

23 April 2024

*Dear Investor*

**Amalgamation ballot of various BCI Best Blend, Select Manager and Select portfolios**

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION**

BCI, Select Manager (Pty) Ltd and Efficient Select (Pty) Ltd agreed to consolidate some of their portfolios where the Efficient group's clients make up most of the assets in BCI Best Blend funds in order to reduce the combined portfolios Total Expense Ratios and improve investment performance.

The Select portfolios to be consolidated are:

Source Funds	Target Funds
BCI Best Blend Worldwide Flexible Fund	Select BCI Worldwide Flexible Fund
BCI Best Blend Global Equity Fund	Select Manager BCI Global Equity Fund of Funds

**In addition**, we would like to obtain investors approval to amalgamate the BCI Best Blend Global Property Fund with the Sesfikile BCI Global Property Fund as after the amalgamation above the BCI Best Blend Global Property Fund will be below scale and the Sesfikile portfolio has a similar mandate as the BCI Best Blend Global Property Fund.

Section 99(3)(b) - why the proposed amalgamation will not be to the detriment of the investors:

- Lower Total Expense Ratios
- Target portfolios have better long-term performance track records
- Larger combined fund sizes mean improved long term viability for all as well as cost synergies

The similarities and differences between the portfolios are illustrated in annexure A.

**Actions required**

Kindly study this document, complete the attached form and return it to our auditors by no later than **14 June 2024**.

1. Please complete and sign the enclosed ballot form and return it in the enclosed self-addressed envelope or via email to [za\\_bciballots@pwc.com](mailto:za_bciballots@pwc.com).
2. If you have disposed of your participatory interests, no action is required.

Please do not include any other instructions regarding your holdings with your ballot form, for example requests for purchases, switching instructions, etc. Your ballot form will go directly to our auditors and, should such instructions **not** be sent to the auditors, it will not be processed.

**How does the proposed amalgamation impact your investment?**

In terms of the section 99 of the Collective Investment Schemes Control Act, 45 of 2002, ("the act") the ballot will be valid if the majority of investors, including the Manager, vote in favour of the amalgamation. **Please note, an absence of a response will be regarded as a vote in favour of the amalgamation.**



Section 99 (3) (a) of the Act stipulates that on the effective date, every investor “shall hold in the new scheme or portfolio, such participatory interests with an aggregate money value that is not less than the lower of the net asset value or market value, as may be fair and reasonable in the circumstances of the participatory interests which such investor, immediately before the date on which the proposed transaction becomes effective, held in an original scheme or portfolio.” In other words, when the portfolios are amalgamated, investors will be issued with replacement participatory interests in the new portfolio. The replacement participatory interests will be equal in market/monetary value to the participatory interests held pre-amalgamation.

The amalgamations will be a Capital Gains Tax (CGT) roll-over event, so no CGT will be payable upon amalgamation.

### Your rights as an investor

The rights of investors are firmly entrenched in the Act and the Deed:

1. All investors in the portfolios are given an opportunity to vote in favour of, or against, the proposals above.
2. An independent auditor will verify the outcome of the ballot.
3. Should you not be comfortable with the proposal in so far as they relate to the portfolio in which you hold participatory interests, you may switch your investments to any of the Boutique Collective Investment Scheme portfolios, at no switching cost, provided we receive your switching instructions before the effective date. Should you not be comfortable with the proposal and do not wish to switch your investments to any of the Boutique Collective Investment Scheme portfolios, you may elect to redeem your participatory interests at any time and withdraw your money at the NAV price, as defined in the Deed, subject to that it is a discretionary investment. **By electing to redeem or switch your participatory interests, it will constitute a CGT event for which you will be liable to pay CGT at your next income tax assessment.**
4. If you choose not to switch or withdraw your investments prior to effective date, the proposals as set out in this letter (to the extent that they are approved by investors) will automatically apply to your investment.

### Effective date

The effective date of the proposed amalgamation shall be **26 July 2024** close of business, provided that the necessary consent is obtained from investors and the Financial Services Conduct Authority. A special income distribution will be processed on this date.

### For more information

If you are in any doubt as to what action to take, please consult your financial advisor or call BCI at 021 007 1500.

