

17 July 2024

Dear valued investor

Proposed amalgamation of the Sanlam Investment Management (“SIM”) Bond Plus Fund with the Sanlam Investment Management (“SIM”) Bond Fund***This letter is important and requires your immediate attention.***

The purpose of this letter is to inform you of the proposed amalgamation of the two Sanlam Investment Management unit trust portfolios listed below. It will further provide you with sufficient information to vote on this proposal, including your rights as an investor and the impact this will have on your investment.

Source portfolio	Target portfolio
SIM Bond Plus Fund	SIM Bond Fund

Following the recent merger of a range of unit trust portfolios between Absa Fund Managers (RF)(Pty) Ltd (“AFM”) and Sanlam Collective Investments (RF) (Pty) Ltd (“SCI”), we have been requested by Sanlam Investment Management (Pty) Ltd (“SIM”) to amalgamate the above-mentioned two portfolios as they have very similar investment objectives.

The SIM Bond Fund was previously the Absa Bond Fund – an award-winning fund, with a stellar performance track record which surpasses that of the SIM Bond Plus Fund. The SIM Bond Fund holds assets of more than R5bn.

Combining the assets of these two portfolios will be beneficial to investors from a cost point of view as fixed costs will be shared across a larger asset base which should result in a lower total expense ratio.

The portfolio manager from AFM has joined the team at SIM and will continue with the investment management responsibilities backed by the SIM fixed-income team.

In terms of Section 99 of the Collective Investment Schemes Control Act, 45 of 2002 (“the Act”), the proposed amalgamation will proceed if the majority of investors vote in favour of the amalgamation using the enclosed ballot. Absence of a response will be regarded as a vote in favour of the amalgamation.

Annexure A will provide details of the similarities, differences, and the impact on you as an investor.

How the amalgamation impacts your investment**Replacement participatory interests (units)**

Investors will receive replacement participatory interest (units) in the new amalgamated portfolio when the current SIM Bond Plus Fund is combined with the SIM Bond Fund. The replacement units will be equal in market/monetary value to the units held prior to the amalgamation.

This is in accordance with Section 99 (3) (a) of the Act, which stipulates that, on the effective date, every investor: *shall... hold in the new scheme or portfolio, such participatory interests with an aggregate money value that is not less than the lower of the net asset value or market value, as may be fair and reasonable in the circumstances of the participatory interests which such investor, immediately before the date on which the proposed transaction becomes effective, held in an original scheme or portfolio.*

No Capital Gains Tax (CGT) will be payable as a result of the amalgamation.**Sanlam Collective Investments**55 Willie van Schoor Avenue, Bellville, South Africa, 7530
Private Bag X8, Tygervalley, 7536

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Special distribution

According to the Financial Sector Conduct Authority (“FSCA”), all accrued income in portfolios that are being transferred must be distributed before the transfer takes place. Therefore, a special income distribution will be processed, with the payout or reinvestment managed in accordance with your current income instruction.

Effective date of amalgamation

The effective date of the proposed amalgamation of the portfolios will be **11 October 2024 close of business**, provided that the necessary consent is obtained from investors and the FSCA.

Action required

1. Please complete the enclosed ballot form and email it directly to our external auditors, PWC, at za_sciballots@pwc.com on or before **29 August 2024**.
2. Please do not include any other instructions, such as requests for purchases or switching instructions with your ballot form. Your ballot form will go directly to our auditors thus we cannot guarantee the execution of any instruction sent to the auditors after the ballot process has started.
3. No actions is required if you are no longer invested in the portfolio.

Your rights as an investor

In terms of Section 99 of the Act, the Registrar of Collective Investment Schemes requires that:

- All investors in the affected portfolio will be informed in writing on the details of the proposed amalgamation of the portfolios.
- All investors are given an opportunity to vote in favour of, or against, the proposed amalgamation.
- 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 scheme and portfolio in which they hold units, and
- All investors will be given the opportunity to vote on the proposed changes.

Investors will be presumed to have voted in favour of the amalgamation if they do not respond before the cut-off date.

