

19 January 2021

Dear Investor

## **THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION**

### **Ballot letter: Amendment to the investment policy of the PSG Wealth Creator Fund of Funds**

You are receiving this letter as an investor in the PSG Wealth Creator Fund of Funds under the PSG Collective Investment Scheme. The purpose of this letter is to inform you of the proposed change to remove the restriction of a maximum 95% exposure to equity markets from the investment policy and allow the fund to be 100% invested in equities.

### **Cast your vote by completing the ballot form**

Please read this document, complete the attached ballot form (see annexure B) to vote, and return it to our auditors by 2 March 2021 in the enclosed self-addressed envelope or by email to [za\\_psg\\_ballot@pwc.com](mailto:za_psg_ballot@pwc.com).

### **Background and benefit to investors**

The PSG Wealth Creator Fund of Funds has a mandate restriction limiting its maximum equity allocation to 95%. This differs from the mandates of most general equity funds, including the underlying funds currently used by the Fund of Funds, which do not have limits on their maximum equity exposure. We feel that the fund can further enhance performance by increasing the allowance to 100%.

By increasing the allowance to 100%, the Fund of Funds can take full advantage of favourable market movements, potentially enhancing performance and capital growth for investors over the longer term. Please refer to the **Annexure A** for a detailed comparison of the portfolio's investment policy.

### **Impact on investors**

The amendment will have no impact on investors.

- **Tax treatment of income after the amendment:** The change does not impact the tax treatment of income or capital gains
- **Risk profile:** The risk profile of the portfolio will remain similar.
- **Fee structure:** Fees will remain unchanged.
- **The value of your investment:** The market (monetary) value of your units will be equal to the value of the units you held before the amendment.

### **Effective date of the amendment**

The effective date of the proposed amendment will be **15 April 2021**, provided that we obtain the necessary consent from investors and the Financial Sector Conduct Authority.

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

Your rights are firmly entrenched in the Collective Investment Schemes Control Act and in the Main Deed of the Scheme. The Financial Sector Conduct Authority requires that:

1. All investors in the affected portfolio are advised in writing of the proposed amendment and all associated implications.
2. All investors are given an opportunity to vote for or against the amendment.
3. The amendment is not detrimental to investors. The management and objectives of the portfolio will remain the same.

PSG's trustees (approved in terms of the Collective Investment Schemes Control Act) have consented to the ballot process.

At any time before the amendment, you can choose to:

- switch your investments to any of the other PSG portfolios, at no switching cost\*
- redeem your participatory interests (withdraw) at the net asset value price, as defined in the trust deed\*

\*Please note that choosing to switch or redeem your units will constitute a capital gains tax event (tax levied on the profits made from the sale of an asset) for which you may be liable at your next income tax assessment. All switch or redemption instructions must be received before cut-off time on 14 April 2021.

If you choose not to switch or withdraw your investments before the amendment, the proposal set out in this letter (once approved by investors) will automatically apply to your investment.

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

- You will not be liable for any additional fees, charges, taxes or brokerage as a result of the amendment.
- The amendment will not constitute a capital gains tax event.
- Future performance and unit pricing will be determined by the Fund of Funds portfolio.
- The annual management fee will be the same.

### **Action required**

Please complete, sign and return the enclosed ballot form (see annexure B) to our auditors, PricewaterhouseCoopers (PwC), in the enclosed self-addressed envelope. Alternatively, you can email the ballot letter to [za\\_psg\\_ballot@pwc.com](mailto:za_psg_ballot@pwc.com). The form must reach PwC by midnight on **2 March 2021**. All ballot letters date-stamped on or before 2 March 2021 will be accepted for three working days after the cut-off date. If you have disposed of your participatory interests, no action is required.

If you would like to know more about the amendment, are unsure of what action to take or want to switch or sell any of your investments, please contact your financial adviser or call us at 0800 600 168.

### **Attachments**

Annexure A: Comparison between the investment policy of the PSG Wealth Creator Fund of Funds before and after the amendment.

Annexure B: Ballot form.

If received by email: please note this is a writable document which will allow you to insert your details, add your electronic signature, and email it directly back to our auditors at [za\\_psg\\_ballot@pwc.com](mailto:za_psg_ballot@pwc.com). You still have the option to print, complete, sign, scan and email to our auditors.

If received by post: Complete the ballot form, sign and return it to our auditors, PricewaterhouseCoopers (PwC), in the enclosed self-addressed envelope or by email to [za\\_psg\\_ballot@pwc.com](mailto:za_psg_ballot@pwc.com).

