

## **SATRIX WORLD EQUITY TRACKER COMMON CONTRACTUAL FUND**

### **Supplement to the Prospectus dated 2 February 2024 for Sanlam Common Contractual Fund**

This Supplement contains specific information in relation to Satrix World Equity Tracker Common Contractual Fund (the "**Fund**"), a Fund of Sanlam Common Contractual Fund (the "**CCF**"), an open-ended umbrella common contractual fund governed by the laws of Ireland, and authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations. There are no other sub-funds of the CCF in existence.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 2 February 2024 (the "Prospectus") and the latest audited financial statements of the CCF.**

The Directors of the Manager, whose names appear in the "Directors of the Manager" section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus, unless the context otherwise requires, shall have the same meaning when used in this Supplement.

Date: 2 February 2024

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## **Investment Objective and Policies**

### **Investment Objective**

The investment objective of the Fund is to provide capital growth equivalent to that gained from investment in the world's equity markets. Income will not be a consideration.

### **Policy and Guidelines**

The Fund will endeavour to replicate the performance of world equity markets by tracking the MSCI World Index (the "**Index**") in U.S. Dollars (unhedged) with income reinvested or another appropriate major world equity index for the time being selected by the Manager on the advice of the Investment Manager which comprises equity securities of companies listed or traded on a Recognised Exchange set out in Appendix I of the Prospectus.

The Fund is passively managed and may employ sampling and optimisation techniques to track the performance of the Index, rather than attempting to hold all of the securities in the Index. As the Fund does not adopt an exact replication strategy of the Index in accordance with Regulation 71 of the UCITS Regulations, it will not be permitted to avail of the increased limits of 20%/35% of its Net Asset Value in a single issuer.

The Fund may also invest indirectly in such securities through quoted investment vehicles, such as Exchange Traded Funds, and holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or AIFs will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Fund. Investment in such collective investment schemes may not exceed 10% of the Net Asset Value of the Fund, subject to a maximum of 10% in any one collective investment scheme.

Any change of the Index being tracked shall only be made with the prior approval of Unitholders and this Supplement would be updated accordingly.

### **Index Tracking Strategy**

The Fund operates an index tracking strategy whereby it seeks to replicate the performance of the Index through investment directly in assets that are Index constituents (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index, but instead seeks to match the Fund's investments with Index constituents on an optimisation basis. Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index, however, since the Fund does not seek to fully replicate the Index, an ex-ante tracking error of up to 100 bps should be anticipated due to the Fund's optimisation approach, small weighting differences that will necessarily result due to constituent allocation and security selection.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk applicable.

### **Index Description**

The Index is designed to measure the performance of the large and mid-cap segments across 23 Developed Markets (DM) countries. With 1,516 constituents, the Index covers approximately 85% of the free float-adjusted market capitalisation in each country.

The Index is reviewed and rebalanced on a quarterly basis. The Index changes that result from this rebalancing may impact on the transaction costs, as the Fund needs to be rebalanced to match any

changes to the Index. The extent of the costs which may arise as a result of the rebalancing will depend on the nature and extent of the rebalancing of the Index.

It is not expected that the composition of the Index will be adjusted to the extent that tracking is not possible within the scope of standard UCITS investment restrictions.

Further details of the Index composition and its calculation methodology (including information on the procedure to be adopted by the index sponsor should the weighting of any particular stock exceed the permitted investment restrictions) can be found at <https://www.msci.com/constituents><sup>1</sup> and <https://www.msci.com/index-methodology><sup>2</sup>.

