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BOUTIQUE COLLECTIVE INVESTMENTS

Boutique Collective Investments (RF) (Pty) Ltd is a subsidiary of the Efficient Group Ltd

Reg. no.2003/024082/07 VAT no.4550233128

21 September 2018

Dear Investor

BALLOT LETTER

AMALGAMATION OF THE EFPC BCI BALANCED FUND INTO THE NAVIGA BCI BALANCED GROWTH FUND OF FUNDS

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION

Please take note that the proposed amalgamation will have no impact on the existing Naviga BCI Balanced Growth Fund of Funds, but by law we have to ballot you.

Efficient Private Clients (Pty) Ltd ("EFPC") forms part of the Efficient Group ("EFG") and focuses on the management of private client share portfolios. To date EFPC managed a unit trust fund, the EFPC BCI Balanced Fund, as well. After due consideration EFG decided to amalgamate the EFPC BCI Balanced Fund with the Naviga BCI Balanced Growth Fund of Funds, a multi-managed fund of funds portfolio.

The 1st round ballot was unsuccessful as an intermediary party omitted 16 investors from their ballot letter circulation and therefore the ballot failed. Therefore, the request for the 2nd round approval.

The amalgamation, if successful, will have no impact on Naviga investors. However, the amalgamation will result in scale benefits to especially the EFPC investors as the Naviga portfolio is much larger. It will also result in the EFPC portfolio being managed in line with the EFG's Naviga multi managed house view which we believe should result in improved long-term investment returns for the EFPC investors.

A successful ballot will not have any tax impact on your investment nor will it 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 13 November 2018.

1. Please complete the enclosed ballot form and return it in the enclosed self-addressed envelope or via email to ***bciballot@kpmg.co.za***.
2. If you have disposed of your participatory interests, no action is required.
3. A no response will be regarded as a vote in support of the amalgamation.

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, 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 then 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.

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 proposed amalgamation in terms of clause 99 of the Act.
2. An independent auditor will verify the outcome of the ballot.
3. If investors do not participate in the amalgamation ballot timeously, they will be deemed to have voted in favour of the amalgamation.
4. **The amalgamation will be a Capital Gains Tax (CGT) roll-over event, so no CGT will be payable upon amalgamation.**
5. 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 24 January 2019. 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.**

6. If you choose not to switch or withdraw your investments prior to 24 January 2019, 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 25 January 2019 (close of business), provided that the necessary consent is obtained from investors and the Financial Sector Conduct Authority.

Special income distribution

Both portfolios will declare a special income distribution on 25 January 2019.

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:

EFPC BCI BALANCED FUND	NAVIGA BCI BALANCED GROWTH FUND OF FUNDS
Investment policy The primary objective of the EFPC BCI Balanced Fund is to offer investors a moderate long term total return. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. 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, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities, derivatives and non-equity securities. The manager may also 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. 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 unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The portfolio's net equity exposure will range between 0% and 75% of the portfolio's net asset value. 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	**Investment policy** The Naviga BCI Balanced Growth Fund of Funds is a managed fund of funds. The objective of this portfolio is to provide the investor with a reasonable level of income combined moderate capital growth over the medium to long term. It will invest in a broad range of participatory interests and other forms of participation in collective investment schemes or similar schemes. Investments to be included in the portfolio will, apart from assets in liquid form, consist solely 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. The underlying portfolios may invest 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. 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 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.

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.	
Portfolio Benchmark Composite consisting of 58% FTSE JSE ALSI J203T, 16% MSCI World, 9% JPM Global Bond index, 9% FTSE JSE SAPY J253T, 8% ALBI index, over a 1 year rolling period, calculated over a rolling 1-year period	**Portfolio Benchmark** CPI for all urban areas plus 4% per annum, calculated over a rolling 1-year period
Service charges Class A: 1.50% ex VAT Class B: 0.70% ex VAT **Performance Fees** None	**Service charges** Class C: 1.00% ex VAT **Performance Fees** 10% of excess above bench mark, over 1 year rolling period capped at 0.5% p.a.
Distribution declaration dates 28 February, 31 August	**Distribution declaration dates** (unchanged) 28 February, 31 August
ASISA Category SA Multi Asset High Equity	**ASISA Category** (unchanged) SA Multi Asset High Equity

Impact on investors:

- Naviga investors: none
- EFPC investors:
    - The 2 portfolios have similar risk profiles, but unlike the EFPC portfolio which invests directly in securities, the Naviga portfolio invest in a selection of other unit trusts with the objective to harness the best ideas from these investment managers. Therefore, in theory it should result in less volatile long term returns for EFPC investors due to the diversification of investment ideas across a number of investment managers.
    - The investment objectives and universes, both complies with prudential investment guidelines, therefore both have 0-75% equity exposure ranges, so no change,
    - Based upon back testing, the future benchmark should be slightly higher for EFPC investors but the investment manager is of the opinion that the long term outcome should be similar, for example
        - EFPC 3 year benchmark return was 1.17% p.a. (annualised)
        - Naviga 3 year benchmark return was 1.87% p.a. (annualised)
    - Fees:
        - Both class A and B of the EFPC BCI Balanced Fund will be incorporated under class C of the Naviga BCI Balanced Growth Fund of Funds.
        - Class A investors will experience a service charge reduction of 0.5% p.a. ex VAT. However, unlike the EFPC portfolio, the Naviga portfolio has a performance fee, but the max performance fee is 0.5% p.a. Thus, in good years the combined service charge and performance fee will be the same and poor performance years the combined fee will be up to 0.5% ex VAT cheaper
        - Class B investors will experience a service charge increase of 0.3% p.a. ex VAT as well as a potential performance fee up to 0.5% p.a. ex VAT

Annexure B: Ballot form: Proposed EFPC/Naviga fund of funds amalgamation

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

account number...

date of birth/registration number ....

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

Fund name:..

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**
Amalgamation of the EFPC BCI Balanced Fund with the Naviga BCI Balanced Growth Fund of Funds		

SIGNED AT on this day of 2018

____
(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 ***bciballot@kpmg.co.za***, to reach them by no later than midnight on 13 November 2018.