

16 September 2021

Dear valued investor

## **Proposed changes to the investment policy and name of the Sanlam Investment Management (“SIM”) Active Income Fund**

***This letter is important and requires your immediate attention.***

The purpose of this letter is to inform you of the proposed changes to the investment policy as well as the name of the **SIM Active Income Fund** and to provide you with sufficient information in order to vote on this proposal.

This ballot to change the investment policy is conducted at the request of Sanlam Investment Management (Pty) Ltd (FSP no 579), being the investment manager of this portfolio.

We would therefore like to amend the investment policy to explicitly state that the portfolio will only invest in South African assets. Although this portfolio may invest up to 30% in foreign assets, it has since inception been managed as an “SA” only fund. The investment policy will therefore, following a successful ballot, prohibit any foreign investment and will only allow the investment manager to invest in local assets.

We furthermore propose to align the name of the portfolio with the investment policy, resulting in a name change from:

### **Sanlam Investment Management Active Income Fund**

to

### **Sanlam Investment Management SA Active Income Fund**

Please note that, following a successful ballot, we intend applying for a new SIM Active Income Fund which will allow exposure to foreign assets of up to 30% (outside of South Africa) and 10% in Africa (excluding South Africa) for investors seeking a fund with international allocations.

### **Action required**

1. Please read this circular on the proposed changes to the portfolio, your rights as an investor and the impact this will have on your investment.
2. Please complete the enclosed ballot form and email it directly to our external auditors, Ernst & Young, at [sciballot2019@za.ey.com](mailto:sciballot2019@za.ey.com) on or before **28 October 2021**.
3. Please do not include any other instructions regarding your holdings with your ballot form, e.g. requests for purchases, switching instructions, etc. Your ballot form will go directly to our auditors and, should such instructions be sent to the auditors, we cannot guarantee that any instruction subsequent to the commencement of the ballot process will be processed.

#### **Sanlam Collective Investments**

2 Strand Road, Bellville 7530 | PO Box 30, Sanlamhof 7532,  
South Africa

Sanlam Collective Investments (RF) (Pty) Ltd Reg no 1967/002865/07  
Refer to the Sanlam website for directors and company secretary details.

T +27 (0)21 916 1800  
F +27 (0)21 947 8224  
E [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)

[www.sanlamunitrusts.co.za](http://www.sanlamunitrusts.co.za)



If you are no longer invested in this portfolio, no action is required.

### **Effective date of change**

The effective date of the proposed name change and change in the investment policy of the portfolio will be **1 December 2021**, provided that the necessary consent is obtained from investors and the Financial Sector Conduct Authority (FSCA).

### **Charges, performance and unit pricing**

Investors will not be liable for the payment of any additional fees, charges, taxes or brokerage as a result of the investment policy and name changes.

### **Your rights as an investor**

The rights of investors are firmly entrenched in the Collective Investment Schemes Control Act, 45 of 2002 ("the Act"). In terms of section 98 of the Act and Clause 67 of the Deed, at least 25% of investors (in value) must respond to the ballot, of which the majority of the 25% must consent to the change. Furthermore, the FSCA requires that:

- All investors are given an opportunity to vote in favour of, or against, the proposed change.
- An independent auditor will verify the outcome of the ballot.
- All investors will be notified in writing of any proposed material changes to the collective investment schemes and portfolios in which they hold units, and
- All investors will be balloted in order for them to vote on the proposed changes.

### **COVID-19 contingency**

Due to the impact of the current COVID-19 crisis, we have implemented various contingency plans, amongst others:

- In the event that you are unable to provide us with a copy of your signed ballot letter, then please contact us via email or call us at the number below and we will arrange for alternative arrangements to assist you in getting your vote to the auditors before the due date.
- In the event of the ballot being aborted or delayed before the response deadline, 28 October 2021, we will stop the ballot process. In such case, we will agree a new effective date with the FSCA and recirculate ballot letters once we can recommence with the ballot process.
- In the event that the response deadline is met and the ballot is successful, but the effective date has to be postponed, then we will agree a new effective date with intermediary investment platforms and obtain approval from the FSCA, where after we will notify investors of the change.

**If you choose not to switch or sell your funds prior to the effective date of the change of investment policy, as set out in this letter (if approved by investors), the amended investment policy will automatically apply to your investment.**

Should you require further information on the proposed change or should you wish to exercise your right to switch or sell any of your investments, please contact your financial adviser or call our client service centre on 0860 100 266. You are also welcome to send an email to [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com).

