

Changes to the communication process around ballot letters

The Financial Sector Conduct Authority (FSCA) has expressed concern around the possibility of clients not receiving ballot letters that have been posted to them. The FSCA has requested that measures be put in place to ensure that all clients have the opportunity to vote on any changes.

Background to the process

The Collective Investment Schemes Control Act (CISCA) requires that the parties to a Collective Investment Schemes deed may - by supplemental deed - amend the deed, but no amendment is valid unless the consent to that amendment has been obtained from a majority in value of the investors.

For a collective investment scheme to be approved, a Trust Deed for the scheme must be submitted to the FSCA for approval. Once approved, the manager creates Collective Investment Scheme funds by means of supplemental trust deeds. The funds must operate within the mandate of the deed. If a fund wants to make any changes to the deed - or if the business or two or more collective investment schemes or two or more portfolios of a collective investment scheme wish to amalgamate - then it has to apply to the FSCA for approval first and then ballot all investors in the fund to gain their approval.

The Trust Deed stipulates that a period of three months' notice has to be given to investors/holders of participatory interests in the fund to respond. In terms of the Collective Investment Schemes Control Act, 45 of 2002, the ballot will be valid if the majority of investors, including the Manager, vote in favour of the amendment. No response from any individual will be regarded as a vote in favour of the amendment.

Clients are only required to vote on discretionary and Tax-Free Savings Account products.

Revised process at Glacier

Because the Management Companies do not have access to the personal details of our clients, we send the ballots out on their behalf. In the past all ballot letters were posted. To adhere to the

FSCA's request that more care be taken to ensure that ballot letters are received by clients, we will now use email instead, or, if the clients do not have an email address, the letter will be posted. In addition, we will also send an sms to all clients to whom we've posted a letter. The sms is to inform clients that, if they did not receive the letter, they can contact us and we will send it to them via e-mail to ensure that they can vote before the ballot closes.

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Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group
Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 |
Web www.glacier.co.za | Reg No 1999/025360/07

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Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07
Licensed Discretionary Financial Services Provider, acting as Juristic Representative under the Glacier Financial Solutions FSP 770
Glacier International is a division of Sanlam Life Insurance Limited
Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440
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