met

collective investments

A member of MMI Holdings

Growing Tomorrow's Leaders Today™

An introduction to MET Premium Partners™

MET Premium Partners™ brings together select boutique and specialist investment managers to offer financial advisers and investors access to diversified and unconstrained sources of alpha.

Our new value proposition gives investment managers unrivalled reach and distribution throughout the MMI and Momentum Group and across multiple investment platforms in South Africa. Financial advisers and investors benefit from ease of doing business and being able to incorporate investment managers into existing portfolios seamlessly through their platform of choice.

Successful investing requires looking beyond the expected to capture early-stage growth and investment innovation.

The rise of the boutique investment manager

From hotels to haute culture, the concept of "boutique" implies the same characteristics in a business whatever the sector in which it operates. Exclusivity, focus, quality and sometimes a higher price – these factors are said to apply to boutique investment managers as to any other business. The question is "Is there a case of style over substance, or is there really a benefit from 'buying boutique'"?

Defining "boutique"

Boutiques in investment management take various shapes and forms but the overarching characteristics can be largely be summarised as follows:

- They are part or wholly owned by the investment team
- They are spin-offs from larger investment companies, often with private equity funding
- They often outsource non-core functions
- They have focused and highly specialised portfolios
- Their portfolios are more concentrated and contain fewer shares

The growth of boutiques

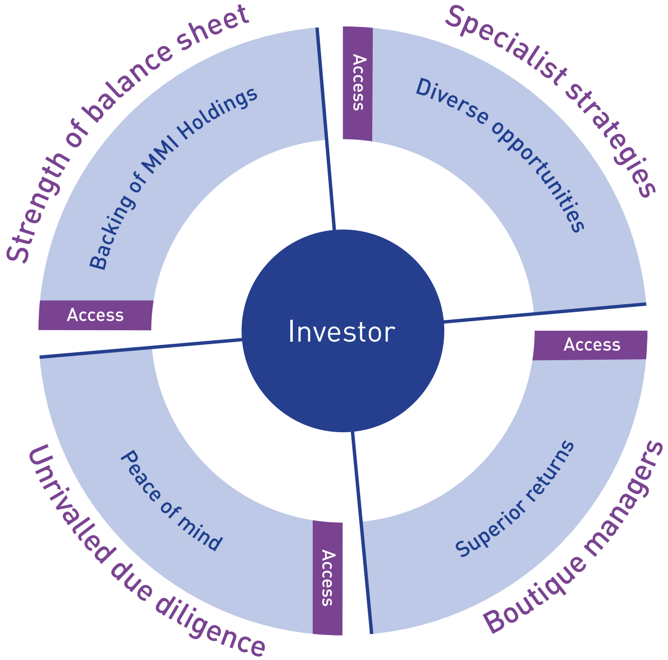
The growth in boutiques is prevalent in all major markets. Throughout the past decade, the investment management industry has become increasingly specialised. As the hedge fund market has grown, investment managers started to think beyond the boundaries of the larger and often bureaucratic financial institutions. As global assets under management grew, the market could support more participants and the possibility of setting up their own autonomous boutiques, independent of, and in competition with, their previous employers.

Challenges around capturing the "boutique effect"

Investment manager selection in the boutique sector requires expertise. Much of the value proposition may hinge on the founding investment team and there is no substitute for an in-depth understanding of the people involved. A boutique investment manager with a great reputation will fill up available capacity quickly – often with institutional investments rather than the retail investments from high-net-worth clients.

Explaining boutique success – individual boutique insights

- US-based boutique investment manager: "The best people will not stay with firms that do not provide some form of ownership".
- South African-based mutual fund: "Performance, as well as having a clear investment strategy and superior client service, is the clear driver of assets for boutiques".
- Australian-based niche investment manager: "Smaller firms tend to develop more active, benchmark-unaware products that have a greater likelihood of providing better downside protection than index style products".



About MET Collective Investments

The investment landscape is changing with boutique and specialist investment managers coming to the fore. The investment community is starting to take notice of these investment managers with their unique skill sets and distinctive ability to make contrarian strategic and tactical decisions in the pursuit of alpha.

MET Collective Investments has identified this paradigm shift as an opportunity to look beyond the expected, to capture early-stage growth and investment innovation. Our unique value proposition, MET Premium Partners™, brings together select boutique and specialist investment managers to offer financial advisers and investors unprecedented access to diversified and unconstrained sources of alpha.

By partnering with us, investment managers gain significant reach through the deep investment channels of MMI and Momentum Group as well as being represented on multiple other investment platforms in South Africa. Combined with efficient administration provided by MET Collective Investments and backed by the financial strength of MMI Holdings Limited, investment managers are able to stand alongside South Africa's largest investment managers, while offering niche skills and contrarian investment thinking.

