

**Investec Global Strategy Fund**

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For investors in the Investec Global Natural Resources Fund

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

30 April 2019

Dear Investor,

**Merger of the Investec Enhanced Natural Resources Fund<sup>1</sup> into the Investec Global Natural Resources Fund**

We are writing to you as an investor in the Investec Global Natural Resources Fund (the '**Receiving Fund**'), a sub-fund of the Investec Global Strategy Fund ('**GSF**'), to inform you of our plans to merge the Investec Enhanced Natural Resources Fund<sup>1</sup> (the '**Merging Fund**'), which is also a sub-fund of GSF, into the Receiving Fund.<sup>2</sup>

The merger will be effective at 4:01pm New York City time (which is 10:01pm Luxembourg time) on 7 June 2019 and does not require the approval of investors.

The merger will have no cost to you, it will not change the way in which the Receiving Fund is managed and, following the merger, the total assets of the Receiving Fund will increase.

We recommend investors read this notice carefully in order to understand the implications of the merger.

Details of the share classes affected are in section 1 of Appendix A.

You do not need to take any action in relation to this letter. However, you are encouraged to read it so you are aware of the merger into the Receiving Fund. For more details of the merger please refer to the Appendix below.

**Option to redeem or switch**

If you do not believe that following this merger the Receiving Fund will suit your investment requirements, you may switch your investment into an alternative SFC authorized<sup>3</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 Receiving Fund prior to the merger must be received before 4:00pm New York City time (which is 10:00pm Luxembourg time) on 7 June 2019.

If you wish to switch or redeem your investment, our teams are available to help you and 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 usual financial and/or tax advisor.

<sup>1</sup> This sub-fund is not authorized by the SFC.

<sup>2</sup> The merger will be effected in accordance with Article 42.1 of the Articles of Incorporation

<sup>3</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. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

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**More information**

If you require more information in relation to this merger or the contents of this letter, please contact us using the contact details at the top of this letter.

For more information on our funds, visit our website, [www.investecassetmanagement.com.hk](http://www.investecassetmanagement.com.hk)<sup>4</sup>.

We believe the merger with the Merging Fund to be in the interests of investors. Thank you for your continued investment.

Yours faithfully,

Grant Cameron  
Director

Nigel Smith  
Director

The Management Company and Directors of GSF are responsible for the accuracy of the contents of this letter. To the best of the knowledge and belief of the Management Company and 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 Management Company and 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>4</sup> The website has not been reviewed by the SFC.



## Appendix A: Details of the merger

### 1. Summary of the merger

- i. The merger will be effective from from 4:01pm New York City time (which is 10:01pm Luxembourg time) on 7 June 2019.
- ii. We believe that the merger is in the interests of investors. 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 termination and closure of the Merging Fund.
- v. Please refer to Section 6 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 Receiving Fund before the merger without any charge being imposed by Investec Asset Management.
- vi. Dealing in the Receiving Fund will continue as usual.
- vii. Investors in the Merging Fund will acquire rights as investors in the Receiving Fund from 4:01pm New York City time (which is 10:01pm Luxembourg time) on 7 June 2019.
- viii. The procedural aspects of the merger are set out in detail in Section 7 of this Appendix.
- ix. The merger will have no impact on the Receiving Fund's asset allocation. It is likely that there will be a modest increase in the Receiving Fund's assets under management following the merger, which may result in increased cost efficiencies and economies of scale. No rebalancing of the Receiving Fund's portfolio will be undertaken before or after the merger.
- x. Details of the share classes affected are given below:

<b>FUND NAME</b>	<b>SHARE CLASS</b>	<b>ISIN</b>
Global Natural Resources Fund	A, Acc, USD	LU0345780950
Global Natural Resources Fund	C, Acc, USD <sup>5</sup>	LU1982815224
Global Natural Resources Fund	F, Acc, USD	LU0345781099
Global Natural Resources Fund	I, Acc, EUR Hedged (Reference) <sup>5</sup>	LU1970557820
Global Natural Resources Fund	I, Acc, USD <sup>5</sup>	LU0345781172
Global Natural Resources Fund	S, Acc, USD <sup>5</sup>	LU0345781255