### Attachments

Annexure A: Comparison between current and proposed portfolio and impact of changes

Annexure B: Ballot form

Yours faithfully

**Gregory Abrahams**  
**Managing Director**



**Annexure A: Portfolio Comparisons**

BCI Best Blend Global Equity Fund (source fund)	Select Manager BCI Global Equity Fund of Funds (target fund)	Notes
<p><b>Investment policy</b>            The BCI Best Blend Global Equity Fund is a multi-managed global equity portfolio investing across developed and emerging markets with the aim to generate high long term capital growth. The portfolio’s exposure to assets outside of South Africa will be in excess of 80% of the portfolio’s net asset value and the portfolio’s exposure to equity securities will always exceed 80% of the portfolio’s net asset value.</p> <p>In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing instruments, equity securities, property securities, preference shares, convertible equities and non-equity securities as well as participatory interests and other forms of participation in portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio’s primary objective.</p> <p>The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio’s investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p><b>Investment policy</b>            The Select Manager BCI Global Equity Fund of Funds has the objective of providing investors with high long term capital growth. The portfolio’s global equity exposure will always be in excess of 80% of its net asset value.</p> <p>Investments to be included in the portfolio will, apart from assets in liquid form, consists of participatory interests and other forms of participation of local and global collective investment schemes, or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio’s primary objective, investing in equity securities, property securities, non-equity securities, money market instruments, preference shares, listed and unlisted financial instruments, bonds and other interest bearing instruments and securities.</p> <p>To the extent that the assets in the portfolio are exposed to exchange rate risk, the manager may enter into financial transactions for the exclusive purpose of hedging such exchange rate risk subject to the conditions and limits as stipulated by the Act.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>Similar</p> <p>Similar</p> <p>Similar</p> <p>Similar</p>



<b>Annual service fee (excluding VAT)</b> Class A: 1.40% Class A1: 1.25% Class B: 1.05% Class C: 0.70% Class D: 0.45% Class E: 0.35% Class S: 0.05% <b>Performance fees</b> None	<b>Annual service fee (excluding VAT)</b> Class A: 0.75% Class D: 0.50%  <b>Performance fees</b> None	All the classes will merge into class A. We expect the total expense ratio to decrease by +-1% p.a.
<b>Income distribution declaration</b> 30 June, 31 December	<b>Income distribution declaration</b> 30 June, 31 December	No change
<b>Benchmark</b> MSCI World TR index	<b>Benchmark</b> MSCI World TR index	No change
<b>ASISA Category</b> Global Equity General	<b>ASISA Category</b> Global Equity General	No change

BCI Best Blend Worldwide Flexible Fund (source fund)	Select BCI Worldwide Flexible Fund (target fund)	Notes
<b>Investment policy</b> The objective of the BCI Best Blend Worldwide Flexible Fund is to generate a high long term total return by investing across asset classes by way of a multi-managed investment approach with exposure to at least 3 different underlying investment managers, either via collective investment portfolios managed by or by them managing a portion of this portfolios.  The portfolio may invest in global and local equity securities, government bonds, corporate bonds and inflation linked bonds, debentures, property shares, property related securities, preference shares, non-equity securities, money market instruments, other interest bearing securities and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective. The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio's investment objective. The manager may also include forward currency swaps, interest	<b>Investment policy</b> The Select BCI Worldwide Flexible Fund is a worldwide asset allocation flexible portfolio, having the primary objective of providing investors with a reasonable level of stable long term capital growth in excess of the portfolio's benchmark.  In achieving this objective, the investments to be acquired for the portfolio may comprise of both local and offshore mix of equity securities, property shares, property related securities, such financial instruments and derivatives as legislation permits, non-equity securities and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective.	Changes from a multi managed to a single manager portfolio. The view higher concentration may result in better but more volatile long term returns.  Similar



<p>rate and exchange rate swap transactions for efficient portfolio management purposes.</p> <p>The manager shall have the maximum flexibility to vary assets between the various markets, asset classes and countries to reflect the changing economic and market conditions.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>The asset allocation will be actively managed and will continually reflect the portfolio manager's view of the relative attractiveness of the equity, property, bond and money markets. The selected sectors within the equity portion of the portfolio will change from time to time in accordance with changing market conditions and economic trends. In order to achieve these objectives, the Manager shall have maximum flexibility in terms of asset allocation and shall not be precluded from continually varying the ratio of equity securities, non-equity securities and assets in liquid form.</p> <p>Nothing in this Supplemental Deed shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and this Supplemental Deed. The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>Similar</p> <p>Similar</p>
<p><b>Annual service fee (excluding VAT)</b>  Class A: 0.50%  Class B: 0.50%  Class C: 1.00%  <b>Performance fees</b>  none</p>	<p><b>Annual service fee (excluding VAT)</b>  Class A: 1.00%  Class B: 0.85%  <b>Performance fees</b>  Class A: 15% of outperformance of benchmark over a rolling 1 year capped at 1% p.a.  Class C: none</p>	<p>All the classes will merge into class A. We expect a +/- 0.50% higher TIC, but the target portfolio has a much better long term performance track record</p>
<p><b>Income distribution declaration</b>  30 June, 31 December</p>	<p><b>Income distribution declaration</b>  30 June, 31 December</p>	<p>No change</p>
<p><b>Benchmark</b>  ASISA Worldwide Multi Asset Flexible average</p>	<p><b>Benchmark</b>  CPI + 6% p.a.</p>	<p>Refer above for impact</p>
<p><b>ASISA Category</b></p>	<p><b>ASISA Category</b></p>	