The Investment Manager monitors the investment restrictions applicable to the Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock in the Index exceeds the permitted investment restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Fund's exposure to that stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

### **Investment Restrictions**

The general investment restrictions contained in the "Investment Restrictions" section of the Prospectus shall apply. In addition, the following investment restriction shall apply to the Fund:

1. Short selling of securities is not permitted.
2. The Fund may not be geared or leveraged through investment in any security.
3. Over the counter derivative instruments are not permitted.
4. The Fund may not invest in money market instruments or debt securities.
5. The Fund will not invest in securities that compel the Fund to accept physical delivery of a commodity.
6. The Fund will not invest in a collective investment scheme that is organised as a foreign collective investment scheme in hedge funds in accordance with the requirements of the South African legislation governing Foreign Collective Investment Schemes in Hedge Funds.
7. The Fund may only invest in a collective investment scheme which ordinarily invest in securities as defined in the South African Collective Investment Schemes Control Act No. 45 2002 governing Collective Investment Schemes in Securities.

### **Profile of a Typical Investor**

The Fund is suitable for institutional investors who are looking to achieve long-term capital growth. Investment in the Fund should be viewed as a medium to long term investment and therefore investors would be expected to have a reasonable tolerance for medium volatility of net asset value from time to time. The Fund is not available to natural persons.

### **Efficient Portfolio Management**

This section should be read in conjunction with the section entitled "Efficient Portfolio Management" in the Prospectus.

The Manager on behalf of the Fund may enter into Securities Financing Transactions in the form of securities lending arrangements. Further details in respect of Securities Financing Transactions and applicable limits are set out in the Prospectus under the heading "Repurchase/Reverse Repurchase

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<sup>1</sup> Select 'World' in drop down list under "Select an Index name".

<sup>2</sup> Select 'MSCI Index calculation methodology' in the drop list under "Search by methodology".

Agreements and Securities Lending". Securities lending is used to generate additional income for the Fund with an acceptably low level of risk.

Further details on the requirements relating to such transactions and the Collateral Policy for the Fund is contained in the Prospectus.

### **Risk Management**

It is not the current intention of the Fund to use financial derivative instruments and the Fund will not use financial derivative instruments until a risk management process has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements and this Supplement will be updated accordingly.

### **SFDR Information**

The Fund has been categorised as an Article 6 financial product under SFDR as it does not have as its objective sustainable investment nor does it promote environmental and/or social characteristics. The Manager, in consultation with the Investment Manager, has carried out an assessment for the purposes of SFDR and does not deem Sustainability Risks to be relevant and does not integrate Sustainability Risks into its investment decisions due to the investment strategy of the Fund. For the purposes of the Taxonomy Regulation, investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Investment Manager and Distributor**

The investment manager and distributor appointed to the Fund is:

#### **Sanlam Investment Management (Pty) Limited**

Sanlam Investment Management (Pty) Limited is a company incorporated in South Africa and having its registered office and place of business at 55 Willie van Schoor Avenue, Bellville 7530, South Africa. It provides, inter alia, discretionary portfolio management services and investment advisory services for private as well as for institutional clients in all areas of international securities business. Sanlam Investment Management (Pty) Limited is a subsidiary of Sanlam Limited.

### **Borrowings**

In accordance with the general provisions contained in the "Borrowing and Lending Powers" section of the Prospectus, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis. Such borrowings are permitted only to meet the Fund's obligations in relation to (i) the administration of the Fund relating to purchase or sale transactions; and/or (ii) the redemption or cancellation of Units in the Fund. Borrowings in relation to (i) above are only permitted for a period of up to 8 calendar days, and 61 calendar days in respect of (ii) in order to comply with the South African Financial Sector Conduct Authority and to allow for the Fund to be distributed to South African institutional investors. However, at all times borrowings on behalf of the Fund will be in accordance with the Regulations and the requirements of the Central Bank

### **Risk Factors**

The risk factors set out in the "Risk Factors" section of the Prospectus apply to the Fund. In addition the following risk factors apply to the Fund:

#### *Index Tracking Error*

The use of sampling and optimisation techniques, derivatives and indirect investment through other collective investment schemes and investment vehicles to replicate the performance of world equity markets by not solely tracking the Index may cause the Fund to incur a tracking error relative to the Index

which is greater than that which would be incurred if the Fund were to hold all of the securities comprised in the Index directly.

