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31 March 2017

Investor Number: 1297454

Dear investor,

### **A simplified fund offering to meet your investment needs**

In order to assist you, our investors in navigating a fast-changing, increasingly complex and interconnected world, we are simplifying our fund offerings. In response to your needs and requests, we are proposing to amalgamate several funds and amend some of the investment policies under the STANLIB Collective Investment Scheme.

We believe these proposals are in your best interests. The proposed changes enable us to remove redundant and overlapping mandates, allowing for more focus on performance management across fewer funds. This will further allow for the sharing of fixed trading costs over a larger investor base, which will reduce investment charges payable per investor. Additional benefits will be to streamline operations, resulting in an improved service offering. Please be assured that you will not incur any additional costs for these proposed changes. All associated costs will be covered by STANLIB Collective Investments (RF) Propriety Limited.

We have taken specific care to ensure that the proposed changes do not alter funds' risk exposure, income profiles and/or growth opportunities.

In order to execute on these proposed changes, we need your consent by way of a ballot process. This will allow us to obtain approval from the Registrar of the Collective Investment Schemes Control Act (CISCA). The ballot process has been approved by the Financial Services Board (FSB) and our independent trustees, Standard Chartered Bank. The ballot results will be audited by SizweNtsalubaGobodo (SNG).

The enclosed documentation outlines the details on the proposed changes, as well as the process we intend to follow in executing these changes. Please read the enclosed ballot pack carefully and return your ballot form(s) to the appointed auditors, SNG, in the self-addressed envelope or scan and e-mail the form to [ballots@sng.za.com](mailto:ballots@sng.za.com) by 9 June 2017.

If you require further information, please speak to your financial adviser or call our Contact Centre on 0860 123 003 (Monday to Friday 08h00 to 17h00, Saturday 08h30 to 11h00).

Regards,

**Anthony Katakuzinos**

Chief Operating Officer: STANLIB Retail

### Proposed Investment Policy Amendment under the STANLIB Collective Investment Scheme (“the Scheme”)

31 March 2017

Dear investor,

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

The purpose of this letter is to inform you of the proposed amalgamations to absorb and amalgamate certain of the Scheme’s domestic equity portfolios into the STANLIB SA Equity Fund. The letter also provides you with sufficient information to vote on these proposals.

<b>Proposal 1</b>	To absorb into and amalgamate the STANLIB Value Fund with	the STANLIB SA Equity Fund
<b>Proposal 2</b>	To absorb into and amalgamate the STANLIB Capital Growth Fund with	
<b>Proposal 3</b>	To absorb into and amalgamate the STANLIB Financials Fund with	
<b>Proposal 4</b>	To absorb into and amalgamate the STANLIB Resources Fund with	
<b>Proposal 5</b>	the STANLIB SA Equity Fund	

### Background to the investment policy amendment proposal

STANLIB Collective Investments (RF) 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 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 view of market trends, STANLIB is proposing moving away from style-based and sector-based portfolios to general equity portfolios. The interests of investors will be best served with the proposed amalgamations of the six portfolios, as outlined above. Furthermore, the investment policy of the STANLIB SA Equity Fund will remain unchanged and this will allow the portfolio to retain its past track record. The benefits of these proposed portfolio amalgamations will include shared fixed trading costs over a larger investor base, thereby enabling investors in the portfolios to derive more value from the amalgamated portfolio

The primary objective of the **STANLIB SA Equity Fund** will remain to achieve steady growth of income and capital in the longer term.

As an investor in any one of the affected portfolios, you need to vote on the proposed amalgamation(s) 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 [Ballots@sng.za.com](mailto:Ballots@sng.za.com) by **9 June 2017**.
- **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) before **31 March 2017**, no action is required to vote.

### Impact of proposed changes

#### Amalgamations of portfolios

A summary of the proposed amalgamations can be found in Annexure – I, Annexure – II, Annexure – III, Annexure – IV, and Annexure – V.