**Attachments**

- Annexure A
- Ballot Form

Yours faithfully

**YOUR UNIT TRUST SERVICE TEAM  
SANLAM COLLECTIVE INVESTMENTS**

Current investment policy	Proposed new investment policy	Changes and impact
<p>The SIM Active Income Fund’s objective is to provide a high level of income and maximize return by actively positioning this portfolio between income yielding securities, depending on the investment manager’s view of prevailing economic environment and interest rate cycles.</p> <p>The portfolio will invest in assets in liquid form, and in high yielding non-equity securities for example corporate and government bonds and other fixed interest securities, preference shares which are classified as non-equity securities, parastatal fixed interest securities, money market instruments, property and securitized instruments. The portfolio will have flexibility to invest across the duration, credit and yield spectrum. This is an actively managed and widely diversified income fund.</p> <p>The portfolio will also be allowed to invest in financial instruments as allowed by the Act.</p> <p>The portfolio may also invest in participatory interests of collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to</p>	<p>The Sanlam Investment Management SA Active Income Fund’s objective is to provide a high level of income and maximize return by actively positioning this portfolio between income yielding securities, depending on the investment manager’s view of prevailing economic environment and interest rate cycles.</p> <p>The portfolio will invest in assets in liquid form, and in high yielding non-equity securities for example corporate and government bonds and other fixed interest securities, preference shares which are classified as non-equity securities, parastatal fixed interest securities, money market instruments, property and securitized instruments. The portfolio will have flexibility to invest across the duration, credit and yield spectrum. This is an actively managed and widely diversified income fund.</p> <p>The portfolio will also be allowed to invest in financial instruments as allowed by the Act.</p> <p>The portfolio may also invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa. <u>Any exposure to underlying collective investment schemes will not include foreign</u></p>	<p>The changes to the investment policy have been underlined for easy reference. As this portfolio is being managed as an SA only fund with no foreign exposure, there is no impact on investors.</p> <p>As the investment policy now explicitly states that the portfolio may not hold any foreign assets, the investment manager is required to manage the portfolio in accordance with these changes.</p>

**Sanlam Collective Investments**

2 Strand Road, Bellville 7530 | PO Box 30, Sanlamhof 7532, South Africa

Sanlam Collective Investments (RF) (Pty) Ltd Reg no 1967/002865/07  
Refer to the Sanlam website for directors and company secretary details.

T +27 (0)21 916 1800  
F +27 (0)21 947 8224  
E [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)

[www.sanlamunitrusts.co.za](http://www.sanlamunitrusts.co.za)



<b>Current investment policy</b>	<b>Proposed new investment policy</b>	<b>Changes and impact</b>
<p>the satisfaction of the Manager and the Trustee of a sufficient standard to provide investor protection which is at least equivalent to that in South Africa. The portfolio will have a mandate that supports the investment objective and mandate of the SIM Active Income Fund. The portfolio will at all times comply with regulations governing pension funds.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p><u>collective investment schemes.</u> The portfolio will have a mandate that support the investment objective and mandate of the portfolio. The portfolio will at all times comply with regulations governing pension funds.</p> <p><u>The portfolio will not be allowed to invest in foreign assets.</u></p>	

# SANLAM COLLECTIVE INVESTMENTS

## BALLOT FORM

Complete and return the Ballot Form to [sciballot2019@za.ey.com](mailto:sciballot2019@za.ey.com) on or before 28 October 2021.

I, the undersigned,


*(full names\*)*

*(investor code(s))*

*(identity number/date of birth)/registration number of company or trust)*

*(Name of Linked Investment Services Provider (if applicable) and account number(s))*

hereby:

(a)	ACCEPT	
-----	--------	--

(b)	REJECT	
-----	--------	--

**(Please tick the applicable box)**

the proposed changes to the name and the investment policy of the SIM Active Income Fund in terms of Section 98 of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), and Clause 67 of the Deed as set out in the letter of 16 September 2021 from Sanlam Collective Investments (RF) (Pty) Ltd.

SIGNED AT \_\_\_\_\_ ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2021.

\_\_\_\_\_  
**(Please sign in full)**

\_\_\_\_\_  
**Capacity if signing on behalf of a third party**

*\* If you are signing in a representative capacity, please insert your own name, the name of the investor / trust / deceased estate / company / close corporation / retirement annuity fund / pension fund / preservation fund on whose behalf you are signing, and your designation.*