

**Investec Global Strategy Fund**

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**THIS DOCUMENT IS IMPORTANT AND  
REQUIRES YOUR ATTENTION. IF IN DOUBT,  
PLEASE SEEK PROFESSIONAL ADVICE**

29 April 2016

Dear Shareholder,

**Merger of the Investec GSF Global Strategic Income Fund into the Investec GSF Global Multi-Asset Income Fund**

We are writing to you as a Shareholder in the Investec GSF Global Strategic Income Fund (the “**Merging Fund**”), a sub-fund of the Investec Global Strategy Fund (“**GSF**”), to inform you of our plans to merge it with the Investec GSF Global Multi-Asset Income Fund (the “**Receiving Fund**”), which is also a sub-fund of GSF, in accordance with Article 40 of the Articles of Incorporation.

The merger will be effective on 17 June 2016 and does not require the approval of Shareholders.

You do not need to take any action in relation to this letter, unless you wish to do so. However, you are encouraged to read it so you are aware of the implications of the merger on your investment.

This letter and its appendices explain the background to the merger and aims to provide you with sufficient information to help you make an informed assessment on the impact of the merger on your investment. If you have any questions about the merger, please contact your financial advisor. Alternatively, our teams are available to help you. Please find their contact details at the top of this page.

**Background and rationale for the merger**

The Merging Fund’s primary objective is to generate a high level of income by investing primarily in fixed income investments from around the world. With global interest rates at record lows, and in some cases negative, fixed income investments are providing a lower level of income than they have done historically.

Therefore the Investment Manager believes that in order to seek to achieve a high and sustainable level of income it is better to invest in a broader range of investments than simply fixed income investments.

The Receiving Fund is a multi-asset fund investing in a broad range of investments, including equities and derivatives, in addition to fixed income instruments. The Investment Manager believes that this wide investment universe gives it a better opportunity of achieving its income objective whilst offering potential for capital growth with relatively low volatility. Investor should note that there is no guarantee that the investment objective and strategy of the Receiving Fund can be achieved and low volatility does not necessarily mean low risk.

As a result the Directors is of the opinion that merger with the Receiving Fund is in the best interests of Shareholders seeking a high and sustainable level of income with relatively low volatility.

Further, the merger may lead to increased economies of scale and cost efficiencies in the Receiving Fund for the benefit of Shareholders.

<sup>1</sup> For Hong Kong investors, please note that the Merging Fund is no longer allowed to be marketed to the public in Hong Kong and shall not accept subscriptions from new investors with effect from the date of the notice.

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Please note that the merger will lead to the closure of the Merging Fund and your shares in the Merging Fund will be cancelled and exchanged for shares in the Receiving Fund.

The merger will result in an investment in a fund which varies from your existing investment in the Merging Fund. Please refer to Section 3.6 of the Appendix A for a detailed comparison between the Merging Fund and the Receiving Fund, including a comparison of the specific risk factors associated with the Merging Fund and the Receiving Fund. Investors should note that the Receiving Fund, as a multi-asset fund, may take different risk exposures than the Merging Fund, a bond fund. Whilst we do not believe that the merger will significantly change the overall long term risk profile (as measured by changes in market value) for Shareholders in the Merging Fund, but this cannot be guaranteed. You should seek independent advice from your financial intermediary if you are in doubt about whether the Receiving Fund meets your investment objectives or its risk profile is suitable for you.

### **Merger Costs**

All legal, advisory and administrative costs, if any, associated with the merger will be borne by the Management Company of GSF and not by Shareholders.

The Merging Fund's portfolio may be rebalanced to achieve an asset allocation closer to the Receiving Funds portfolio in the period leading up to the merger. To the extent that a rebalancing is undertaken, this will commence two weeks prior to the effective date of the Merger at the earliest. The costs of rebalancing the Merging Fund's portfolio will be borne by the Merging Fund. It is anticipated that the rebalancing costs of the merger would likely be between 0.40% and 0.50% of the net asset value of the Merging Fund. Shareholders of the Merging Fund who switch or redeem shares after the commencement of portfolio rebalancing will bear a proportion of such rebalancing costs.

### **Fund Charges**

The Receiving Fund can invest across a wider range of investment types, including equities, and so requires more investment management resource than the Merging Fund. As a result each share class of the Receiving Fund that charges an annual management fee within the Receiving Fund has a 0.25% higher annual management fee than the equivalent share class of the Merging Fund.

Investors should note that because of the higher annual management fee the ongoing charge for the Receiving Fund is higher than the ongoing charge for the Merging Fund. The ongoing charge is also higher in the Receiving Fund because the Receiving Fund has lower assets under management (US\$66.7 million as at 31 March 2016) compared to the Merging Fund (US\$273.5 million as at 31 March 2016). As a result the costs associated with managing the Receiving Fund have a greater impact on the fund as they are spread across a much smaller asset base, compared with the larger assets of the Merging Fund.

However, the merger is likely to result in a much larger Receiving Fund, subject to redemptions, and therefore it is expected that the ongoing charge of each share class of the Receiving Fund will decrease, as the impact of the costs are reduced on a larger sub-fund. Please refer to Section 3.7 of the Appendix for details.

We believe the merger is still in the best interests of Shareholders as described in background and rationale section above.

### **Fund Comparison**

Please refer to Section 3 of Appendix A for a detailed comparison between the Merging Fund and the Receiving Fund.



### **Option to redeem or switch**

If you feel that the Receiving Fund will not suit your investment requirements, you may switch your investment into an alternative SFC authorized<sup>2</sup> sub-fund within the GSF range or redeem your investment. You will not be charged for any such switch or redemption by Investec Asset Management.