#### Portfolio management

STANLIB Asset Management 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 **22 March 2017** will be balloted. The proposed amalgamations of portfolios will be executed starting on **21 July 2017**, given that the necessary approval is received from investors and the Registrar of Collective Investment Schemes (the “Registrar”).

### **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 **14 July 2017** and **21 July 2017**. This is to ensure that accurate, complete and up to date data is used for the purposes of the amalgamation.

### [How will the proposed investment policy amendment affect your investment?](#)

1.

#### **Value of investment**

There will be no effect on the value of your investment as a result of the proposed amalgamations. 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 amalgamations. 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.

##### Dividend Withholding Tax (DWT) implications

The proposed amalgamations will result in the following:

- A special dividend will be paid on the date of the proposed amalgamations 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 Value Fund, STANLIB Capital Growth Fund, STANLIB Financials Fund, STANLIB Resources Fund and STANLIB Industrial Fund have amalgamated with the STANLIB SA Equity Fund, the STANLIB Value Fund, STANLIB Capital Growth Fund, STANLIB Financials Fund, STANLIB Resources Fund and STANLIB Industrial Fund will be closed. Should you be due for 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 amalgamations. STANLIB will carry all costs relating to the proposal.

#### 4. Distributions and special distribution

The semi-annual distribution frequency of the STANLIB SA Equity 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 amalgamations 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 six portfolios proposed for amalgamation are outlined in Annexure – I, Annexure – II, Annexure – III, Annexure – IV, and Annexure – V.

### Your rights as an investor and the ballot process

Please note that if no response is received for the proposed amalgamations, your vote will be counted as being in favour of the proposed.

The ballot process for the proposed amalgamations of the STANLIB Value Fund with the STANLIB SA Equity Fund, the STANLIB Capital Growth Fund with the STANLIB SA Equity Fund, the STANLIB Financials Fund with the STANLIB SA Equity Fund, the STANLIB Resources Fund with the STANLIB SA Equity Fund and the STANLIB Industrial Fund with the STANLIB SA Equity Fund is prescribed in terms of Section 99 of the Collective Investment Schemes Control Act 45 of 2002 (“the Act”) and Clause 67 of the deed of the Scheme. STANLIB may only amalgamate the portfolios if the consent of investors holding a majority in value has been obtained as prescribed in terms of Clause 67 of the deed of the Scheme. Investors holding no less than 25% in value of the total number of participatory interests then issued in the portfolios must respond in writing. The amalgamations must be consented to by investors holding a majority in value of the participatory interests held by the investors who have responded. If investors holding less than 25% in value of the total number of participatory interests then issued have responded, a second ballot will be conducted. In the event of a second ballot, investors holding a majority in value of the participatory interests held by the investors who have responded must consent to the amalgamation.

The proposed amalgamations and all ballot documentation were submitted to the Registrar to enable him to exercise his powers in terms of Section 99 of the Act. The Registrar may grant his consent only if he is, inter alia, satisfied that the proposed amalgamations will not be detrimental to any investor.

Where a registered investor is holding participatory interests as a nominee or person duly appointed to act on behalf of the beneficial owners of such participatory interests, the nominee or such person must obtain written instructions from such owners as to how to respond to the proposed amalgamation. A nominee or such person may respond in favour of and against the proposed amalgamation.

The Trustees of the Scheme, Standard Chartered Bank, have considered and consented to the proposed amalgamations of portfolios.

Should you not agree with the proposed amalgamations 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 21 July 2017, the proposed amalgamations, 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 amalgamations as set out in:

Annexure – I	STANLIB Value Fund with STANLIB SA Equity Fund
Annexure – II	STANLIB Capital Growth Fund with STANLIB SA Equity Fund
Annexure – III	STANLIB Financials Fund with STANLIB SA Equity Fund
Annexure – IV	STANLIB Resources Fund with STANLIB SA Equity Fund
Annexure – V	STANLIB Industrial Fund with STANLIB SA Equity Fund

Sincerely,

**Anthony Katakuzinos**

Chief Operating Officer: STANLIB Retail

STANLIB Collective Investments (RF) Propriety Limited



## Annexure I

### Source Portfolio

#### STANLIB Capital Growth Fund

##### INVESTMENT POLICY

The STANLIB Capital Growth Fund is a specialist portfolio. In selecting the securities normally to be included in the portfolio, the manager shall seek to achieve an investment medium for investors which shall have, as its primary objective, growth of capital over the medium to long term.

