15 July 2026

Dear valued investor

**Proposed amalgamation of the Novare Balanced Fund with the Novare BCI Balanced Fund**

***This letter is important and requires your immediate attention.***

The purpose of this letter is to inform you of the proposed amalgamation of the Novare Balanced Fund (source portfolio), established under the Novare Collective Investment Scheme, with a similar Novare BCI co-named portfolio (target portfolio), established under the Boutique Collective Investments Scheme ("BCI"), and to provide you with sufficient information to vote on this proposal, including your rights as an investor and the impact this will have on your investment. The source and target portfolios have similar investment policies.

The reason for this ballot is that Novare requested BCI to transfer the portfolio subject to a successful investor ballot as they have entered into a co-naming arrangement with BCIs. It will not impact on the way that the portfolios have been managed to date; the purpose of the amalgamation is the continuation of the portfolio on the BCI platform.

In terms of Section 99 of the Collective Investment Schemes Control Act, 45 of 2002 ("the Act"), the proposed amalgamation will proceed if the majority of investors vote in favour of the amalgamation by way of the enclosed ballot. Absence of a response will be regarded as a vote in favour of the amalgamation.

Details of the similarities, differences, and the impact on you as an investor, are explained in Annexure A.

**How the amalgamation impacts your investment**

<u>Replacement participatory interests</u>

When the current portfolio is absorbed into and amalgamated with the BCI portfolio, investors will be issued with replacement participatory interests (units) in the new amalgamated portfolio. The replacement units will be equal in market/monetary value to the units held prior to the amalgamation.

This is in accordance with Section 99 (3) (a) of the Act, which 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."*

**The amalgamations will be a Capital Gains Tax ("CGT") roll-over event, so no CGT will be payable as a result of the amalgamation.**

**Special distribution**

As part of the amalgamation process, it is required that all accrued income in portfolios to be transferred to BCI, be distributed to investors prior to the transfer taking place. A special income distribution will therefore be processed, and the payout or reinvestment thereof will be handled in accordance with your current income instruction.

**Effective date of amalgamation**

The effective date of the proposed amalgamation of the portfolios will be **09 October 2026 close of business**, provided that the necessary consent is obtained from investors and the FSCA.

**Action required**

1. Please complete the enclosed ballot form and email it directly to our external auditors at **novare@pkf.co.za** on or before **28 August 2026**. If this letter was posted to you, you could also return and post the ballot form in the enclosed self-addressed envelope. If you do not participate in the ballot in time, you will be deemed to have voted in favour of the amalgamation.
2. Please do not include any other instructions regarding your holdings with your ballot form, e.g. 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 processed.
3. If you are no longer invested in these portfolios, no action is required.

**Your rights as an investor**

The rights of investors are firmly entrenched in the Act. In terms of Section 99 of the Act, the FSCA requires that:

- All investors in the affected portfolios will be advised in writing of the details of the proposed amalgamations of the portfolios.

- All investors are given an opportunity to vote in favour of, or against, the proposed amalgamations.
- An independent auditor will verify the outcome of the ballot.
- All investors will be notified in writing of any proposed material changes to the collective investment schemes and portfolios in which they hold units, and
- All investors be balloted in order for them to vote on the proposed changes.

**If investors do not respond before the cut-off date, they will be deemed to have voted in favour of the amalgamation.**

Should you not be comfortable with the amalgamation proposal and do not wish to switch your investments to any other unit trust, you may elect to redeem your units at any time and withdraw your funds at the net asset value price, as defined in the Deed. Please note that, by electing to redeem your units, your action may constitute a CGT event and you may be liable for CGT at your next income tax assessment.

**If you choose not to switch or sell your funds prior to the effective date of the amalgamation, the amalgamation proposals, as set out in this letter (if approved by investors), will automatically apply to your investment.**

Should you require further information on the proposed amalgamation, or should you wish to exercise your right to switch or sell any of your investments, please contact your financial adviser or our client services team on 0800 668 273 or clientservice@novare.com.

