

30 August 2021

Dear Investor

PROPOSED AMALGAMATION OF THE STONEWOOD AM Ci FUND RANGE UNDER THE Ci COLLECTIVE INVESTMENTS SCHEME WITH THE STONEWOOD AM BCI FUND RANGE UNDER THE BOUTIQUE COLLECTIVE INVESTMENTS SCHEME

The purpose of this letter is to obtain your approval to amalgamate the **Stonewood AM Ci Guarded Fund** with the **Stonewood AM BCI Guarded Fund**, the **Stonewood AM Ci Temperate Fund** with the **Stonewood AM BCI Temperate Fund** and the **Stonewood AM Ci Diversified Growth Fund** with the **Stonewood AM BCI Diversified Growth Fund**.

If you are in any doubt as to what action to take, please consult your financial advisor.

Provisions of the Collective Investment Schemes Control Act

In accordance with Section 99 of the Collective Investment Schemes Control Act (Act 45 of 2002), the business of two or more collective investment schemes or two or more portfolios of a collective investment scheme may not be amalgamated, and the rights of the investors in the portfolio may not be ceded or transferred to or be taken over by any other portfolio or collective investment scheme, except with the prior consent of investors holding a majority in value of participatory interests (units) in each collective investment scheme or portfolio (hereinafter referred to as an original scheme or portfolio) to which a proposed amalgamation, cession, transfer or take-over refers, and the Financial Sector Conduct Authority ("the Authority"), granted on such conditions as he or she may determine in writing.

Explanation of the amalgamation process

An amalgamation is a process whereby two or more portfolios are merged for the purpose of transferring portfolios from one scheme to another or amalgamating two or more portfolios within the same scheme. In this case, the Stonewood AM Ci portfolios under Ci Collective Investments Scheme ("Ci") will be amalgamated with corresponding portfolios under Boutique Collective Investments Scheme ("BCI"), in effect transferring the portfolios and investors to the Boutique Collective Investment Scheme. In other words, when the Stonewood AM Ci portfolios are absorbed into and amalgamated with the new Stonewood AM BCI portfolios, investors will be issued with replacement participatory interests (units) in the new amalgamated portfolio. The replacement units will be equal in market value to the units held prior to the amalgamation, although the number of units held may change.

Background on Stonewood Asset Management

Stonewood Asset Management is currently a co-named partner of Ci and approached BCI to join them as a strategic business partner and to provide them with co-named portfolios. BCI will under separate cover apply for the establishment of three new co-named Stonewood AM BCI portfolios and apply for the amalgamation of the Stonewood AM Ci portfolios with the newly established Stonewood AM BCI portfolios.

Investment management of the Stonewood AM BCI portfolios

The Investment Committee of Stonewood Asset Management will continue to manage the assets of the portfolios as has been the case since inception. In addition, the portfolios will continue being managed under the same investment policies.

Collective Intelligence

Ci Collective Investments (RF) (Pty) Ltd Reg No. 2004/030503/07
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PO Box 412249, Craighall, 2024, Gauteng, South Africa.
Tel: 0861 000 881. email: clientservices@cicollective.co.za.
Directors: J E Eckstein (MD), M J van der Mescht, M P Geale, P W Dreyer

Effective date of ballot and cut-off date for instructions prior to the implementation of the proposed amalgamation

All investors in the Stonewood AM Ci Guarded Fund, Stonewood AM Ci Temperate Fund and Stonewood AM Ci Diversified Growth Fund on record as at **19 August 2021** will be balloted. The proposed amalgamation date of the portfolios will be effective on **5 November 2021 close of business**, provided that the necessary approval is received from investors and the Authority.

Charges, performance and unit pricing

1. Investors will not be liable to pay any additional fees, charges, taxes or brokerage as a result of the amalgamation of the portfolios.
2. The issuance of replacement participatory interests (units) in the new amalgamated portfolio will not constitute a Capital Gains Tax (CGT) event for tax purposes.
3. The new amalgamated portfolios will determine future performance and unit pricing.

Portfolio comparisons

Please refer Annexure A for a detailed comparison between the portfolio mandates, distribution dates, benchmarks and fees.

Income distributions

The FSCA requires that all accrued income in portfolios to be transferred, be distributed prior to the transfer taking place. In line with this requirement, the current Stonewood AM Ci portfolios will distribute on 5 November 2021 and the pay-out or reinvestment thereof will be handled in accordance with your current income instruction.

Valuation and transaction cut-off times

There will be no change to the transaction cut-off time. The cut-off time for transactions is 14:00. The valuation time will change from the current valuation point of 17:00 daily to a new valuation point of 15:00 daily.

