

Change in investment consultants

Dear Members

In November 2018 the Principal Officer of the Agricultural Research Council Pension Fund informed the Trustees about a number of corporate/ structural issues at Novare Group Level. At that time we were still happy with the service we received from the Fund Manager and his team, so it was decided to merely place them on terms and monitor the situation. In the meanwhile thorough due diligences were conducted on alternative investment consultants.

At the end of February 2019 the Fund Manager contacted the Principal Officer and informed him that he had resigned at Novare and will be leaving their employment on 30 April 2019.

Following a special Board of Trustee Meeting, the Trustees decided to terminate Novare's contract and appoint one of the identified alternative consultants, namely Boutique Collective Investments (RF) (Pty) Ltd ("BCI") and Boutique Investment Partners ("BIP").

Please note that the ARC portfolios will remain as is and most of the underlying investment managers will be maintained at this time.

Who is BCI and BIP?

BCI is a leading large independent Collective Investments Scheme service provider in South Africa. Their core business is to support their partners in growing

their assets under management by providing high quality products, administration and distribution services. The total BCI unit trust assets under administration is in excess of R100 billion, spread over more than 300 collective investment scheme (CIS) portfolios.

BIP is an independent investment management and consulting firm that specialises in the provision of globally focused multi-manager investment management and consulting services to leading South African independent financial advisors, and their retail and institutional clients. BIP manages and consults on assets in excess of R35 billion, making it one of the most significant participants in the retail multi-manager arena in South Africa.

Boutique Investment Partners was formed in 2014 as a subsidiary of the Efficient Group. The core team of investment professionals representing BIP has previously worked together for many years at a major South African insurance based financial services group. The opportunity to establish BIP presented the team with the entrepreneurial environment to create a business focused solely on the investment interests, and wealth creation and preservation needs of clients. The BIP team comprises a strong and dedicated group of individuals with exceptionally strong investment skills and experience. Collectively the team has on average in excess of ten years of investment consulting and multi-manager investment management experience. The most senior team members have been involved in multi-manager investment management since the inception of the multi-manager industry in South Africa in the late 1990's. The team boasts two actuaries and a number of CFA charter holders and candidates.

The BIP team manages and consults on client investments administered in Collective Investment Schemes (unit trusts), wrap funds on various Linked Investment Service Provider platforms and Employee Benefit platforms.

Their comprehensive service offering comprises:

- Investment consulting
- Investment management (both locally and globally focused)
- Chairing of and participation on client investment committees
- Investor reporting

The effective date of the transfer will be on 1 April 2019.

Alexander Forbes has informed us that there will be a short downtime on AFOnline during this transition time and members will not be able to access their statements.

Please note that the Trustees of The Agricultural Research Counsel Pension Fund remains committed to always act in the best interest of our members.

For any questions in this regard, please do not hesitate to contact the pension fund office at 012 346 0084 or email info@arcpf.co.za

Kind regards,

A handwritten signature in black ink, appearing to be 'FC Greeff', with a stylized flourish at the end.

FC Greeff
Principal Officer