### *Investments in Collective Investment Schemes*

The Fund may invest a portion of its assets in collective investment schemes and investors should be aware of the potential exposure to the asset classes of those underlying collective investment schemes in the context of all of their investments.

The investments of the CCF are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that the investment objectives will actually be achieved. In particular the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

It should be noted that the Fund incurs the costs of its own management and other service providers as set out under the Charges and Expenses section below. In addition, to the extent the Fund invests in collective investment schemes and indirect investment vehicles, it will bear its proportion of the fees paid by such schemes to their investment manager and other service providers. The semi-annual and annual reports of the CCF shall provide information on the specific open-ended collective investment schemes which the Fund invests in including their regulatory status and the specific fees paid by the Fund to such schemes.

### *Political and/or Regulatory Risks*

The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### *Legal Risk*

Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

### *Efficient Portfolio Management Risk*

The Manager on behalf of the CCF may enter securities lending arrangements for efficient portfolio management purposes. Investors should be aware that from time to time, the Fund may engage with securities lending agents that are related parties to the Depositary or other service providers of the CCF. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the CCF. Please refer to the section entitled "Portfolio Transactions and Conflicts of Interest" in the Prospectus for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the CCF's semi-annual and annual reports.

### *Reinvestment of Cash Collateral Risk*

As the Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, the Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### *Securities Lending Risk*

There are risks associated with the Fund engaging in securities lending. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such

transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

### **Gross Income Payment Policy**

Unitholders may elect in the Application Form to have their pro rata portion of Gross Income (if any) reinvested in the Fund or to receive Gross Income payments instead. Gross Income payments are made at the discretion of the Manager (following consultation with the Investment Manager) provided that Gross Income payments are made to all Unitholders (whether or not an election has been made for reinvestment) on at least a yearly basis in accordance with the provisions of the Prospectus.

### **Key Information for Buying and Selling**

Units in the Fund are available for subscription to investors who are not natural persons in South Africa and in certain of the Member States.

Class C Units and Class D Units are currently in issue and are available for subscription at the Net Asset Value per Unit of the relevant Class.

### **Initial Offer Period**

The Initial Offer Period for the Class S Units begins at 9:00 a.m. on 6 February 2024 and will close at 5.00 p.m. on 2 August 2024 (as may be shortened or extended by the Directors in accordance with the Central Bank's requirements).

### **Initial Issue Price**

Class S            US\$1

The Directors of the Manager of the Fund (upon written confirmation to the Administrator) reserve the right to differentiate between Unitholders or to refuse an application for any such Units in their absolute discretion.

The Manager may issue Units of any class, and create new classes of Units on such terms as the Manager may from time to time determine and which may be differentiated by different charging structures and fee arrangements or any other provisions determined by the Manager. Additional classes of Units may be created in accordance with the requirements of the Central Bank.

### **Base Currency**

US Dollars

### **Business Day**

Any day (except Saturday or Sunday) on which the banks in Dublin are open for business and such other days as the Directors may, with the consent of the Depositary, determine and notify in advance to Unitholders.

### **Dealing Day**

Any Business Day.

### **Dealing Deadline**

In respect of a Dealing Day, 4.00 p.m. (Irish time) on the Business Day immediately preceding a Dealing Day.

**Minimum Unitholding**

Class C	US\$100,000,000
Class D	US\$50,000,000
Class S	US\$10,000,000

**Minimum Initial Investment Amount**

Class C	US\$100,000,000
Class D	US\$50,000,000
Class S	US\$10,000,000

The Manager on behalf of the CCF may, in its absolute discretion, waive or reduce the amounts set out above under Minimum Unitholding and Minimum Initial Investment Amount.

**Minimum Additional Investment Amount**

None

**Preliminary Charge**

None

**Repurchase Fee**

None

**Anti-Dilution Levy**

The Directors of the Manager, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy (i.e. a charge of up to 0.15% imposed on subscriptions or on redemptions, as relevant, to offset the dealing costs of buying or selling assets of the Fund and to preserve the net asset value per unit of the Fund, as a result of net subscriptions or of net redemptions on a Dealing Day), as more particularly detailed in the sections of the Prospectus entitled "Application for Units" and "Repurchase of Units". The Directors of the Manager only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Unitholders in the event of substantial or recurring net repurchases or net issues of Units. Details of the anti-dilution applied in respect of the Fund will be disclosed in the latest annual or semi-annual report of the Manager.

