

18 August 2020

Dear Investor

BRIDGE FUND MANAGERS ACQUIRED BY COUNTERPOINT ASSET MANAGEMENT

It gives me great pleasure to announce that Bridge Fund Managers Holdings (Bridge) will soon be combining its business with specialist investment manager Counterpoint Asset Management (Counterpoint), to form a diversified, multi-strategy investment management company.

The transaction sees Counterpoint acquiring Bridge from Infinitus Holdings (Pty) Limited. Counterpoint's major shareholders include successful Johannesburg-based financial service group Merchant West. Merchant West Holdings is one of SA's biggest independent financial services providers with a history of over 20-years in the financial services sector.

This is Counterpoint's second acquisition in 2020, after merging with value manager RECM earlier this year. The Bridge business, with its distinct Payers and Growers[®] investment strategy and retirement income focus, was identified by Counterpoint as an attractive long-term asset. These strategies will not only be retained, but our intention is to nurture and grow them. The combined businesses will manage assets of nearly R12 billion once the transaction is concluded. The transaction is still subject to regulatory approvals but is expected to be effective 1 September 2020.

The asset management industry in South Africa is highly fragmented, and the consolidation of complimentary participants make commercial sense. This transaction provides both scale and synergies to the combined entity, priming it for growth while still offering exceptional service levels. The merger will provide the necessary impetus towards building a robust and compelling investment management proposition with capabilities across the full asset class and product spectrum.

We believe that this transaction also provides a strong capital partner to the business and offers a stable platform for the intellectual property, research and product innovation that Bridge has created over the last eight years to be sustained. Having a long-term strategic shareholder like Counterpoint with the backing of Merchant West, that is committed to growth and accessing the opportunities that lie ahead, is very exciting for us.

At Bridge, promoting our clients' interests is always our primary responsibility and concern. Bridge will add investment skills, innovation and a national distribution capability to the core investment management offering and experienced Counterpoint investment team. We are confident that both Bridge and Counterpoint clients will benefit greatly from the combination of the complimentary skill sets within our respective investment teams and more diversified product ranges.



Linda Eedes and I will act as joint CEOs to ensure a smooth transition of our respective teams and clients. Bridge and Counterpoint will continue to operate separately for the next couple of months but will gradually integrate until fully merged by the end of the first quarter of 2021.

Sam Houlie, Counterpoint's Chief Investment Officer, will assume leadership of the combined investment team. The product ranges of the respective businesses will be gradually amalgamated into a sensible composite, covering a variety of asset classes and strategies.

Ian Anderson, who currently leads the Bridge investment team will continue to play an integral role in the investment process as head of real estate. He will also continue to manage the Bridge Payers and Growers® and listed property funds. We are happy that Bridge's key institutional clients have indicated support for the transaction.

The merging of the businesses will require some degree of restructuring to align the business operations. Importantly, the core Bridge team will remain in place post the merger. We will soon undertake a full review of all aspects of the combined business and will make further announcements regarding any changes and improvements to the business once this process is concluded. This will be done in a way that limits any impact or inconvenience on any of our clients.

The business will operate from offices in Cape Town, Johannesburg and Durban.

We acknowledge that change is never easy and that 2020 has been a period of significant uncertainty both in South Africa and around the world. It is time to look forward. We believe the opportunities presented by this merger will prepare the business for a period of sustained growth, stability and prosperity for our clients.

We look forward to engaging with our valued clients in the weeks ahead as we gradually combine the businesses. We invite you to contact us should you have any questions or concerns.

Yours truly



PAUL STEWART

Chief Executive Officer