Proposed amalgamated portfolios

Please refer to **Annexure A** to this letter for the details of how the proposed amalgamations will affect the portfolios.

Your rights as investor

The rights of the investor are firmly entrenched in the Collective Investment Schemes Control Act. In terms of Section 99 of the Act, the Authority requires that:

1. all investors be advised, in writing, of the details of the proposed amalgamation of the portfolios, and
2. all investors be given an opportunity to vote in favour of or against the amalgamation proposal.

Please vote by completing the enclosed ballot form and return it to the auditors in the enclosed self-addressed envelope or scan and email the form directly to the auditors at **za_ci_collective_ballot@pwc.com** by **12 October 2021**.

Please note that, in terms of the Collective Investment Schemes Control Act, the Authority will not consent to the amalgamation of the portfolios unless he or she is satisfied that the amalgamation will not be detrimental to any investors.

If you are not comfortable with the amalgamation proposal for any of the portfolios in which you hold units, you may elect to redeem your units at any time and withdraw your funds at the NAV price, as defined in the Deed. You may also you switch your investments to any of the Ci Collective Investment Scheme portfolios, at no switching cost, provided that we receive your switching instructions before 2 November 2021. **Please note that electing to redeem your units may constitute a CGT event for which you could be liable to pay CGT at your next income tax assessment.**

If you choose not to withdraw or switch your investment prior to **2 November 2021**, the amalgamation proposal, as set out in this letter (to the extent that it is approved by investors and the Authority) will automatically apply to your investment.

Investors will no doubt be reassured to know that the Trustees (approved by the Authority in terms of the Collective Investment Schemes Control Act) of the Ci Collective Investment Scheme have formally consented to the ballot process as a means of determining the wishes of the majority of the investors as set out in this letter.

COVID-19 contingency

Due to the impact of the current COVID-19 crisis we have implemented a contingency plan whereby in the event that you are unable to provide us with a copy of your signed ballot letter, then you may contact your financial advisor, or Ci via email or on 0861 000 881 and we will arrange for alternative arrangements to assist you in getting your vote to the auditors before the due date.

For more information

If you have any queries or wish to know more about the proposed change referred to in Annexure A, or should you wish to exercise your right to switch or sell any of your investments, please contact your financial advisor.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Eckstein', with a vertical line extending downwards from the end of the signature.

John Eckstein
Managing Director

Annexure A

The changes to the Investment policy are indicated in bold in the table below:

Stonewood AM Ci Guarded Fund	Stonewood AM BCI Guarded Fund	Impact of changes
<p>Investment policy The portfolio is a multi-asset low equity portfolio. The investment objective of the portfolio is to provide investors with fairly steady capital growth while maintaining <u>a high level of income</u>. Capital preservation is a high priority.</p> <p>The portfolio maintains a low risk profile and the portfolio's equity exposure will be limited to a maximum of <u>40%</u> of the portfolio's net asset value.</p> <p>The portfolio will comply with prudential investment guidelines to the extent allowed by the Act.</p> <p>Investments to be included in the portfolio may, apart from assets in liquid form, consist of equity securities, non-equity securities, convertible stock, preference shares and property securities as well as any other securities which are considered consistent with the portfolio's primary objective and that the Act may allow from time to time.</p> <p>The portfolio may also include participatory interests in portfolios of collective investment schemes or other similar collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee of a sufficient standard to provide investor protection which is at least equivalent to that in South Africa.</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.</p> <p>The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p> <p>The Trustee shall ensure that the investment policy set out in this Supplemental Deed is</p>	<p>Investment policy The Stonewood AM BCI Guarded Fund's investment objective is to provide investors with a moderate level of income whilst preserving capital.</p> <p>The portfolio maintains a conservative low risk profile and its maximum equity exposure is limited <u>to 25%</u> of its net asset value.</p> <p>The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa with a conservative risk profile to the extent allowed for by the Act.</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 securities, bonds, debentures, corporate debt, equity securities, other interest-bearing securities, property securities, preference shares, convertible equities and non-equity securities. The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. Where the aforementioned schemes are operated in territories other than South Africa, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is, to the satisfaction of the manager and the trustee, of sufficient standard to provide investor protection at least equivalent to that in South Africa.</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</p>	<p>The target portfolio's income return expectation is slightly lower.</p> <p>The target portfolio's risk profile is slightly lower due to lower potential equity exposure – resulting in lower volatile returns.</p> <p>Similar, just more detailed universe description.</p> <p>Similar</p>