Any instruction to switch or redeem from the Merging Fund prior to the merger must be received before 4:00 p.m. New York City time (which is 10:00 p.m. Luxembourg time) on 14 June 2016. Our teams are available to help you. Their contact details can be found at the beginning of this letter. If you are unsure what action you should take (if any) and any potential implications if you choose to switch or redeem, please consult either your financial advisor or a tax advisor.

### **If you take no action**

Your investment will be merged into the Receiving Fund on 17 June 2016.

### **Confirmation of merger**

Each Shareholder in the Merging Fund will receive a notification confirming (i) that the merger has been carried out and (ii) the number of shares in the Receiving Fund that they hold after the merger is completed. This confirmation is expected to be sent to Shareholders no later than 24 June 2016.

### **More information**

For more information on our funds, visit our website, [www.investecassetmanagement.com](http://www.investecassetmanagement.com)<sup>3</sup>.

Thank you for your continued investment.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Grant Cameron'.

Grant Cameron  
Director

A handwritten signature in black ink, appearing to read 'John Green'.

John Green  
Director

The Directors of GSF are responsible for the accuracy of the contents of this letter. To the best of the knowledge and belief of the Directors of GSF (who have taken all reasonable care to ensure that such is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of GSF accept responsibility accordingly.

All defined terms in this letter shall have the same meaning as those defined terms as set out in the Prospectus of GSF, unless the context requires otherwise.

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<sup>2</sup> SFC authorization is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance.

<sup>3</sup> The website has not been reviewed by the SFC and may contain information with respect to non-SFC authorized funds which are not available for public offer in Hong Kong.



## Appendix A: Details of the merger

We recommend that you read the current version of GSF's Prospectus before considering your investment options and prior to the merger taking place. The Prospectus contains important Shareholder information regarding GSF and the Receiving Fund.

For your convenience we have included extracts on the Receiving Fund from the Prospectus in Appendix B.

### 1. Summary of the merger

- i. The merger will be effective from 4:01 p.m. New York City time (which is 10:01 p.m. Luxembourg time) on 17 June 2016.
- ii. We believe that the merger is in the interests of Shareholders. The background and rationale for the merger are set out in Section 3 of this Appendix.
- iii. You are not required to vote on the merger.
- iv. The merger will lead to the closure of the Merging Fund\*.
- v. The merger will result in the cancellation of your shares in the Merging Fund and in exchange you will be issued new shares in the Receiving Fund. Please refer to Section 4 of this Appendix for a detailed comparison between the Merging Fund and the Receiving Fund.
- vi. Please refer to Section 5 of this Appendix for a description of your options in relation to the merger, including, in particular, your right to redeem or switch your investment in the Merging Fund before the merger without any charge by Investec Asset Management.
- vii. Dealing in the Merging Fund will continue as usual until 4:00 p.m. New York City time (which is 10:00 p.m. Luxembourg time) on 14 June 2016\*.

Any subscriptions, redemptions, conversions and/or transfers into or out of the Merging Fund after this date will not be processed. After 4:01 p.m. New York City time (which is 10:01 p.m. Luxembourg time) on 17 June 2016, Shareholders in the Merging Fund will hold shares in the Receiving Fund.

- viii. The procedural aspects of the merger are set out in detail in Section 6 of this Appendix.
- ix. Please be aware that the merger may create tax consequences for you. You should consult your tax advisor about the consequences of the merger on your individual tax position.
- x. Please refer to Appendix B of this letter for an extract on the Receiving Fund from GSF's Prospectus.

You are encouraged to read this information before considering your investment options prior to the merger taking place.

**\* For Hong Kong investors, please note that the Merging Fund is no longer allowed to be marketed to the public in Hong Kong and shall not accept subscriptions from new investors with effect from the date of the notice.**

### 2. Timetable for merger

The merger will take place according to the following timetable:

Documentation sent to Shareholders	29 April 2016
Dealings close in the Merging Fund	4.00pm New York City time on 14 June 2016
End of current accounting period of the Merging Fund	4.00pm New York City time on 17 June 2016
Valuation of the Merging Fund and the Receiving Fund	4.00pm New York City time on 17 June 2016
Effective time of the merger with the Receiving Fund	4.01pm New York City time on 17 June 2016
Dealings continue as usual in the Receiving Fund	20 June 2016



### 3. Key information regarding the Merging Fund and the Receiving Fund

#### 3.1 Comparison of the investment objectives and policies of the the Merging Fund and the Receiving Fund

The Merging Fund (with asset under management US\$273.5 million, as at 31March 2016) and the Receiving Fund (with asset under management US\$66.7 million, as at 31March 2016) both have a primary investment objective to provide an income, with the opportunity for long-term capital growth. Whilst both funds seek to achieve similar objectives, the investment policies of the Merging Fund and the Receiving Fund are fundamentally different, reflecting the alternative strategies these funds use to achieve their investment objectives.

The Merging Fund is limited to investments in bonds, including government, supranational and corporate bonds of varying maturity, currency and credit worthiness. The Merging Fund may also use other fixed income instruments and derivatives to meet its objective. In contrast, the Receiving Fund follows a multi-asset investment approach and in addition to investing in a broad range of bonds and related derivatives, it will invest in equities and equity derivatives.

Both funds may invest in emerging markets. In addition, unlike the Merging Fund (with up to 5% of its net asset value in Mainland China), the Receiving Fund may have larger an investment exposure to securities listed and bonds issued in Mainland China, including China A Shares or Onshore RMB bonds, which does not exceed 10% of its net assets. However, this is not a core focus of both Funds.

The summary of investment policy of the Merging Fund and the Receiving Fund is set out below. Please refer to the Hong Kong Offering Documents, including the Product Key Facts Statements for full investment policy of both sub-funds for Hong Kong investors.