### 2. Timetable for merger

The merger will take place according to the following timetable:

Documentation sent to investors	30 April 2019
Dealings close in the Merging Fund	4.00pm New York City time on 4 June 2019
End of current accounting period of the Merging Fund	4.00pm New York City time on 7 June 2019
Valuation of the Merging Fund and the Receiving Fund	4.00pm New York City time on 7 June 2019
Effective time of the merger with the Receiving Fund	4.01pm New York City time on 7 June 2019
Dealings continue as usual in the Receiving Fund	11 June 2019

<sup>5</sup> This share class is not available to the public of Hong Kong.



### **3. Background and rationale for the merger**

The Merging Fund has experienced a steady decline in assets under management from a peak of US\$198 million as at 31 July 2011 to approximately US\$2.9 million as at 31 March 2019. As a result, we no longer consider the Merging Fund economically viable and do not expect it to attract significant inflows in the future. As such, we believe that it is no longer in the interests of investors to continue running the Merging Fund.

Rather than liquidating the Merging Fund, which would incur liquidation costs and have potential tax consequences for its investors, we believe that it is in the interests of investors in the Merging Fund to merge it into the Receiving Fund, which has the same investment objective and a similar investment policy.

### **4. Benefits to investors in the Receiving Fund**

Following the merger, the total assets of the Receiving Fund are expected to see an increase (assuming that the Merging Fund does not suffer significant redemptions prior to the merger and the assets of the Merging Fund (which were US\$2.9 million as at 31 March 2019) are transferred to the Receiving Fund). A larger Receiving Fund will allow the Investment Manager to allocate investments more efficiently and investors may also benefit from increased economies of scale and cost efficiencies.

### **5. Key information regarding the merger**

#### **5.1. Comparison of the rights of investors 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.

All investors in the Merging Fund will receive shares in the Receiving Fund to the equivalent value of those shares that they hold in the Merging Fund on the 7 June 2019.

Investors in the Merging Fund will acquire rights as investors in the Receiving Fund from 4:01pm New York City time (which is 10:01pm Luxembourg time) on 7 June 2019.

#### **5.2. Impact of the merger on fees and Ongoing Charges figure for the Receiving Fund**

The merger will not result in any change in the fees charged in the Receiving Fund. The merger will not result in an increase to the Ongoing Charges figure for the Receiving Fund and may overtime lead to a decrease due to the increased size of the Receiving Fund following the merger.

#### **5.3. Investment Manager**

Investec Asset Management Limited is the Investment Manager for both the Merging Fund and the Receiving Fund.

#### **5.4. Performance Fees**

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

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

The merger will have no impact on the Receiving Fund's asset allocation.



## **5.6. Costs of the merger**

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

There will be no cost to investors in the Receiving Fund arising from this merger.

## **5.7. Accrued income**

There will not be a special distribution of any accrued income in the Receiving Fund before the effective date of the merger.

If there is any accrued income in the Merging Fund, it will be reflected in the net asset value per share of each class at the effective date of the merger.

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

If you believe that following this merger the Receiving Fund will not suit your investment requirements, you may switch your investment into an alternative SFC authorized<sup>3</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 must be received before 4:00pm New York City time (which is 10:00pm Luxembourg time) on 7 June 2019.

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

### **7.1. Effective date of the merger**

The effective date and time of the merger will be at 4:01pm New York City time (which is 10:01pm Luxembourg time) on 7 June 2019.

### **7.2. No investor vote required**

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

### **7.3. Merger report**

The 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 investors;
- iii. the calculation method for determining the merger ratio; and
- iv. the exchange merger ratio.

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

### **7.4. Dealing in the Receiving Fund**

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