<p>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>Nothing in this supplemental deed shall preclude the Manager from varying the ratio of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements of legislation and from retaining cash on deposit in terms of the deed and this supplemental deed.</p>	<p>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>No impact as both regulated by CISCA, ASISA and mandates limits.</p> <p>No impact as both regulated by CISCA and mandates limits.</p>
<p>Portfolio Benchmark CPI for all urban areas + 2% per annum over any rolling 3 year period</p>	<p>Portfolio Benchmark CPI for all urban areas + 2% per annum over any rolling 3 year period</p>	<p>No change</p>
<p>Service Charges (ex VAT) Class A: 0.70% Class B: 0.65% Class B1: 0.75%</p>	<p>Service Charges (ex VAT) Class B1: 0.75%</p>	<p>Class A and B investors will experience a fee increase of 0.05% and 0.10% p.a. respectively.</p>
<p>Performance Fees None</p>	<p>Performance Fees None</p>	<p>No change</p>
<p>Distribution 31 March, 30 June, 30 September & 31 December</p>	<p>Distribution 31 March, 30 June, 30 September & 31 December</p>	<p>No change</p>
<p>ASISA Category South Africa – Multi Asset – Low Equity</p>	<p>ASISA Category South Africa – Multi Asset – Low Equity</p>	<p>No change</p>

Stonewood AM Ci Temperate Fund	Stonewood AM BCI Temperate Fund	Impact of changes
<p>Investment policy</p> <p>The portfolio is a multi-asset low equity portfolio. The investment objective of the portfolio is to provide investors with <u>significant capital growth</u> while maintaining a moderate level of income. The emphasis is on growth through maximum diversification, more so than short-term capital preservation.</p> <p>The portfolio maintains a moderate risk profile and the portfolio's equity exposure will typically lie between 20% and 40% of the net asset value of the portfolio. The property exposure will lie between 10% and 25%, <u>while the cash exposure will be between 0% and 75% and all other non-equity exposure will be between 0% and 80% of the net asset value of the portfolio.</u></p> <p>The portfolio will comply with prudential investment guidelines to the extent allowed by the Act.</p> <p>Investments to be included in the portfolio may, apart from assets in liquid form, consist of equity securities, non-equity securities, convertible stock, preference shares and property securities as well as any other securities which are considered consistent with the portfolio's primary objective and that the Act may allow from time to time.</p> <p>The portfolio may also include participatory interests in portfolios of collective investment schemes or other similar collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee of a sufficient standard to provide investor protection which is at least equivalent to that in South Africa.</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.</p> <p>The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</p>	<p>Investment policy</p> <p>The Stonewood AM BCI Temperate Fund's investment objective is to provide investors <u>with capital growth</u> whilst maintaining a moderate level of income. The emphasis is more on capital growth rather than on capital preservation.</p> <p>The portfolio maintains a cautious to moderate risk profile and its equity exposure ranges between 20% and 40% of its net asset value, whilst its property exposure ranges between 10% and 25% of its net asset value.</p> <p>The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa with a cautious to moderate risk profile to the extent allowed for by the Act.</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 securities, bonds, debentures, corporate debt, equity securities, other interest-bearing securities, property securities, preference shares, convertible equities and non-equity securities. The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. Where the aforementioned schemes are operated in territories other than South Africa, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is, to the satisfaction of the manager and the trustee, of sufficient standard to provide investor protection at least equivalent to that in South Africa.</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 target portfolio's capital growth objective is lower.</p> <p>Similar (cash and non-equity not mentioned in target portfolio as it is the inverse of the other exposures)</p> <p>Similar, just more detailed universe description.</p> <p>Similar</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>Nothing in this supplemental deed shall preclude the Manager from varying the ratio of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements of legislation and from retaining 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>No impact as both regulated by CISCA, ASISA and mandates limits.</p> <p>No impact as both regulated by CISCA and mandates limits.</p>
<p>Portfolio Benchmark CPI for all urban areas + 3% per annum over any rolling 5 year period</p>	<p>Portfolio Benchmark CPI for all urban areas + 3% per annum over any rolling 5 year period</p>	<p>No change</p>
<p>Service Charges (ex VAT) Class A: 0.70% Class B: 0.65% Class B1: 0.75%</p>	<p>Service Charges (ex VAT) Class B1: 0.75%</p>	<p>Class A and B investors will experience a fee increase of 0.05% and 0.10% p.a. respectively.</p>
<p>Performance Fees None</p>	<p>Performance Fees None</p>	<p>No change</p>
<p>Distribution 30 June & 31 December</p>	<p>Distribution 31 March, 30 June, 30 September & 31 December</p>	<p>Investors will receive quarterly income distributions in the target portfolio.</p>
<p>ASISA Category South Africa – Multi Asset – Low Equity</p>	<p>ASISA Category South Africa – Multi Asset – Low Equity</p>	<p>No change</p>