**Settlement Date**

In the case of applications, close of business on the Business Day preceding the relevant Dealing Day (or up to four Business Days after the relevant Dealing Day as may be permitted by the Manager at its absolute discretion). In the case of repurchases, four Business Days after the relevant Dealing Day or, if later, four Business Days after the receipt of the relevant duly signed repurchase documentation.

**Valuation Point**

Midnight (South African time) on each Dealing Day.



## **Charges and Expenses**

### **Fees of the Manager, the Depositary, the Administrator, the Investment Manager and Distributor**

The Manager will be entitled to receive from the CCF an annual fee of 0.08% of the net assets of the Class C, 0.5% of the net assets of the Class D Units and 0.6% of the net assets of the Class S Units. These fees will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Manager will be responsible for all its own out of pocket costs and expenses.

The Manager will pay out of its fees, the fees and expenses of the Investment Manager and Distributor.

In respect of the administration services, the Administrator will be entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.03% of the Net Asset Value of the Fund per annum (plus VAT, if any) together with its reasonable costs and expenses incurred by the Administrator in the performance of its duties as Administrator of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears.

In respect of the registrar and transfer agency services, the Administrator will be entitled to receive from the Manager on behalf of the CCF, out of the assets of the Fund, an annual fee which will not exceed US\$3,000, together with reasonable costs and expenses incurred by the Administrator in the performance of its duties as Administrator of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Administrator shall also be entitled to be reimbursed out of the assets of the Fund all agreed transaction charges (which will be charged at normal commercial rates).

The Depositary will be entitled to receive from the Manager on behalf of the CCF out of the assets of the Fund an annual fee which will not exceed 0.02% of the Net Asset Value of the Fund (plus VAT, if any) together with reasonable costs and expenses incurred by the Depositary in the performance of its duties as Depositary of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Depositary shall also be entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and all agreed transaction charges (which will be charged at normal commercial rates).

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Charges and Expenses" shall be paid by the Manager however such costs will be recovered from the CCF and may be amortised in accordance with the provisions of the Prospectus.

Licence fees payable to MSCI shall also be paid out of the assets of the Fund, at normal commercial rates.

This section should be read in conjunction with the section entitled "Charges and Expenses" in the Prospectus.

## **Material Contracts**

### **Investment Management and Distribution Agreement**

The Investment Management and Distribution Agreement dated 12 October 2022 between the Manager and Sanlam Investment Management (Pty) Limited (the "**Agreement**") provides that the appointment of Sanlam Investment Management (Pty) Limited will continue in force unless and until terminated by the Manager giving not less than 30 days' written notice to Sanlam Investment Management (Pty) Limited or by Sanlam Investment Management (Pty) Limited giving not less than 90 days' written notice to the Manager. However, in certain circumstances the Agreement may be terminated without a minimum period of notice by either party. The Agreement limits the liability of Sanlam Investment Management (Pty) Limited to the Manager to losses arising by reason of the fraud, bad faith, negligence, wilful default or wilful misfeasance of Sanlam Investment Management (Pty) Limited in the performance or non-performance of its duties. The Agreement also provides that Sanlam Investment Management (Pty) Limited shall indemnify the Manager to the extent that any claims, costs, direct damages, direct losses or expenses are attributable to the fraud, bad faith, negligence, wilful default or wilful misfeasance by Sanlam Investment Management (Pty) Limited in the performance or non-performance of its duties.

## DISCLAIMER

THIS FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MORGAN STANLEY CAPITAL INTERNATIONAL INC. ("**MSCI**"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO , COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "**MSCI PARTIES**"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR CERTAIN PURPOSES BY THE CCF. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

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