The amalgamation proposals outlined in this letter (if approved by investors) will automatically apply to your investment if you decide to not sell your units invested in the portfolio/s prior to the amalgamation's effective date.

Should you require further information on the proposed amalgamation, or should you wish to exercise your right to switch or sell any of your investments, please contact your Financial Adviser or Sanlam Collective Investments' Client Service Centre on 0860 100 266 or service@sanlaminvestments.com.

Attachments

- A comparison of the SIM Bond Plus Fund and the SIM Bond Fund, and the impact of changes on you as investor
- Ballot Form

Regards

Your Unit Trust Team

Annexure A

SIM Bond Plus Fund (Source portfolio)	SIM Bond Fund (Target portfolio)	IMPACT ON INVESTORS
<p>Investment policy</p> <p>The main objective of this portfolio aims is to offer both income and capital growth through a well-diversified bond portfolio.</p> <p>The portfolio will invest in a combination of fixed interest securities, including national government, parastatals, municipal and corporate bonds. The Manager may from time to time invest in listed and unlisted financial instruments in accordance with the provisions of the Act, and the sub-ordinate legislation thereto, as amended from time to time, in order to achieve the portfolio's investment objective.</p> <p>Apart from the above, the portfolio may also invest in participatory interests of 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 for investor protection which is at least equivalent to that in South Africa.</p>	<p>Investment policy</p> <p>The primary objective of this portfolio is to seek above average income with some potential for capital growth.</p> <p>The portfolio will invest in bonds, fixed deposits and other interest-bearing securities which are short, intermediate, and long-dated. The portfolio may invest in listed and unlisted financial instruments. The portfolio may also invest in offshore investments as permitted by legislation.</p> <p>Apart from the above, the portfolio may also include participatory interest of collective investment schemes registered in the Republic of South Africa or any other form of participatory interests of collective investment schemes or similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of sufficient standard to provide investor protection at least equivalent to that in South Africa.</p>	<p>Although both funds have a very similar investment policy, it is important to note that the investment policy of the target fund remains unchanged.</p>
<p>Portfolio Benchmark BEASSA All Bond Index</p>	<p>Portfolio Benchmark BEASSA All Bond Index</p>	<p>No change</p>
<p>Service charges (excluding VAT)</p> <p>0,75% B2 0,20% B3 0% B4 0,10% B5 0,30%</p>	<p>Service charges (excluding VAT)</p> <p>D1 0,75% D2 0,20% D3 0% D4 0,10% D5 0,30%</p> <p>Please note that the fees remain unchanged in the target fund</p>	





Annexure A

SIM Bond Plus Fund (Source portfolio)	SIM Bond Fund (Target portfolio)	IMPACT ON INVESTORS
Distribution declaration dates 30 June, 31 December	Distribution declaration dates 31 March, 30 June, 30 September, 31 December	The income distribution frequency in the target fund is quarterly
ASISA Category SA Interest Bearing Variable Term	ASISA Category SA Interest Bearing Variable Term	No change
Risk Profile Cautious	Risk Profile Cautious	No change
Portfolio Manager Sanlam Investment Management (Pty) Ltd	Portfolio Manager Sanlam Investment Management (Pty) Ltd	No change

**SANLAM COLLECTIVE INVESTMENTS
BALLOT FORM**

Complete and return the Ballot Form to za_sciballots@pwc.com on or before **29 August 2024**.

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:

(Please tick the applicable box)

NO	FUND NAME	ACCEPT	REJECT
1.	Amalgamation of the SIM Bond Plus Fund with the SIM Bond Fund		

the proposed amalgamation of the **Sanlam Investment Management Bond Plus Fund** with the **Sanlam Investment Management Bond Fund** in terms of Section 99 of the Collective Schemes Control Act, 2002 (Act No. 45 of 2002), as set out in the letter from Sanlam Collective Investments (RF) (Pty) Ltd dated 17 July 2024.

SIGNED AT _____ **ON THE** _____ **DAY OF** _____ **2024.**

(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.*

