14 August 2026

Dear Investor

Amalgamation ballot of the Montrose FR Flexible Fund of Funds with the Montrose FR Moderate Fund of Funds

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

Montrose Asset Management (Pty) Ltd instructed Fundrock (“FR”) to ballot investors of the **Montrose FR Flexible Fund of Funds** to obtain their approval to amalgamate the portfolio with the **Montrose FR Moderate Fund of Funds** for investors to gain from the scale benefits of the combined portfolio sizes.

The reason being that the Montrose FR Flexible Fund of Funds at R42m in size is no longer finically viable and the Total Expense Ratio is increasing. Montrose if of the opinion that by offering investors the opportunity to amalgamate into one of their other portfolios, it will not only save investors capital gain taxes, but it may offer investors with an alternative as the key difference between the 2 portfolios are their maximum equity exposure only. The Flexible FoFs may invest up to 100% in equities and the Moderate FoFs up to 60%. Montrose FR Flexible Fund of Funds Investors can thus expect lower but much less volatile long term capital returns and a higher income return. Montrose FR Moderate Fund of Funds will not be impacted.

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

- If we do not follow the amalgamation route, then the Montrose FR Flexible Fund of Funds will have to be winded up which will be to the detriment of investors who do not want to exit Montrose portfolios as they will incur a CGT event. The amalgamation provides them with a tax-friendly conversion solution.
- Larger combined fund sizes mean improved long-term viability for all as well as cost synergies.

Actions required

Kindly study this document, complete the attached form and return it to our auditors by no later than **7 October 2026**.

1. Please complete and sign the enclosed ballot form and return it in the enclosed self-addressed envelope or via email to bciballot@deloitte.co.za.
2. No action is required if you have disposed of your participatory interests.

Please do not include any other instructions regarding your holdings on your ballot form, such as purchase requests or switching instructions. Your ballot form will go directly to our auditors, and if such instructions are not sent to the auditors, it will not be processed.

How does the proposed amalgamation impact your investment?

Under 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 that 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 prior to 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 insofar as it relates to the portfolio in which you hold participatory interests, you may switch your investments to any of the Fundrock 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 Fundrock 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 the condition that it is a discretionary investment. **Electing to redeem or switch your participatory interests 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 the effective date, the proposals as set out in this letter (to the extent that they are approved by investors) will automatically apply to your investments.

Effective date

The effective date of the proposed amalgamation shall be **6 November 2026,** 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 unsure about what action to take, please consult your financial advisor or call FR at 021 007 1500.

Attachments

Annexure A: Comparison between the current and proposed portfolio and the impact of changes
Annexure B: Ballot form

Yours faithfully

Gregory Abrahams
Managing Director

Annexure A: Portfolio Comparisons

Montrose FR Flexible Fund of Funds (source fund)	Montrose FR Moderate Fund of Funds (target fund)	Impact
Investment policy The Montrose FR Flexible Fund of Funds investment objective of the portfolio is to provide investors with high long term capital growth.	**Investment policy** The **Montrose FR Moderate Fund of Funds** primary investment objective of the portfolio is to provide the investor with moderate levels of income and long term capital.	Lower risk profile, lower but less volatile long term returns.
Investments to be included in the portfolio will, apart from assets in liquid form, consist 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 amongst others, 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. 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.	Investments to be included in the portfolio will, apart from assets in liquid form, consist 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 amongst others, 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. 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.	Similar
The Manager shall have maximum flexibility in terms of asset allocation and shall not be precluded from continually varying the underlying exposure to the various asset classes.	The composition of the portfolio shall reflect the investment structure of a retirement fund with a moderate risk profile and will comply with prudential investment guidelines to the extent allowed for by the Act. The portfolio's equity exposure will range between 0% and 60% of the portfolio's net asset value.	The source portfolio may invest up to 100% in equities and the target portfolio up to 60%. Montrose FR Flexible Fund of Funds Investors can thus expect lower but much less volatile long term capital returns and a higher income return. Montrose FR Moderate Fund of Funds will not be impacted. Similar

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.	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.	
Annual service fee (excluding VAT) Class A: 1.00% **Performance fees** 15% of excess above benchmark over a rolling 2 year period, capped at 2% p.a.	**Annual service fee (excluding VAT)** Class A: 1.00% **Performance fees** 15% of excess above benchmark over a rolling 2 year period, capped at 2% p.a.	No change
Income distribution declaration 30 June, 31 December	**Income distribution declaration** 30 June, 31 December	No change
Benchmark SARB Repo rate +2% p.a over a 2 year rolling period	**Benchmark** CPI for all urban areas plus 5% p.a over a 2 year rolling period	Repo+2 = 8.8% CPI+5% = 9.0%
ASISA Category SA Multi Asset Flexible	**ASISA Category** SA Multi Asset Medium Equity	Equity exposure capped at 60%

Annexure B: Ballot form: Proposed Montrose portfolios amalgamations

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 Montrose FR Flexible Fund of Funds with the Montrose FR Moderate Fund of Funds		

SIGNED AT on this day of 2026

____
(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 prepaid, self-addressed envelope or via email to bciballot@deloitte.co.za by no later than midnight on **7 October 2026.**