To achieve the investment objectives, the securities to be acquired in the portfolio will consist of:

- Ordinary shares listed on an exchange including:
- A range of blue chip and emerging blue chip shares;
- Shares in medium sized companies; and
- 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. 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.

Subject to the inclusion in the portfolio of assets in liquid form to the aggregate value required from time to time by the Act, the manager shall at all times endeavour to maintain the maximum permitted level of equity investments. The proportion of an

### Target Portfolio

#### STANLIB SA Equity Fund

##### INVESTMENT POLICY

The STANLIB SA Equity Fund is a general portfolio. In selecting securities for the STANLIB SA Equity Fund, the manager shall seek to achieve an investment medium for investors which shall have, as its primary objectives, steady growth of income and capital in the longer term.

To achieve these objectives the securities normally to be included in the portfolio will consist of financially sound ordinary shares from a broad spectrum of the sectors of the JSE Securities Exchange South Africa and, when appropriate, other securities, including, inter alia, non-equity securities, shares, stock including loan stock as defined in section 1 of the Financial Markets Control Act, 1989, or any subsequent amendment or replacement statute, financially sound preference shares, debenture stock, debenture bonds, unsecured notes, all to be acquired at fair market prices. The trustee shall ensure that the investment policy as 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 retaining cash in the portfolio and/or placing cash on deposit in terms of this supplemental deed.

The trustee shall ensure that the STANLIB SA Equity Fund is managed in such a way that it is not identical to the Liberty Wealthbuilder Fund (to be renamed the STANLIB Wealthbuilder Fund) i.e. the composition of its assets and their respective proportions differ at all times.



## Ballot Form

### ***Instructions for completing the form***

- The ballot is to be completed by all current investors in the STANLIB Bond Fund to allow the portfolio to be invested in line with the Prudential Investment Guidelines.
- 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 [ballots@sng.za.com](mailto:ballots@sng.za.com).
- Failure to complete all required sections will render the vote invalid.

Full name:

Investor number:

### ***Please vote as detailed below***

I, the undersigned,

Accpet

Reject

The proposed investment policy amendment of the STANLIB Bond Fund under the STANLIB Value Fund, to invest the portfolio in line with the Prudential Investment Guidelines

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### ***Please vote as detailed below***

I, the undersigned,

Accpet

Reject

The proposed investment policy amendment of the STANLIB Bond Fund under the STANLIB Capital Growth Fund, to invest the portfolio in line with the Prudential Investment Guidelines

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### ***Please vote as detailed below***

I, the undersigned,

Accpet

Reject

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[Balloting eAcceptance](#)[Annexures](#)[Ballot Form](#)

The proposed investment policy amendment of the STANLIB Bond Fund under the STANLIB Financials Fund, to invest the portfolio in line with the Prudential Investment Guidelines

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***Please vote as detailed below***

I, the undersigned,

Accpet

Reject

The proposed investment policy amendment of the STANLIB Bond Fund under the STANLIB Resources Fund, to invest the portfolio in line with the Prudential Investment Guidelines

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***Please vote as detailed below***

I, the undersigned,

Accpet

Reject

The proposed investment policy amendment of the STANLIB Bond Fund under the STANLIB Industrial Fund, to invest the portfolio in line with the Prudential Investment Guidelines

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in accordance with the ballot process as provided for in terms of Sections 98 of the Collective Investment Schemes Control Act No 45 of 2002, the details of which are set out in the letter from STANLIB dated 31 March 2017.

I have and accept the terms and conditions.

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