



# Stanbic Investment Management Services

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## *Creation of Sub-Classes for New Deposits - FAQs*

### **1. What is an investment/fund sub-class?**

An investment/fund sub-class refers to a sub-group of securities that share similar characteristics within a wider investment pool.

### **2. Why are my SIMS managed unit trusts being separated into different fund classes now?**

The fund manager seeks to ring-fence all new deposits with the purpose of investing these in money market securities. This is to mitigate the impact of the mark-to-market (MTM) valuation on tradeable securities within the Stanbic Income Fund Trust and the Stanbic Cash Trust.

### **3. Under what authority are the unit trusts being separated into different classes?**

The Securities and Exchange Commission (SEC) has given a 'No Objection' approval for the segmentation of the Stanbic Income Fund Trust and the Stanbic Cash Trust into two classes, a main class and a sub-class.

### **4. What are the new sub classes being introduced?**

The new sub-classes being introduced are the '**STANBIC CASH TRUST – AMC**' and the '**STANBIC INCOME FUND TRUST – AMC**'.

### **5. Which of them has been the main option for the Stanbic Income Fund Trust and the Stanbic Cash Trust?**

Prior to the creation of sub-classes, all deposits and redemptions were on the **Stanbic Income Fund Trust** and the **Stanbic Cash Trust**.

**6. How will the fund classes appear on my investment statement and the online portal?**

- i. For the Stanbic Cash Trust, it will appear as **STANBIC CASH TRUST – AMC**
- ii. For the Stanbic Income Fund Trust, it will appear as **STANBIC INCOME FUND TRUST – AMC**.

**7. Can the investor choose which class to deposit funds into?**

All new deposits will be automatically deposited into the respective unit trust's AMC class.

**8. What securities does the AMC class comprise of?**

The AMC class will hold money market securities such as treasury bills and fixed deposits only.

**9. Can I transfer existing funds from my investment account to the AMC fund classes?**

Yes, you can transfer existing funds from your investment account to the AMC classes.

However, please note that transfers will be seen as a redemption and processed at MTM price.

**10. Which unit trust class will my standing order be deposited into?**

All standing orders will be automatically placed into the respective unit trust's AMC class.

**11. Will there be a time when the two classes will be merged?**

The sub-class for the Stanbic Income Fund Trust, will be a temporary allocation till the fixed income market normalises with clear price discovery and secondary market activity. All balances under the sub-class will then be migrated into the main fund and benefit from the MTM movement which is expected to improve as the economy recovers and the market corrects. The sub-class for the Stanbic Cash Trust will however remain.

**12. Which fund class will be debited in the event of a redemption?**

Units will first be redeemed from the AMC classes, where there are no units in the AMC class, funds will be redeemed from the main fund.

**13. Will the redemption period change?**

No, redemptions will continue to be processed within 3 working days.

**14. Are there changes to the minimum or maximum investment into the unit trusts?**

There are no changes in the minimum or maximum investment into the funds.

**15. Are there any additional fees due to the separation of classes within the unit trusts?**

No, there is no additional fee.