

3 December 2024

Dear valued investor

Proposed changes to the investment policy (structure) to the range of GraySwan Sanlam Collective Investments (“SCI”) Fund of Funds***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 policies of the below-mentioned fund of funds and to provide you with sufficient information in order to vote on this proposal.

- **GraySwan SCI Aggressive Fund of Funds**
- **GraySwan SCI Moderate Fund of Funds**
- **GraySwan SCI Cautious Fund of Funds**

This ballot amending the investment policies and structures are conducted at the request of GraySwan Financial Services (Pty) Ltd (FSP no 42290), being our co-named partner and the investment manager of these portfolios.

The reason for the ballot is that GraySwan wants to change the structure of the above portfolios from a fund of funds to a standard portfolio. These portfolios were launched in July 2017 and have, since inception, only been able to invest their assets in other collective investment schemes. Changing the structure to standard (hybrid) portfolios will allow the funds to still hold units in other collective investment schemes, but not more than 20% in a particular collective investment scheme. The total exposure to collective investment schemes may not exceed 80%.

After much consideration, GraySwan believes that changing the structures will unlock value for investors. Fundamentally, the aim is to have greater control of investment costs and risk management, to deliver on the investment objectives of each portfolio.

The aim is to only change the fund structures and amend the investment policies to remove the restriction of solely investing in participating interests (units) in collective investment schemes. The portfolios will therefore have the flexibility to hold direct securities as well as a collective investment scheme portfolios. The risk profiles of each portfolio will remain unchanged as well as the ASISA Fund Category.

The transition of the portfolios from a fund of funds will involve the liquidation of certain underlying collective investment schemes in favour of holding direct securities. This will be done over a period of time deemed suitable by the investment manager. GraySwan will also be able to utilise derivatives beyond currency hedging.

The names of the portfolios will change as follows:

Current name	New name
GraySwan SCI Aggressive Fund of Funds	GraySwan SCI Aggressive Fund
GraySwan SCI Moderate Fund of Funds	GraySwan SCI Moderate Fund
GraySwan SCI Cautious Fund of Funds	GraySwan SCI Cautious Fund

Action required

1. Please read this circular on the proposed change to the portfolios, 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, PWC at za_sciballots@pwc.com on or before **20 January 2025**. If you do not participate in the ballot in time, you will be deemed to have voted in favour of the change.

Sanlam Collective Investments

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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 affected.

If you are no longer invested in these portfolios, no action is required.

Effective date of change

The effective date of the proposed changes in the investment policy of the portfolio will be **1 April 2025**, 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 Act. In terms of section 98 of Cisca and Clause 67 of the Deed, at least 25% in value of investors must respond to the ballot of which the majority of the 25% (i.e. more than 50%) must consent to the change. Furthermore, in terms of Section 99 of the Act, the Financial Sector Conduct Authority (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 be balloted in order for them to vote on the proposed changes.

In addition, you have the following alternatives available:

- Should you not want to invest in the above portfolios, you may at any time elect to switch your investments to one or more of the other collective investment portfolios in the Sanlam suite of funds, without incurring a switching fee, provided we receive your switching instruction before 1 April 2025. Please note that switching will trigger a capital gains tax ("CGT") event and that you may be liable for CGT at your next income tax assessment.
- Should you not be comfortable with the proposed change in investment policy, and do not wish to switch your investments to any other unit trust, you may elect to redeem your units at any time and withdraw your funds at the net asset value price, as defined in the Deed. Please note that by electing to redeem your units, your action may constitute a CGT event and you may be liable for CGT at your next income tax assessment.

If you choose not to switch or sell your funds prior to the effective date of the change of investment structure 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 GraySwan Financial Services on 021 852 9092 or Sanlam Collective Investments' Client Service Centre on 0860 100 266. You can also send an email to service@sanlaminvestments.com. Alternatively contact your financial adviser.

Attachments

- Please refer to Annexure A which provides a comparison of the current investment policy vs the proposed investment policy and the impact on you as investor.
- Ballot form

Regards

Your Unit Trust Team

Annexure A

Fund name	Proposed name	Changes and impact
<p>GraySwan SCI Aggressive Fund of Funds Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset High Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests in portfolios 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 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 consist of a mix of collective investment scheme portfolios investing in equity, bond and property markets and money market instruments. The portfolio shall adhere to the multi asset: high equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p>GraySwan SCI Aggressive Fund Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset High Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, include a combination of asset classes such as equities, bonds, property and money market instruments. The portfolio shall adhere to the multi asset: medium equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The Manager may also 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 interest 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>The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p>The only change is the structure of the portfolios from a fund of funds to standard portfolios which will allow more flexibility to invest in direct securities as well as underlying collective investment schemes.</p>



portfolios managed by



Fund name	Proposed name	Changes and impact
<p>GraySwan SCI Moderate Fund of Funds Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset Medium Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests in portfolios 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 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 consist of a mix of collective investment scheme portfolios investing in equity, bond and property markets and money market instruments. The portfolio shall adhere to the multi asset: medium equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p>GraySwan SCI Moderate Fund Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset Medium Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, include a combination of asset classes such as equities, bonds, property and money market instruments. The portfolio shall adhere to the multi asset: medium equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The Manager may also 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 interest 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>The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	

Fund name	Proposed name	Changes and impact
<p>GraySwan SCI Cautious Fund of Funds Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset Low Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests in portfolios 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 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 consist of a mix of collective investment scheme portfolios investing in equity, bond and property markets and money market instruments. The portfolio shall adhere to the multi asset: low equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p>GraySwan SCI Cautious Fund Investment objective and policy</p> <p>The objective of the portfolio is to consistently outperform the ASISA South-African Multi-Asset Low Equity category (after investment fees) over any 3-year rolling period.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, include a combination of asset classes such as equities, bonds, property and money market instruments. The portfolio shall adhere to the multi asset: medium equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios.</p> <p>The Manager may also 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 interest 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. The portfolio will be managed in accordance with regulations governing pension funds.</p> <p>The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.</p> <p>The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	



portfolios managed by



SANLAM COLLECTIVE INVESTMENTS BALLOT FORM

I, the undersigned,

	<i>(full names*)</i>
	<i>(investor code(s))</i>
	<i>(identity number/date of birth)/registration number of company or trust)</i>
	<i>(Name of Linked Investment Services Provider (if applicable) and account number(s))</i>

Hereby vote to accept/reject the proposed investment policy change/s as set out in Annexure A to the ballot letter dated 3 December 2024 (please mark with a “X”):

No	Fund Name	Accept	Reject
1.	GraySwan SCI Aggressive Fund of Funds		
2.	GraySwan SCI Moderate Fund of Funds		
3.	GraySwan SCI Cautious Fund of Funds		

in terms of Section 98 of the Collective Schemes Control Act, 2002 (Act No. 45 of 2002), and Clause 67 of the Deed as set out in the letter of 3 December 2024 from Sanlam Collective Investments (RF) (Pty) Ltd.

SIGNED AT _____ ON THE _____ DAY OF _____ 2024/5.

(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.*