Stonewood AM Ci Diversified Growth Fund	Stonewood AM BCI Diversified Growth Fund	Impact of changes
<p>Investment policy The portfolio is a multi-asset medium equity portfolio. The investment objective of the portfolio is to deliver long term capital growth.</p> <p>The portfolio <u>maintains a high risk profile</u> and the portfolio's equity exposure will be limited to a maximum of 60% of the portfolio's net asset value.</p> <p>The portfolio will comply with prudential investment guidelines to the extent allowed by the Act.</p> <p>Investments to be included in the portfolio may, apart from assets in liquid form, consist of equity securities, non-equity securities, convertible stock, preference shares and property securities as well as any other securities which are considered consistent with the portfolio's primary objective and that the Act may allow from time to time.</p> <p>The portfolio may also include participatory interests in portfolios of collective investment schemes or other similar collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee of a sufficient standard to provide investor protection which is at least equivalent to that in South Africa.</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.</p> <p>The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.</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</p>	<p>Investment policy The Stonewood AM BCI Diversified Growth Fund's investment objective is to provide investors with long term capital growth by investing across a diversified range of asset classes and securities..</p> <p>The portfolio maintains a moderate risk profile and its maximum equity exposure is 60% of its net asset value.</p> <p>The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa with a moderate risk profile to the extent allowed for by the Act.</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 securities, bonds, debentures, corporate debt, equity securities, other interest-bearing securities, property securities, preference shares, convertible equities and non-equity securities. The manager may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. Where the aforementioned schemes are operated in territories other than South Africa, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is, to the satisfaction of the manager and the trustee, of sufficient standard to provide investor protection at least equivalent to that in South Africa.</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</p>	<p>Lower risk profile, thus potentially lower return volatility</p> <p>Similar, just more detailed universe description.</p> <p>Similar</p> <p>No impact as both regulated by CISCA, ASISA and mandates limits.</p>

<p>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>Nothing in this supplemental deed shall preclude the Manager from varying the ratio of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements of legislation and from retaining cash on deposit in terms of the deed and this supplemental deed.</p>	<p>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>No impact as both regulated by CISCA and mandates limits.</p>
<p>Portfolio Benchmark CPI for all urban areas + 4% per annum over any rolling 7 year period</p>	<p>Portfolio Benchmark CPI for all urban areas + 4% per annum over any rolling 7 year period</p>	<p>No change</p>
<p>Service Charges (ex VAT) Class A: 0.70% Class B: 0.65%</p>	<p>Service Charges (ex VAT) Class B: 0.75%</p>	<p>Class A and B investors will experience a fee increase of 0.05% and 0.10% p.a. respectively.</p>
<p>Performance Fees None</p>	<p>Performance Fees None</p>	<p>No change</p>
<p>Distribution 30 June & 31 December</p>	<p>Distribution 30 June & 31 December</p>	<p>No change</p>
<p>ASISA Category South Africa – Multi Asset – Medium Equity</p>	<p>ASISA Category South Africa – Multi Asset – Medium Equity</p>	<p>No change</p>

Ballot Form

Please complete the voting table below and send to the auditors using the enclosed envelope or e-mail them at za_ci_collective_ballot@pwc.com by 12 October 2021.

I, the undersigned,

Full Names*: _____
(Please print full names and surname)

Investor number/Investment number:

Identity number/
Registration number of company/trust:

Name of Linked Investment Services
Provider (if applicable) and account
Number(s): _____

do hereby vote to **accept/reject** the proposed amalgamation of the Stonewood AM Ci Guarded Fund with the Stonewood AM BCI Guarded Fund, the Stonewood AM Ci Temperate Fund with the Stonewood AM BCI Temperate Fund and the Stonewood AM Ci Diversified Growth Fund with the Stonewood AM BCI Diversified Growth Fund in terms of Section 99 of the Collective Investment Schemes Control Act No. 45 of 2002, as set out in the letter of **30 August 2021** from Ci Collective Investments (RF) (Pty) Ltd.

Please tick the appropriate box (only for the portfolio in which you hold participatory units).

Change	Accept	Reject
Stonewood AM Ci Guarded Fund to the Stonewood AM BCI Guarded Fund		
Stonewood AM Ci Temperate Fund to the Stonewood AM BCI Temperate Fund		
Stonewood AM Ci Diversified Growth Fund to the Stonewood AM BCI Diversified Growth Fund		

Signed at _____ on the _____ day of _____ 20__

(Please sign in full)

Capacity if signing on behalf of a third party

** If you are signing in a representative capacity, please insert your own name, the name of the investor / trust / deceased estate / company / close corporation / retirement annuity fund / pension fund / preservation fund on whose behalf you are signing, and your designation.*