business day of January and July of each year.																																											
<b>BENCHMARK</b> Peer Group Average (SA Multi-Asset High Equity category)	<b>BENCHMARK</b> Peer Group Average (SA Multi-Asset High Equity category)																																											
<b>ASISA CATEGORY</b> SA – Multi-Asset – High Equity	<b>ASISA CATEGORY</b> SA – Multi-Asset – High Equity																																											
<b>Source Portfolio</b> <b>STANLIB Balanced Fund</b>	<b>Target Portfolio</b> <b>STANLIB Multi-Asset Growth Fund</b>																																											
<p><b>IMPACT OF THE PROPOSED AMALGAMATION ON:</b></p> <p><b>Investment policy</b> The investment policy of the STANLIB Balanced Fund is to provide a medium whereby investors can in a diversified portfolio of investments in securities, non-equity securities and assets in liquid form whereas the investment policy of the STANLIB Multi-Asset Growth Fund which is a Multi-Asset Portfolio may primarily invest in a diversified blend of debt and equity markets both locally and offshore. Other differences in the STANLIB Balanced Fund and the STANLIB Multi-Asset Growth Fund are as outlined above.</p> <p><b>Distribution:</b> The STANLIB Balanced Fund and STANLIB Multi-Asset Growth Fund both distribute income semi-annually. Furthermore, a special distribution will take place on the proposed amalgamation date.</p> <p><b>Portfolio benchmark:</b> The benchmark of the STANLIB Multi-Asset Growth Fund is the same as that of the STANLIB Balanced Fund. Therefore, there will be no change.</p> <p><b>ASISA classification:</b> There will be no change in the ASISA classification of the STANLIB Multi-Asset Growth Fund.</p> <p><b>Classes of participatory interests and fees:</b></p> <table border="1"> <thead> <tr> <th>Class</th> <th>STANLIB Balanced Fund</th> <th>Service Fee, ex VAT</th> <th></th> <th>Class</th> <th>STANLIB Multi-Asset Growth Fund</th> <th>Service Fee, ex VAT</th> </tr> </thead> <tbody> <tr> <td>Class B1</td> <td>STANLIB Balanced Fund B1</td> <td>1.00%</td> <td>Moves to</td> <td>Class B1</td> <td>STANLIB Multi-Asset Growth Fund B1</td> <td>1.00%</td> </tr> <tr> <td>Class R</td> <td>STANLIB Balanced Fund R</td> <td>1.00%</td> <td>Moves to</td> <td>Class B1</td> <td>STANLIB Multi-Asset Growth Fund B1</td> <td>1.00%</td> </tr> <tr> <td>Class B2</td> <td>STANLIB Balanced Fund B2</td> <td>0.00%</td> <td>Moves to</td> <td>Class B2</td> <td>STANLIB Multi-Asset Growth Fund B2</td> <td>0.00%</td> </tr> <tr> <td>Class B4</td> <td>STANLIB Balanced Fund B4</td> <td>0.75%</td> <td>Moves to</td> <td>Class B4</td> <td>STANLIB Multi-Asset Growth Fund B4</td> <td>0.75%</td> </tr> <tr> <td>Class C3</td> <td>STANLIB Balanced Fund C3</td> <td>0.85%</td> <td>Moves to</td> <td>Class C3</td> <td>STANLIB Multi-Asset Growth Fund C3</td> <td>0.85%</td> </tr> </tbody> </table> <p>The proposed amalgamation will not result in higher charges for investors in the portfolios.</p>		Class	STANLIB Balanced Fund	Service Fee, ex VAT		Class	STANLIB Multi-Asset Growth Fund	Service Fee, ex VAT	Class B1	STANLIB Balanced Fund B1	1.00%	Moves to	Class B1	STANLIB Multi-Asset Growth Fund B1	1.00%	Class R	STANLIB Balanced Fund R	1.00%	Moves to	Class B1	STANLIB Multi-Asset Growth Fund B1	1.00%	Class B2	STANLIB Balanced Fund B2	0.00%	Moves to	Class B2	STANLIB Multi-Asset Growth Fund B2	0.00%	Class B4	STANLIB Balanced Fund B4	0.75%	Moves to	Class B4	STANLIB Multi-Asset Growth Fund B4	0.75%	Class C3	STANLIB Balanced Fund C3	0.85%	Moves to	Class C3	STANLIB Multi-Asset Growth Fund C3	0.85%	
Class	STANLIB Balanced Fund	Service Fee, ex VAT		Class	STANLIB Multi-Asset Growth Fund	Service Fee, ex VAT																																						
Class B1	STANLIB Balanced Fund B1	1.00%	Moves to	Class B1	STANLIB Multi-Asset Growth Fund B1	1.00%																																						
Class R	STANLIB Balanced Fund R	1.00%	Moves to	Class B1	STANLIB Multi-Asset Growth Fund B1	1.00%																																						
Class B2	STANLIB Balanced Fund B2	0.00%	Moves to	Class B2	STANLIB Multi-Asset Growth Fund B2	0.00%																																						
Class B4	STANLIB Balanced Fund B4	0.75%	Moves to	Class B4	STANLIB Multi-Asset Growth Fund B4	0.75%																																						
Class C3	STANLIB Balanced Fund C3	0.85%	Moves to	Class C3	STANLIB Multi-Asset Growth Fund C3	0.85%																																						

## STANLIB Collective Investments (RF) (Pty) Ltd

### Ballot Form (for Investors via LISP)

---

#### *Instructions for completing the form*

- The ballot is to be completed by ALL investors in the two STANLIB Collective Investment Scheme portfolios that are being proposed for amalgamation, namely **STANLIB Balanced Fund** and **STANLIB Multi-Asset Growth Fund**.
- Please read and complete all fields on this ballot form as instructed and return it to the auditors in the enclosed self-addressed envelope or scan and email directly to the auditors at **za\_ballots@pwc.com**.
- Failure to complete all required sections will render the vote invalid.

Name of Entity: \_\_\_\_\_

*(Only applicable if you are signing the form in a representative capacity, i.e. on behalf of an investor/ deceased estate/company / close corporation/ retirement annuity fund/ pension fund/ provident fund/ preservation fund)*

LISP Name: \_\_\_\_\_

Investor Name: \_\_\_\_\_

*(Please print full names and surname)*

Account Number: \_\_\_\_\_

#### *Please vote as detailed below*

I, the undersigned,

1. Accept

Reject

the proposed amalgamation of **the STANLIB Balanced Fund** with the **STANLIB Multi-Asset Growth Fund**, both under the STANLIB Collective Investment Scheme.

*(To be completed by ALL current investors in both portfolios)*

in accordance with the ballot process as provided for in terms of Section 99 of the Collective Investment Schemes Control Act No 45 of 2002, the details which are set out in the letter from STANLIB dated **24 November 2023**.

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature \_\_\_\_\_