Merging Fund	Receiving Fund
<p>The Sub-Fund has, as its primary objective, the generation of a high level of current income by means of investment in high yielding fixed and floating rate securities of varying maturities denominated in a spread of the world's major and minor traded currencies.</p> <p>Capital appreciation is sought only when the Investment Manager feels it is consistent with the primary income objective of the Sub-Fund. Capital appreciation could arise principally as the result of a specific or general fall in interest rates, an improvement in the credit ratings of individual or groups of fixed interest bearing securities or by means of positive relative currency movements (through the extensive use of currency forwards).</p> <p>The Sub-Fund primarily invests in (i) bonds and (ii) currencies (indirectly via derivatives). The active currency positions implemented by the Sub-Fund may not be correlated with the underlying assets of the Sub-Fund (being bonds).</p> <p>The securities purchased will mainly consist of higher yielding issues by worldwide (including emerging countries) governments, government agencies, supranational institutions and companies. The currency mix of denominations will be varied, reflecting the Investment Manager's assessment of likely exchange rate movements.</p> <p>The Sub-Fund will also be allowed to use derivatives for efficient portfolio management, hedging and/or investment purposes. The Sub-Fund may invest extensively in derivatives for investment purposes.</p>	<p>The Sub-Fund aims to provide income with the opportunity for long-term capital growth.</p> <p>The Sub-Fund will invest primarily in a diversified portfolio of fixed interest instruments, equities and derivatives, the underlying assets of which are fixed interest instruments and equities. Normally, the Sub-Fund's maximum equity exposure will be limited to 50% of its assets.</p> <p>The Sub-Fund may also have an exposure up to 100% in fixed interest instruments; up to 10% in cash deposits; up to 10% in collective investment schemes and up to 15% in real estate investment trusts (REITs).</p> <p>Fixed interest instruments held may be (i) issued by companies, institutions, governments, government agencies or supranational bodies around the world (including but not limited to emerging and frontier type markets), (ii) of any duration, and (iii) of Investment Grade and/or Non-Investment Grade. The Sub-Fund may have an exposure up to 100% in fixed interest instruments, up to 50% in high yield debt; up to 50% in emerging markets debts.</p> <p>The Sub-Fund will also primarily invest in currencies (indirectly via derivatives). The active currency positions implemented by the Sub-Fund may not be correlated with the underlying assets of the Sub-Fund.</p> <p>The Sub-Fund's exposure to Contingent Convertibles (CoCos) will not represent more than 10% of the assets of the Sub-Fund.</p>



### Merging Fund

The Sub-Fund does not use a specific derivative strategy but will rather use derivatives for gaining exposure in accordance with the investment policies, as well as efficiently managing the investments of the Sub-Fund. Derivatives that may be used by this Sub-Fund include (but are not limited to) currency forwards and other related currency derivatives (e.g. currency options) (for hedging and/or taking active currency positions), interest rate swaps and bond futures (to manage duration), total return swaps (for tax efficiency), credit-linked notes (to access markets where instruments are restricted) and/or credit default swaps (to hedge credit risk and/or as an alternative way to gain exposure to credit risk). The Sub-Fund may be leveraged through the use of derivatives. The expected range of leverage level is 0%-100% and the maximum expected leverage level is 100% of the Sub-Fund's net asset value, calculated using the commitment approach. Using the sum of notionals method, the expected range of leverage level is 0%-400% and the maximum expected leverage level is 400% of the Sub-Fund's net asset value.

When, in the opinion of the Investment Manager, the general trend in interest rates is upward, a substantial portion of the Sub-Fund's assets is likely to be held in the form of short dated bonds and other short-term instruments, such as certificates of deposit.

### Receiving Fund

The Sub-Fund may hold other transferable securities, money market instruments, cash or near cash, derivatives, deposits and units in collective investment schemes.

The Sub-Fund may use derivatives for efficient portfolio management, hedging and/or investment purposes. The Sub-Fund may invest extensively in derivatives for investment purposes.

The Sub-Fund does not use a specific derivative strategy but will rather use derivatives for gaining exposure in accordance with the investment policies, as well as efficiently managing the investments of the Sub-Fund. Derivatives that may be used by this Sub-Fund include (but are not limited to) currency forwards and other related currency derivatives (e.g. currency options) (for hedging and/or taking active currency positions), interest rate swaps and bond futures (to manage duration), equity futures and other related equity derivatives (e.g. total return swaps) (for hedging and/or efficiency purposes) and/or credit default swaps (to hedge credit risk and/or as an alternative way to gain exposure to credit risk). The Sub-Fund may be leveraged through the use of derivatives. The expected range of leverage level is 0%-100% and the maximum expected leverage level is 200% of the Sub-Fund's net asset value, calculated using the commitment approach. Using the sum of notionals method, the expected range of leverage level is 0%-400% and the maximum expected leverage level is 400% of the Sub-Fund's net asset value.

The Sub-Fund may enter into securities lending transactions as detailed in Section 10.2B of the Prospectus. The securities lending transactions do not exceed 50% of the net asset value of the Sub-Fund. The Investment Manager currently has no intention to enter into repurchase and/or reverse repurchase transactions.

### 3.2 Comparison of the asset allocations for the Merging Fund and the Receiving Fund

The table below shows a comparison of the asset allocations between the Merging Fund and the Receiving Fund as at 31 March 2016.

Asset Type	Global Strategic Income Fund	Global Multi-Asset Income Fund
Equities	0.0%	27.9%
Developed Government Bonds	37.6%	16.5%
Emerging Market Debt	23.3%	19.3%
Investment Grade Corporate Bonds	19.3%	10.2%
High Yield Corporate Bonds	17.7%	17.7%
Cash & Cash Equivalents	2.1%	2.3%



### 3.3 Comparison of the investment performance track records for the Merging Fund and the Receiving Fund

A comparison of the investment performance of the Merging Fund and the Receiving Fund can be seen below.

