

14 December 2022

Dear Investor

BALLOT - AMENDMENT TO THE OPTIMUM BCI EQUITY FUND INVESTMENT POLICY

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

Optimum Investment Managers (Pty) Ltd, the investment manager of the Optimum BCI Equity Fund requested us to ballot investors to amend the investment policy of the portfolio in order to allow it to invest in participatory interests of other collective investment schemes as well as a few minor wider universe items. This will allow them to include exposures to ETFs as well as local and offshore unit trust funds, thereby potentially diversifying manager and market exposures that should result in better investment returns at lower volatility levels.

For ease of comparison, we attach a table of the current and proposed portfolio investment policies under Annexure A.

A successful ballot will not have any tax impact nor fee impact on your investment, and it will not affect your relationship with your financial adviser.

Action required

Kindly study this document, complete the attached form and return to our auditors by no later than 8 February 2023.

1. Please complete the enclosed ballot form and return it in the enclosed self-addressed envelope or via email to ***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 be sent to the auditors, we cannot guarantee that any instruction subsequent to the commencement of the ballot process will be affected.

In terms of the Deed established in terms of the Collective Investment Schemes Control Act, 45 of 2002, the ballot will be successful if the majority of investors in value who respond, excluding the Manager, vote in favour of the amendment to the investment policy. A minimum response rate of 25% is required, otherwise the ballot will fail and the status quo will remain.



Your rights as an investor

1. All investors in the portfolios are given an opportunity to vote in favour of, or against the proposed amendment in the investment policy in terms of clause 67 of the Deed. For the ballot to be successful a response rate of at least 25% of total assets per portfolio is required, of which more than 50% should vote in support.
2. An independent auditor will verify the outcome of the ballot.
3. Should you not be comfortable with the proposal that relates to the portfolio in which you hold participatory interests, you may switch your investments to any of the BCI Collective Investment Scheme portfolios, at no switching cost, provided that we receive your switching instructions before the effective date. Or should you **not** be comfortable with the proposal and do not wish to switch your investments to any of the BCI Collective Investment Scheme portfolios, you may elect to redeem your participatory interests at any time and withdraw your funds at the NAV price, as defined in the Deed. Please note that by electing to redeem or switch your participatory interests, it will constitute a capital gains tax (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 investment.**

Effective date

The effective date of the proposed change in the investment policy shall be 28 February 2023, provided that the necessary consent is obtained from investors and the Financial Sector Conduct Authority.

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 details

Annexure B: Ballot form

Yours faithfully

Gregory Abrahams



Annexure A: Investment policy comparisons

<p style="text-align: center;">CURRENT Optimum BCI Equity Fund</p>	<p style="text-align: center;">PROPOSED Optimum BCI Equity Fund</p>	<p style="text-align: center;">IMPACT</p>
<p>The Optimum BCI Equity Fund is a general equity portfolio that seeks to sustain high long-term capital growth.</p> <p>The portfolio’s investment universe consists of equity securities, preference shares, property shares and property related securities listed on exchanges, money market instruments and assets in liquid form.</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 portfolio’s equity exposure will always exceed 80% of the portfolio’s net asset value.</p> <p>The trustee shall ensure that the investment policy, as set out above, is adhered to, provided that nothing contained in the investment policy shall preclude the manager from varying the proportions of the aforementioned securities and assets in liquid form, or the assets themselves, should changing economic factors or market conditions so demand. 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</p>	<p>The Optimum BCI Equity Fund is a general equity portfolio that seeks to sustain high long-term capital growth.</p> <p>The portfolio’s equity exposure 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, equity securities, money market instruments, <u>interest bearing instruments and securities, notes, property securities, preference shares, convertible equities and non-equity securities. The portfolio 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.</u></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 trustee shall ensure that the investment policy, as set out above, is adhered to, provided that nothing contained in the investment policy shall preclude the manager from varying the proportions of the aforementioned securities and assets in liquid form, or the assets themselves, should changing economic factors or market conditions so demand. 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</p>	<p>Unchanged</p> <p>Unchanged – see lower down</p> <p>Wider range – note especially inclusion of exposure to local and offshore unit trust funds, etc – it should result in better diversification and lower volatility levels. It is in line with many industry peer portfolios’ mandates.</p> <p>Unchanged</p> <p>Unchanged – see above</p> <p>Unchanged</p>



<p>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>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>	
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Annexure B: Ballot form: Proposed Optimum BCI Equity Fund investment policy amendments

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 amendment as set out in annexure A to the ballot letter (please mark with a "X"):

	ACCEPT	REJECT
Amending the Optimum BCI Equity Fund investment policy		

SIGNED AT _____ on this day of _____ 202_

(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 bciballots@pwc.com](mailto:za_bciballots@pwc.com) , to reach them by no later than midnight on 8 February 2023.