

1 February 2021

Long Beach Worldwide Flexible Prescient Fund: Change to Worldwide Investment Mandate

Dear Investor

I am pleased to inform you the Long Beach Flexible Prescient Fund's investment mandate has with effect from 1 February 2021 changed to allow the fund to invest on a fully worldwide basis. The fund moves to the ASISA Worldwide Multi Asset Flexible category, and the fund's new benchmark will be the peer average of the ASISA Worldwide Multi Asset Flexible category. This is also consistent with the Long Beach Managed Prescient Fund's peer average benchmark. Investors will incur no additional fees for this change, and the fund's fee structure will remain the same in terms of both the new Investment Mandate and ASISA Worldwide category.

The fund is now able to invest on an unconstrained global basis, which allows the fund to take full advantage of the larger opportunity set of companies available in global markets. The fund's investment philosophy and process will be unchanged, and I am excited by the much greater number of businesses globally which meet Long Beach's investment criteria. The fund aims to invest in high quality businesses, to be acquired at reasonable prices, with due consideration for broader environmental, social and governance impacts (ESG), and to be a long-term investor in our portfolio companies.

Global markets are increasingly being influenced by shorter term trends, news headlines, political events, computerised trading, and an institutional focus on volatility as risk. AI (artificial intelligence), algorithmic trading, institutional short-term performance pressures and passive thematic investing are all causing a significantly large number of market participants to shorten their trading time horizons and security holding periods. This has led to heightened and seemingly random daily moves as well as outsized volatility reactions to news flow and events. Long Beach sees significant opportunity in this market environment, to stand at the much less crowded long-term horizon and act as a portfolio investor in our chosen companies, and where possible to limit unnecessary short-term trading.

One of Long Beach's founding principles is to always act in the best interests of our clients, and I strongly believe the change to the fund's mandate is in our clients' best interests. In terms of the legislative and regulatory requirements, the fund will lose its official track record, on the MDDs (fact sheets) and in the various fund databases the fund's performance track record will start from zero again. This is a short-term trade-off for Long Beach as a business, officially giving up the fund's award-winning track record over the past 11.5yrs, but one which I am more than happy to accept to achieve the best investment outcome for our clients. Long Beach will continue to make the historic performance of the fund available.

Thank you for your ongoing confidence in Long Beach and the Flexible fund. I am grateful for your support and look forward to our worldwide investing adventure.

Yours Sincerely

David Hansford

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