Calendar Year Performance*	YTD	2015	2014	2013	2012	2011
Global Strategic Income Fund, A Inc-2, USD <sup>^</sup>	0.4%	-5.7%	1.2%	-4.6%	8.8% <sup>#</sup>	-2.5% <sup>#</sup>
Global Multi-Asset Income Fund A, Inc-2, USD <sup>^##</sup>	-0.9%	0.9%	3.7%	-	-	-

<sup>\*</sup>Source: Morningstar, as of 29 February 2016, performances based on NAV to NAV, with dividend reinvested. Past performance is not a guide to the future and investments carry a risk of capital loss. Investment involves risks. Shareholders should read the Prospectus for details, including the risk factors. These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee (if any) you might have to pay. Where no past performance is shown there was insufficient data available in that year to provide performance.

<sup>^</sup> The A Inc-2 share class is chosen as the representative share class because it is our standard retail share class and generally available to the public of Hong Kong.

<sup>#</sup> The performance prior to 2012 was achieved under circumstances that may no longer apply as the investment policy was changed in 2012. On 30 May 2012, the investment policy was changed to allow the use of derivatives for investment purposes.

<sup>##</sup> This share class was launched on 30 July 2013.

Annualized distribution Yield*	2015	2014
Global Strategic Income Fund, A Inc-2, USD	2.82%	3.28%
Global Multi-Asset Income Fund, A Inc-2, USD	4.42%	3.79%

\*Annualized distribution yield (%) is calculated as follow: (Distribution per share/ Record date NAV)\*4. Inc-2 Share Classes may pay dividend out of gross income while charging all or part of the Share Class's fees and expenses to the capital of the Share Class, resulting in an increase in distributable income for the payment of dividends by the Share Class and therefore, the Share Class may effectively pay dividend out of capital. Any distributions involving payment of dividends effectively out of the Share Class's capital may result in an immediate reduction of the net asset value per Share. Investor may refer to the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months ("Dividend Composition Information") which are available on the website of the Hong Kong Representative [www.investecassetmanagement.com.hk](http://www.investecassetmanagement.com.hk) (the content of which have not been reviewed by the SFC). Based on the past dividend composition records, the average dividend composition of both the Merging Fund and the Receiving Fund was relatively similar (i.e. with higher proportion of dividend paid out of net distributable income than paid out of capital). Past performance figures shown are not indicative of future performance.

### 3.4 The Investment Managers of the Merging Fund and the Receiving Fund

Investec Asset Management Limited is the Investment Manager for both of the sub-funds.

### 3.5 Comparison of the rights of Shareholders in the Merging Fund and the Receiving Fund

All share classes of the Merging Fund will be merged into the corresponding share classes, of the Receiving Fund with the same currency denomination and same distribution policy.

Global Strategic Income Fund	Global Multi-Asset Income Fund
A Acc, USD	A Acc, USD
A Inc-2, USD	A Inc-2 USD
C Acc, USD	C Acc, USD
C Inc-2, USD	C Inc-2, USD
F Acc, USD	F Acc, USD
F Inc-2, USD	F Inc-2, USD
I Acc, USD*	I Acc, USD*



Global Strategic Income Fund	Global Multi-Asset Income Fund
I Inc-2, USD*	I Inc-2, USD*
IX Inc-2, USD*	IX Inc-2, USD*
S Acc, EUR, Hedged (Reference)*	S Acc, EUR Hedged (Reference)*
S Acc, USD*	S Acc, USD*

\* These share classes are not available to the public of Hong Kong.

All Shareholders in the Merging Fund at the date of the merger will receive shares in the Receiving Fund to the equivalent value (but may be a different number) of those shares that they hold in the Merging Fund on 17 June 2016. The exchange of shares in the Merging Fund for shares in the Receiving Fund will be determined by an exchange ratio calculated by dividing the net asset value per share for the relevant merging share class in the Merging Fund by the net asset value per share for the relevant receiving share class in the Receiving Fund.

Shareholders of the Merging Fund will acquire rights as Shareholders of the Receiving Fund from 4.01pm New York City time on 17 June 2016.

### 3.6 Comparison of the specific risk factors for the Merging Fund and the Receiving Fund

As described in paragraph 3.1, both the Merging Fund and the Receiving Fund have similar investment objectives, but their investment policies are different reflecting the alternative strategies these funds use to achieve their investment objectives.

Set out below, as identified in the Prospectus, are the specific risk factors for the Merging Fund and the Receiving Fund. Whilst both Funds share many of the same specific risk factors, the different strategy of the Receiving Fund means that it is subject to some additional specific risk factors as highlighted below.

Both the Merging Fund and Receiving Fund may invest in internationally issued bonds and those bonds may be issued by either companies or governments. They may also invest in related derivatives.

In addition, the Receiving Fund follows a multi-asset investment approach which means it will also invest in equities and equity derivatives. The Receiving Fund may also invest in real estate investment trusts which may not be authorized by the SFC and their dividend or pay out policies is not representative of the dividend policy of the Receiving Fund. The Receiving Fund may also engage in securities lending transactions which may involve the risk that the borrower may fail to return securities in a timely manner or at all, as a result, it may suffer financial loss.

Given the bond only focus of the Merging Fund, the earnings or market value of the Merging Fund are more sensitive to changes in interest rates. The Receiving Fund, while bond orientated in its investments, is less sensitive to this risk given the additional asset classes (such as equities) that the Receiving Fund may invest in. The value of any equities held by the Receiving Fund may vary according to company profits and future prospects as well as general market factors.