Worldwide – Multi Asset – Flexible	Worldwide – Multi Asset – Flexible	No change
------------------------------------	------------------------------------	-----------

BCI Best Blend Global Property Fund (source fund)	Sesfikile BCI Global Property Fund (target fund)	Notes
<p><b>Investment policy</b> The BCI Best Blend Global Property Fund is a global property portfolio with an objective to provide investors with income as well as long term capital growth.</p> <p>The portfolio may invest in real estate securities and property securities, property related securities and participatory interests in collective investment schemes in property listed on exchanges, equity securities, interest bearing instruments, non-equity securities and assets in liquid form. The portfolio may also invest in participatory interests or any other forms of participation in portfolios of collective investment schemes or other similar schemes in the Republic of South Africa. Where the aforementioned schemes are operating in territories other than South Africa, participatory interests or any other form of participation in these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the Manager and Trustee as being of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio’s primary objective.</p> <p>The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio’s investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The portfolio’s global property exposure will always exceed 80% of the portfolio’s asset value.</p>	<p><b>Investment policy</b> The Sesfikile BCI Global Property Fund is a global property portfolio which focus on predominantly developed property markets with an objective to provide the investor with income as well as capital growth.</p> <p>The portfolio may invest in real estate securities and property securities, equity securities, property related securities and participatory interests in collective investment schemes in property listed on exchanges, equity securities, interest bearing instruments, non-equity securities and assets in liquid form. The portfolio may also invest in participatory interests or any other forms of participation in portfolios of collective investment schemes or other similar schemes in the Republic of South Africa. Where the aforementioned schemes are operating in territories other than South Africa, participatory interests or any other form of participation in these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the Manager and Trustee as being of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio’s primary objective.</p> <p>The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio’s investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The portfolio’s global property exposure will always exceed 80% of the portfolio’s asset value. Up to 10% of the portfolio may be invested in shares outside the property sector in companies that conduct similar business activities.</p>	<p>Similar</p> <p>Similar</p> <p>Similar</p>



<p>The manager will be permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation.</p> <p>Nothing in this Supplemental Deed shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and this Supplemental Deed.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>The manager will be permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation.</p> <p>Nothing in this Supplemental Deed shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and this Supplemental Deed.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.</p>	<p>Similar</p> <p>Similar</p> <p>Similar</p>
<p><b>Annual service fee (excluding VAT)</b> Class A: 1.25% Class C: 0.80%</p> <p><b>Performance fees</b> none</p>	<p><b>Annual service fee (excluding VAT)</b> Class A1: 1.00% Class A2 : 0.80%</p> <p><b>Performance fees</b> none</p>	<p>Class A will merge into A1, thus a 0.25p.a. ex VAT fee saving Class C will merge into A2.</p>
<p><b>Income distribution declaration</b> 31 March, 30 June, 30 September, 31 December</p>	<p><b>Income distribution declaration</b> 31 March, 30 June, 30 September, 31 December</p>	<p>No change</p>
<p><b>Benchmark</b> 50% GPR 250 REIT TR Index, 50% S&amp;P Emerging Property Index</p>	<p><b>Benchmark</b> FTSE EPRA/NAREIT Developed Rental Index Net Total Return</p>	<p>Lower emerging markets exposure should result in less volatile returns</p>
<p><b>ASISA Category</b> Global Real Estate General</p>	<p><b>ASISA Category</b> Global Real Estate General</p>	<p>No change</p>



**Annexure B: Ballot form: Proposed Best Blend portfolios amalgamation**

**I, the undersigned,** .....  
(please print full names\*)

account number.....

date of birth/registration number .....

Linked Services Product company name, if any: .....

do hereby vote to accept/reject the proposed amalgamation as set out in annexure A to the ballot letter (please mark with a "X"):

		ACCEPT	REJECT
1	Amalgamation of the BCI Best Blend Global Property Fund with the Sesfikile BCI Global Property Fund		
2	Amalgamation of the BCI Best Blend Global Equity Fund with the Select Manager BCI Global Equity Fund of Funds		
3	Amalgamation of the BCI Best Blend Worldwide Flexible Fund with the Select BCI Worldwide Flexible Fund		

SIGNED AT \_\_\_\_\_ on this day of \_\_\_\_\_ 2024

\_\_\_\_\_  
(please sign in full)

If you are signing in a representative capacity, please insert your own name and the name of the person / trust / deceased estate / company / close corporation on whose behalf you are signing.

Note: Please complete, sign and return the ballot form to our auditors in the enclosed pre-paid, self-addressed envelope or via email to [za\\_bci\\_ballots@pwc.com](mailto:za_bci_ballots@pwc.com), to reach them by no later than midnight on **14 June 2024**.