Kind regards



**Anet Ahern**  
**Chief Executive Officer**

## Annexure A: Investment policy comparison

	Current investment policy	Proposed investment policy	
Fund name	<b>PSG Wealth Creator Fund of Funds</b>	<b>PSG Wealth Creator Fund of Funds</b>	<b>Change and impact</b>
Investment policy	<p>The primary objective of the <b>PSG WEALTH CREATOR FUND OF FUNDS</b> is to achieve capital growth over the long term. Income is not a main objective for this portfolio.</p> <p>Investments to be included in the PSG Wealth Creator Fund of Funds, will apart from cash and assets in liquid form, mainly consist participatory interest in Collective Investment Schemes, whether listed or not. <b>The asset allocation will be actively managed as to reflect the investment manager’s view of the relative attractiveness of cash, fixed interest, equity portfolios, and property markets. The portfolio will not have an exposure of more than 95% to equity markets.</b></p> <p>The trustee shall ensure that the investment policy set out in the preceding clauses are adhere to; provided that nothing contained in this clause preclude the Manager from varying the proportions of securities in terms of changing economic factors or market conditions or from retaining cash in the portfolio and/or placing cash on deposit.</p> <p>The Manager will be permitted to invest on behalf of the PSG Wealth Creator Fund of Funds in offshore investments as legislation permits.</p> <p>For the purpose of this portfolio, 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 portfolio in accordance with its mandate. The manager may, once the portfolio has been closed, open the portfolio again to new investors on a date determined by the manager.</p>	<p>The primary objective of the <b>PSG WEALTH CREATOR FUND OF FUNDS</b> is to achieve capital growth over the long term. Income is not a main objective for this portfolio.</p> <p>Investments to be included in the PSG Wealth Creator Fund of Funds, will apart from cash and assets in liquid form, mainly consist participatory interest in Collective Investment Schemes <b>in securities, whether listed or not, that invest in a broad spectrum of listed equities locally and globally.</b></p> <p>The trustee shall ensure that the investment policy set out in the preceding clauses are adhere to; provided that nothing contained in this clause preclude the Manager from varying the proportions of securities in terms of changing economic factors or market conditions or from retaining cash in the portfolio and/or placing cash on deposit.</p> <p>The Manager will be permitted to invest on behalf of the PSG Wealth Creator Fund of Funds in offshore investments as legislation permits.</p> <p>For the purpose of this portfolio, 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 portfolio in accordance with its mandate. The manager may, once the portfolio has been closed, open the portfolio again to new investors on a date determined by the manager.</p>	<p>No change in investment objective</p> <p><u>Remove the sentences:</u> <b>The asset allocation will be actively managed as to reflect the investment manager’s view of the relative attractiveness of cash, fixed interest, equity portfolios, and property markets. The portfolio will not have an exposure of more than 95% to equity markets.</b> <u>Add for clarity:</u> <b>Collective Investment Schemes in securities, whether listed or not, that invest in a broad spectrum of listed equities locally and globally.</b></p> <p>No change</p> <p>No change</p> <p>No change</p>

<b>Income distribution</b>	Bi-annual	Bi-Annual	No change
<b>ASISA classification</b>	South African – Equity - General	South African – Equity - General	No change
<b>Benchmark</b>	(ASISA) South African Equity General Mean	(ASISA) South African Equity General Mean	No change
<b>Service charges</b>	Class A: 1.50% (excluding VAT) Class B: 1.25% (excluding VAT) Class C: 2.10% (excluding VAT) Class D: 0.40% (excluding VAT) Class E: 1.00% (excluding VAT)	Class A: 1.50% (excluding VAT) Class B: 1.25% (excluding VAT) Class C: 2.10% (excluding VAT) Class D: 0.40% (excluding VAT) Class E: 1.00% (excluding VAT)	No change
<p><b>The changes in italics bold above will have no impact on the objective and management of the fund of funds portfolio and we do not foresee any change in the way the fund of funds portfolio will be managed.</b></p>			

**Annexure B****BALLOT FORM**

This form must be completed by investors in the PSG Wealth Creator Fund of Funds

**I, the undersigned,**

\_\_\_\_\_ (please print full names\*)

Unit holder number \_\_\_\_\_

Date of birth/Registration number \_\_\_\_\_

Linked Services Product company name, if any \_\_\_\_\_

an investor in the **PSG Wealth Creator Fund of Funds**, vote to accept/reject the proposed amendment of the PSG Wealth Creator Fund of Funds, as set out in Annexure A to the ballot letter (please mark with a "X"):

	ACCEPT	REJECT
Amendment of the <b>PSG Wealth Creator Fund of Funds</b> investment policy to remove the restriction of a maximum of 95% exposure to equity markets		

SIGNED AT \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_ (please sign in full)

\_\_\_\_\_ Name of investor/representative

\*If you are signing in a representative capacity, please insert your own name and the name of the person/trust/deceased estate/company/close corporation on whose behalf you are signing.

Please complete, sign and return the ballot form to our auditors in the enclosed pre-paid, self-addressed envelope or via email to **za\_psg\_ballot@pwc.com**, to reach them by no later than midnight on **2 March 2021**.