Investment in derivatives by both Funds is not intended to cause their net asset value to have high volatility. However, the use of derivatives by the Funds may still increase the risk in the Fund by multiplying the effect of both gains and losses. This may lead to large changes in the value of the Funds and potentially large financial loss. The maximum expected leverage level (using the commitment approach) of the Receiving Fund disclosed in the Prospectus is higher than that of the Merging Fund. The maximum expected leverage level (using the commitment approach) of the Receiving Fund is above 100% of its net asset value and therefore the Receiving Fund is subject to high leverage risk, i.e. this will further magnify any potential negative impact of any change in the value of the underlying asset on the Fund and also increase the volatility of the Fund's price and may lead to significant losses.

Both Funds may maintain exposures to both major and minor traded currencies. As such currency exchange rate movements may lead to the value of the Fund falling as well as rising.

Both Funds may investment in emerging markets. In addition, both Funds may have an investment exposure (Merging Fund: up to 5%; Receiving Fund: up to 10%) to securities listed and bonds issued in Mainland China, including China A Shares or Onshore RMB bonds, but this is not a core focus of both Funds.



Shareholders are recommended to read the Hong Kong Offering Documents of the Receiving Fund (including Prospectus, Hong Kong Supplement and Product Key Fact Statements) for further information on the specific risk factors applicable to the Fund.

There is no assurance that the strategy employed by the Receiving Fund will be successful or that its objective will be achieved.

<b>Global Strategic Income Fund</b>	<b>Global Multi-Asset Income Fund</b>
Active Management Risk	Ability to Trade or Settle Risk
Counterparty Risk	Accounting Risk
Credit Risk	Active Management Risk
Derivative Risk	Concentration Risk
Derivative Basis Risk	Counterparty Risk
Emerging Markets Risk	Credit Risk
Exchange Rate Fluctuation Risk	Custody Risk
High Yield Debt Securities Risk	Derivative Risk
Income Yield Risk	Derivative Basis Risk
Income Priority Risk	Emerging Markets Risk
Interest Rate Risk	Equity Investment Risk
Leverage Risk	Exchange Rate Fluctuation Risk
Liquidity Risk	High Yield Debt Securities Risk
OTC Derivative Instruments Risk	Fraud Risk
Pricing & Liquidity Risk	Future Risk
Third Party Operational Risk	Hedged Share Classes Risk (where Hedged Share Classes are offered)
	Income Priority Risk
	Interest Rate Risk
	Investment in China Risk* (China Bond Market Liquidity Risk, RQFII Risk, China Credit Rating Risk, China Interbank Bond Market Risk, China A Shares Risk, Stock Connect Risk)
	High Leverage Risk
	Liquidity Risk
	Multi-Asset Investment Risk
	OTC Derivative Instruments Risks
	Risk of Market Closure
	Pricing & Dilution Risk
	Pricing & Liquidity Risk
	Prudency Risk
	Risk of Remittance Restrictions
	Third Party Operational Risk



### 3.7 Comparison of the Merging Funds' and the Receiving Funds' distribution frequencies, fees and ongoing charges

The tables below show the distribution frequencies, fees and ongoing Charges for the share classes of the Merging Fund and the Receiving Fund affected by the merger. Data shown as at March 2016.

#### Merging Fund

Share Class	Currency	Distribution Frequency	Initial Charge	Management Fee	Admin Servicing Fee	Distribution Fee	Ongoing Charge**
A	USD	Quarterly	5.00%	1.00%	0.30%	0.00%	1.45%
C	USD	Monthly	3.00%	2.00%	0.30%	0.00%	2.44%
I*	USD	Quarterly	5.00%	0.50%	0.15%	0.00%	0.76%
F	USD	Monthly	5.00%	0.75%	0.25%	0.60%	1.74%
IX*	USD	Quarterly	5.00%	0.50%	0.15%	0.00%	0.80%
S*	EUR Hedged	Quarterly	10.00%	0.00%	0.05%	0.00%	0.21%
S*	USD	Quarterly	10.00%	0.00%	0.05%	0.00%	0.14%

#### Receiving Fund

Share Class	Currency	Distribution Frequency	Initial Charge	Management Fee	Admin Servicing Fee	Distribution Fee	Ongoing Charge**
A	USD	Quarterly	5.00%	1.25%	0.30%	0.00%	1.91%
C	USD	Monthly	3.00%	2.25%	0.30%	0.00%	2.89%
I*	USD	Quarterly	5.00%	0.75%	0.15%	0.00%	1.25%
F	USD	Monthly	5.00%	1.00%	0.25%	0.60%	2.21%
IX*	USD	Quarterly	5.00%	0.75%	0.15%	0.00%	1.27%
S*	EUR Hedged	Quarterly	10.00%	0.00%	0.05%	0.00%	0.42%
S*	USD	Quarterly	10.00%	0.00%	0.05%	0.00%	0.32%

\* These share classes are not available to the public of Hong Kong.

\*\* The ongoing charges figures are based on the expenses over a 12-month period from 1 January 2015 to 31 December 2015. These figures represent the sum of the ongoing expenses chargeable to the respective share class of the Sub-Fund expressed as a percentage of the average net asset value of the respective share class of the Sub-Fund over the same period. These figures may vary from year to year.

The Receiving Fund can invest across a wider range of investment types, including equities, and so requires more investment management resource than the Merging Fund. As a result each share class of the Receiving Fund that charges an annual management fee within the Receiving Fund has a 0.25% higher annual management fee than the equivalent share class of the Merging Fund.

Investors should note that because of the higher annual management fee the ongoing charge for the Receiving Fund is higher than the ongoing charge for the Merging Fund. The ongoing charge is also higher in the Receiving Fund because the Receiving Fund has lower assets under management (US\$66.7 million as at 31 March 2016) compared to the Merging Fund (US\$273.5 million as at 31 March 2016). As a result the costs associated with managing the Receiving Fund have a greater impact on the fund as they are spread across a much smaller asset base, compared with the larger assets of the Merging Fund.