**Attachments**

- Annexure A, a comparison between the portfolio, and the impact of changes on you as investor
- Ballot Form

Yours faithfully,

Jacques du Preez
Managing Director

**ANNEXURE A**

| Novare Balanced Fund (source portfolio) | Novare BCI Balanced Fund (target portfolio) | Impact on investors |
|---|---|---|
| **Investment policy**<br>The Novare Balanced Fund aims to offer investors a moderate long term total return. The portfolio will be in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. The portfolio equity exposure will be limited to a maximum of 60%. | **Investment policy**<br>The Novare BCI Balanced Fund is a moderate risk portfolio that aims to provide long term capital growth by investing in a diversified spread of investable asset classes. The portfolio is managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. However, its maximum net equity exposure is capped at 60%. | Similar and see below |
| In order to achieve its objective the portfolio will invest in a broad spectrum of South African and offshore securities. The investments to be included in the portfolio may comprise a combination of securities such as assets in liquid form, interest bearing instruments, bonds, debentures, corporate debt, equity securities, property securities, preferences shares, convertible equities, non-equity securities and money market instruments. 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 | 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, 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. | Similar<br><br>Similar |

| Novare Balanced Fund (source portfolio) | Novare BCI Balanced Fund (target portfolio) | Impact on investors |
|---|---|---|
| standard to provide investor protection at least equivalent to that in South Africa. | | |
| 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 swap transactions for efficient portfolio management purposes. | 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. | See above |
| The portfolio will comply with all prudential requirements and regulations controlling retirement funds or such other applicable legislation as may be determined for retirement funds. | | Similar |
| 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 the 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. | No need to mention |
| Nothing in this supplemental deed shall preclude the manager from varying the ratio of securities, to achieve the investment objective in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange recognised in terms | | |

| Novare Balanced Fund (source portfolio) | Novare BCI Balanced Fund (target portfolio) | Impact on investors |
|---|---|---|
| of legislation and from retaining cash or placing cash on deposit in terms of the deed and this supplemental deed; provided that the Manager shall ensure that the aggregate value of the assets comprising the portfolio shall consist of securities and assets in liquid form of the aggregate value required from time to time by the Act.<br><br>The trustee shall ensure that the investment policy set out in this supplemental deed is adhered to. | | Similar see above |
| **Portfolio Benchmark**<br>CPI + 3% p.a. | **Portfolio Benchmark**<br>CPI + 3% p.a. | No change |
| **Service charges ex VAT**<br>class A1: 0.65%, class A2: 1.10%, class B1: 0.10%<br>**Performance Fees**<br>none | **Service charges ex VAT**<br>class A1: 0.65%, class A2: 1.10%, class C1: 0.10%<br>**Performance Fees**<br>none | No change |
| **Distribution declaration dates**<br>30 June, 31 December | **Distribution declaration dates**<br>30 June, 31 December | No change |
| **ASISA Category**<br>SA Multi Asset Medium Equity | **ASISA Category**<br>SA Multi Asset Medium Equity | No change |

# ANNEXURE B: BALLOT FORM
# NOVARE BALANCED FUND

NOVARE® CIS

- All sections must be completed in full
- Select applicable boxes with a cross [X]
- Initial any amendments made to the form
- Ensure all information provided is accurate and true
- Email completed forms to **novare@pkf.co.za** on or before **28 August 2026**.

I, the undersigned,

Investor Code(s):

Full Names*:

ID Number: OR Registration Nr of Company / Trust:

Name of Linked Investment Service Provider (if applicable): & Account Nr(s):

hereby, (please click applicable box)

| | ACCEPT | REJECT |
|---|---|---|
| Amalgamation of the Novare Balanced Fund established under the Novare Collective Investments Scheme with the Novare BCI Balanced Fund established under the Boutique Collective Investments Scheme. | | |

The proposed amalgamation is in terms of Section 99 of the Collective Schemes Control Act, 2002 (Act No. 45 of 2002), as set out in the letter above.

Place:

Capacity (if signing on behalf of 3rd party):

Authorised signature

DD-MM-YYY

Date

* 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