However, the merger is likely to result in a much larger Receiving Fund, subject to redemptions, and therefore it is expected that the ongoing charge of each share class of the Receiving Fund will decrease, as the impact of the costs are reduced on a larger sub-fund.

We believe the merger is still in the best interests of Shareholders as described in background and rationale section above.

No initial charge will be applied to the shares you receive in the Receiving Fund as a result of the merger.



### **3.8 Performance fees**

There are no performance fees currently applied to the Receiving Fund.

### **3.9 Dealing Days**

Dealing in both the Merging Fund and the Receiving Fund is available on any day on which banks in both Luxembourg and the United Kingdom are open for normal banking business, with the exception of 24 December each year.

### **3.10 Rebalancing of the Merging Fund before the merger**

To facilitate the operational aspects of the merger, the Merging Fund's portfolio may be rebalanced to achieve an asset allocation closer to the Receiving Funds portfolio in the period leading up to the merger. To the extent that a rebalancing is undertaken, it is anticipated that this will commence two weeks prior to the effective date of the Merger at the earliest.

### **3.11 Impact of the merger on the Receiving Fund's portfolio**

The merger will have no impact on the Receiving Fund's asset allocation. It is likely that there will be a material increase in the Receiving Fund's assets under management following the merger, which may result in increased cost efficiencies and economies of scale for that fund.

### **3.12 Costs of the merger**

The legal, administrative and advisory costs of the merger, if any, will be paid by the GSF's Management Company, Investec Asset Management Luxembourg S.A.

The costs of rebalancing the Merging Fund will be borne by the Merging Fund. It is anticipated that the rebalancing costs of the merger are likely to be between 0.40% and 0.50% of the net asset value of the Merging Fund

Initial set up costs for both the Merging Fund and the Receiving Fund have already been amortised and therefore none of these costs will be included in the costs of the merger.

### **3.13 Accrued income**

If there is any accrued income in the Merging Fund, it will be distributed before the effective date of the merger. A distribution will be made on the 07 June 2016 to all Shareholders on record as of the 06 June 2016. Distributions will be paid on the 13 June 2016 and reinvested for Shareholders who elected to do so on 14 June 2016. Any income accrued from 07 June 2016 up to the date of the merger will be accumulated in the net asset value at the date of the merger. As per the Prospectus of GSF, any redemptions will include a payment for equalisation representing undistributed income accrued since the last dividend date. Information on equalization will be shown on the redemption contract note.

### **3.14 Fund registrations**

The Merging Fund and Receiving Fund are registered for sale in the same European Union member states and countries, except that the Receiving Fund has not been registered for sale in Botswana, Chile, Peru and Taiwan.

## **4. Option to redeem or switch**

If you feel that the Receiving Fund will not suit your investment requirements, you may switch your investment into an alternative sub-fund within the GSF range or redeem your investment. You will not be charged for any such switch or redemption by Investec Asset Management.

### **If you choose to switch or redeem**

Any instruction to switch or redeem from the Merging Fund prior to the merger must be received before 4:00 p.m. New York City time (which is 10:00 p.m. Luxembourg time) on 14 June 2016. You can switch or redeem your investment by contacting either your usual financial advisor or tax advisor, or alternatively, our teams are available to help you. Please find their contact details at the beginning of this letter.



### **If you take no action**

Your investment will be merged into the Receiving Fund on 17 June 2016.

## **5. Procedural aspects of the merger**

### **5.1 Effective date of the merger**

The effective date and time of the merger will be at 4:01 p.m. New York City time (which is 10:01 p.m. Luxembourg time) on 17 June 2016.

### **5.2 No Shareholder vote required**

Please note that under the terms of GSF's Articles of Incorporation, no Shareholder vote is required in order to carry out the merger.

### **5.3 Merger report**

GSF's statutory auditor, KPMG Luxembourg, société coopérative, will prepare an auditor's report in respect of the merger. The merger report will include a validation of the following items:

- i. the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the merger ratio;
- ii. if applicable, any cash payment to be distributed to Shareholders;
- iii. the calculation method for determining the merger ratio; and
- iv. the merger ratio.

A copy of the merger report shall be available on request and free of charge to Shareholders. Please contact your local Investec Asset Management office to request a copy of the merger report.

### **5.4 Dealing in the Merging Fund\***

Dealing in the Merging Fund will continue as usual until 4:00 p.m. New York City time (which is 10:00 p.m. Luxembourg time) on 14 June 2016. Any subscriptions, redemptions, conversions and/or transfers into or out of the Merging Fund will not be processed if instructions are received after 4:00 p.m. New York City time (which is 10:00 p.m. Luxembourg time) on 14 June 2016. This will allow our administrators to implement the procedures needed for the merger in an orderly and timely manner.

Dealing in the Receiving Fund will not be suspended as a result of the merger.

The Merging Fund's Shareholders can deal in their new holdings in the Receiving Fund from 4:01 p.m. New York City time (which is normally 10:01 p.m. Luxembourg time) on 17 June 2016. Please refer to Section 2 above for a detailed timetable of the merger procedure.

**\* For Hong Kong investors, please note that the Merging Fund is no longer allowed to be marketed to the public in Hong Kong and shall not accept subscriptions from new investors with effect from the date of the notice.**



## 5.5 ISINs

Please note that the ISIN codes of the shares you hold in the Merging Fund as a result of the merger will change as a result of this merger. Details of these codes are given below.

Share class currently held			Share class to be held after merger		
Merging Fund			Receiving Fund		
Share Class	Currency	ISIN	Share Class	Currency	ISIN
A, Acc	USD	LU0345762628	A, Acc	USD	LU0972617095
A, Inc-2	USD	LU0345763196	A, Inc-2	USD	LU0953506580
C, Acc	USD	LU0758615248	C, Acc	USD	LU1365166716
C, Inc-2	USD	LU0345763279	C, Inc-2	USD	LU0953506150
F, Acc	USD	LU0345762891	F, Acc	USD	LU1365166807
F, Inc-2	USD	LU0345763352	F, Inc-2	USD	LU0642103948
I, Acc*	USD	LU0440696010	I, Acc*	USD	LU0983164699
I, Inc-2*	USD	LU0759698995	I, Inc-2*	USD	LU0983164343
IX, Inc-2*	USD	LU0846948601	IX, Inc-2*	USD	LU0947747993
S, Acc*	EUR, Hedged	LU0573623245	S, Acc, *	EUR, Hedged	LU1365166989
S, Acc*	USD	LU0412230814	S, Acc*	USD	LU1365167011

\*These share classes are not available to the public of Hong Kong.

## 5.6 Existing mandates and instructions

Existing mandates and instructions (in respect of regular savings plans, payment of income or redemption proceeds) in relation to shares in the Merging Fund will be treated as continuing to apply to new shares in the Receiving Fund. If, however, an investor of the Merging Fund is, at the date of the merger, also a Shareholder in the Receiving Fund, any mandate or instruction given in relation to shares in the Receiving Fund will take precedence, unless you instruct us otherwise.

## 5.7 Taxation

The merger of the Merging Fund into the Receiving Fund may create tax consequences for Shareholders. Shareholders should consult their professional advisors about the consequences of this merger on their individual tax position.

The Merging Fund and the Receiving Fund were both in scope of the European Union Savings Directive, which ceased to apply to most Shareholder on 1 January 2016. Where it remains relevant, GSF's transfer agent will be required, at the time of the merger, to disclose tax on any interest earned by the Merging Fund.

Shareholders of the Merging Fund who are UK taxpayers should be aware that an application has been made to HM Revenue & Customs for Capital Gains Tax Clearance. If this clearance is received, the merger will not have any Capital Gains Tax consequences for Shareholders resident or ordinarily resident in the UK as it will constitute a reorganisation in accordance with section 127 of the Taxation of Chargeable Gains Act 1992. Such Shareholders will not be treated as having disposed of their shares in GSF. A Shareholder's holding of shares in GSF immediately after the merger will be treated for the purposes of UK Capital Gains Tax as if it had been acquired at the same time as the Shareholder acquired the shares held by him before the merger and for the same cost as that of his pre-merged holding.

For Hong Kong individual investors, the merger should not have any adverse Hong Kong tax implications if the investment in the Merging Fund is not held as part of a business of the investor carried on in Hong Kong, or, if the investment is considered to be of a capital nature.

For Hong Kong corporate investors, the merger should not have any adverse Hong Kong tax implications if the investment in the Merging Fund is held as capital investment. However, where the investment is classed as revenue



in nature and is held as part of a business carried on by the investor in Hong Kong, any proceeds (that is, realised and unrealised gains) resulting from the merger of Sub-Funds may be subject to Hong Kong profits tax.

The taxation implications of the merger may vary depending upon the individual circumstances of a Shareholder. All references to taxation relate to current UK/Hong Kong law and current HM Revenue & Customs practice which are subject to change. A non-UK/Hong Kong resident Shareholder may be subject to foreign taxation on any Capital Gains arising from the merger under the local law to which the Shareholder is subject.

#### **6. Important information about the Receiving Fund**

Please refer to Appendix B of this letter for extracts from GSF's Prospectus which sets out important information for the Receiving Fund not already contained elsewhere in this letter. This information has been taken from GSF's Prospectus.

Please note that the investment policy of the Receiving Fund has not been amended for the purpose of the merger.

#### **7. Notice to Hong Kong Shareholders**

Hong Kong Shareholders should please refer to Appendix C of this letter for details of certain documentation regarding the Fund which is available for inspection by Shareholders.



## **Appendix B: extracts from the Prospectus for the Receiving Fund**

### **1. Reference Currency**

U.S. Dollar

### **2. Classes of Shares**

A complete list of currently available Share Classes may be requested from your usual Investec Representative or the Management Company. A copy of this list may be downloaded at [www.investecassetmanagement.com](http://www.investecassetmanagement.com) or may be obtained from the registered office of the Fund or the Management Company upon request.

### **3. Investment Policy**

The Sub-Fund aims to provide income with the opportunity for long-term capital growth.

The Sub-Fund will invest primarily in a diversified portfolio of fixed interest instruments, equities and derivatives, the underlying assets of which are fixed interest instruments and equities. Normally, the Sub-Fund's maximum equity exposure will be limited to 50% of its assets.

Fixed interest instruments held may be (i) issued by companies, institutions, governments, government agencies or supranational bodies around the world (including but not limited to emerging and frontier type markets), (ii) of any duration, and (iii) of Investment Grade and/or Non-Investment Grade.

The Sub-Fund may hold other transferable securities, money market instruments, cash or near cash, derivatives, deposits and units in collective investment schemes.

The Sub-Fund may use derivatives for efficient portfolio management, hedging and/or investment purposes.

### **4. Profile of the Typical Investor**

The Sub-Fund is suitable for an investor who wishes to have the investment exposure as set out in the Sub-Fund's investment objective and policy. Although an investor can sell at any time, this Sub-Fund is only suitable where the intended investment horizon is long-term. Investing in any fund involves a risk to capital that could be large or small depending on various market conditions and investors must understand this volatility.

### **5. Risk Warning**

Investors should read, be aware of and consider Section 4.3 of the Prospectus all of the 'Risk Factors' set out in Appendix 2. The following risks set out in Appendix 2 may be more relevant for this Sub-Fund: Ability to Trade or Settle Risk, Accounting Risk, Active Management Risk, Concentration Risk, Credit Risk, Custody Risk, Derivative Risk, Derivative Basis Risk, Emerging Markets Risk, Exchange Rate Fluctuation Risk, Fraud Risk, Future Risk, Hedged Share Classes Risk (where Hedged Share Classes are offered), Income Priority Risk, Interest Rate Risk, Investment in China Risk\* (China Bond Market Liquidity Risk, RQFII Risk, China Credit Rating Risk, China Interbank Bond Market Risk, China A Shares Risk, Stock Connect Risk), Leverage Risk, Liquidity Risk, Multi-Asset Investment Risk, OTC Derivative Instruments Risk, Risk of Market Closure, Pricing & Dilution Risk, Pricing & Liquidity Risk, Prudency Risk, Risk of Remittance Restrictions and Third Party Operational Risk. Investors should be aware that other risks may also be relevant to this Sub-Fund.

\*Investors should please note that the Sub-Fund's investment exposure to securities listed and bonds issued in Mainland China shall be limited to a maximum of 20% of its net assets. As at the date of this Prospectus, the Investment Manager does not currently intend the Sub-Fund's investment exposure to securities listed and bonds issued in Mainland China to exceed 10% of its net assets. If in the future the Investment Manager does intend the Sub-Fund's investment exposure to securities listed and bonds issued in Mainland China to exceed 10% of its net assets, investors will be given prior written notice of this and the Sub-Fund's Key Investor Information Documents will be updated. Furthermore the Prospectus will be updated as soon as reasonably practicable thereafter.



## 6. Minimum Subscription and Shareholding

The minimum subscription and shareholding amounts are specified under Section 5.2 of the Prospectus.

## 7. Fees and Dividend Frequency

The Share Classes set out below may not be available at the date of this Prospectus. A complete list of the available Share Classes may also be requested from your usual Investec Representative or the Management Company.

Class	Dividend Frequency for income classes*	Initial Charge % <sup>†</sup>	Management Fee % per annum*	Administration Servicing Fee % per annum*	Distribution Fee % per annum*	CDSC
A	Quarterly	5.00%	1.25%	0.30%	0.00%	N/A
C	Monthly	3.00%	2.25%	0.30%	0.00%	N/A
E1	Quarterly	N/A	1.25%	0.30%	1.25%	1.00% if redeemed within 1 year
E2	Quarterly	0%	2.25%	0.30%	1.00%	2.00% if redeemed within 1 year 1.00% if redeemed between 1 to 2 years
E3	Quarterly	0%	2.25%	0.30%	1.00%	3.00% if redeemed within 1 year 2.00% if redeemed between 1 to 2 years 1.00% if redeemed between 2 to 3 years
E4	Quarterly	0%	2.25%	0.30%	1.00%	4.00% if redeemed within 1 year 3.00% if redeemed between 1 to 2 years 2.00% if redeemed between 2 to 3 years 1.00% if redeemed between 3 to 4 years
F	Monthly	5.00%	1.00%	0.25%	0.60%	N/A
I/IX	Quarterly	5.00%	0.75%	0.15%	0.00%	N/A
J/JX	Quarterly	5.00%	0.75%	0.10%	0.00%	N/A
S	Quarterly	10.00%	0.00%	0.05%	0.00%	N/A
Z	Quarterly	3.00%	0.70%	0.30%	0.00%	N/A

\* For any IRD Share Class, the dividend frequency will be monthly. For any Inc-2 Share Class and Inc-3 Share Class, the Board may decide in its sole discretion to apply a dividend frequency that is different to that stated above. Further information regarding the current dividend frequencies can be obtained at [www.investecassetmanagement.com](http://www.investecassetmanagement.com) or from your usual Investec Representative or the Management Company.

<sup>†</sup> The Initial Charge is calculated as a percentage of the amount subscribed by an investor.

\* The Management Fee, the Administration Servicing Fee and the Distribution Fee are each calculated as a percentage of the Net Asset Value of the relevant Share Class.

## 8. Distribution Policy

As at the date of this Prospectus, the Board of Directors has determined that for any Inc Share Class, the distribution policy is to distribute net income. Accordingly, the expenses related to such a Share Class will be deducted from its income account.

As at the date of this Prospectus, the Board of Directors has determined that for any Inc-2 Share Class and Inc-3 Share Class, the distribution policy is to distribute gross income. Accordingly, the expenses related to such a Share Class will be deducted from its capital account. This will have the effect of increasing the Share Class' distributions (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.



### **9. Trade Order Cut-Off Time and Valuation Time**

As at the date of this Prospectus, the Trade Order Cut-Off Time and Valuation Time for the Sub-Fund are as follows:

<b>Trade Order Cut-Off Time</b>	<b>Valuation Time</b>
4:00 p.m. New York City time (which is normally 10:00 p.m. Luxembourg time)	4:00 p.m. New York City time (which is normally 10:00 p.m. Luxembourg time)

### **10. Regulatory Disclosures**

The Sub-Fund may use total return swaps and derivatives with similar characteristics. The Sub-Fund may use these types of instrument to gain access to the returns of (i) certain bonds and equities or other instruments that provide related returns and (ii) to a limited extent, indexes and other eligible assets. The counterparties will be reputable financial institutions specialised in this type of transactions.



## **Appendix C: Documents available for inspection in Hong Kong**

The Hong Kong representative agreement dated 1 July 2008 between the Fund, the Global Distributor and Service Provider and the Hong Kong Representative and other material contracts are available for inspection at the address below, or may be purchased at a reasonable price. The Hong Kong Offering Documents of the Fund (including Prospectus, Hong Kong Supplement and Product Key Fact Statements), the Fund's Articles of Incorporation, the Investment Management Agreement and the Custodian Agreement are available free of charge.

### **Hong Kong Representative**

#### ***Investec Asset Management Hong Kong Limited***

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