This provides a powerful combination for financial advisers and investors looking to tap into the next tier of successful investment managers in South Africa.

Our credentials

MET Collective Investments forms part of MMI Holdings Limited — a company listed on the life assurance sector of the Johannesburg Stock Exchange

R560bn

The Group has more than **R560 billion** in assets under management

MMI Group Limited is the **third-largest** life assurer in South Africa

MMI Holding's internal audit team ensures **strong internal controls** and **governance**

MMI Group Limited has a **strong balance sheet** with capital reserves to provide peace of mind

MMI Holdings has **extensive insurance cover** provided by Marsh

Our external auditor is **PricewaterhouseCoopers**

Growing Tomorrow's Leaders Today™ — MET Premium Partners™

MET Collective Investments aims to play a leading role in developing the advisory and investment management industry in South Africa through skilled advice, efficient administration and meaningful distribution, in a cost-effective way.

Growing Tomorrow's Leaders Today™ is about quality not quantity.

An ongoing trend in South Africa, and globally, is for established and successful investment managers to attract more assets under management, which could affect their flexibility and potential to produce alpha.

MET Premium Partners™ identifies the next tier of successful investment managers that are unconstrained by size and able to implement their best investment views in generating differentiated sources of alpha.

In addition to giving financial advisers and investors access to leading boutique and specialist investment managers, MET Collective Investments provides a vast network on which these managers can be accessed.

Depth of reach and distribution across the MMI and Momentum Group as well as access through multiple diversified channels and platforms in South Africa, ensure that financial advisers and investors can easily and seamlessly blend new investment managers into existing portfolios.

Financial advisers/investors		
Skill Investment expertise – access to the next tier of successful investment managers in South Africa.	**Reach/Access** Unrivaled reach/distribution – access via MMI and Momentum Group's extensive distribution and through multiple platforms in South Africa.	**Efficiency** Efficient administration provided by MET Collective Investments allowing investment managers to focus on their core skill of portfolio management.

Stability and security provided by the large balance sheet and operational backing of MMI Holdings Limited, South Africa's third-largest life assurer.

MET Premium Partners™ research and due diligence

MET Collective Investments leverages the research and due-diligence reviews used by Momentum Outcome-based Solutions in its institutional portfolios.

To become part of MET Premium Partners™, boutique and specialist investment managers undergo rigorous due-diligence reviews and business scrutiny. The research and due-diligence reviews used for MET Premium Partners™ is the same process developed and used by Momentum Outcome-based Solutions for selecting investment managers to form part of its institutional portfolios.

Quantitative and qualitative measures are used in analysing investment managers' capabilities and the results of the two types of analyses must correlate. The research specifically looks to answer the following:

- How consistent are investment managers' style and skill? How correlated are their alpha-delivering capabilities with other investment managers in the market?
- Which investment managers have the highest probability of delivering on a consistent, differentiated source of alpha?
- How effective are investment managers' portfolio-construction skills?
    - Do their high-conviction overweight positions pay off? Do their low-conviction positions also add value?
    - Are they adding value more from what they own or more from what they don't own? How consistently is this achieved?
- How well does the qualitative assessment of investment managers support the quantitative insights?
- Are the investment managers in question in a stable, supportive environment – are they happy and stimulated doing what they are doing?
- What resources are there to support them?
- To what extent are investment managers strategy or benchmark cognisant?

Investment managers must display the following characteristics:

A distinctive, compelling and consistent investment philosophy.

A disciplined, repeatable investment process with the ability to monitor and control risks.

Stable and optimal ownership structure leading to mutually aligned shareholder and investor objectives.

Well-constructed portfolios providing distinct alpha and returns that differ from the benchmark.

Relevant experience and proven investment expertise and track record.

MET Premium Partners™ within each category

MET Collective Investments segments investment managers based on the investment strategies that represent their strongest skills set.

These categories differ from those defined by ASISA (the Association for Savings and Investments in South Africa), which are classified according to broad investment objectives and asset allocation ranges. We believe these categories more accurately reflect the approach, strategy and investment style of each investment manager. It also helps financial advisers in blending the most appropriate sources of return to create diversified portfolios with reliable outcomes for investors.

Category	Partners
Active Equity Value	Fairtree Capital (subject to FSB approval) Perpetua Investment Managers Truffle Asset Management (subject to FSB approval)
Active Equity Quality	36ONE Asset Management First Avenue Investment Management Imara Asset Management SA
Passive Equity	Seed Investment Consultants
Balanced – Flexible Asset Allocation	36ONE Asset Management BlueAlpha Investment Management Truffle Asset Management (subject to FSB approval)
Balanced – High Equity	Contego Asset Management Counterpoint Boutique Northstar Asset Management Perpetua Investment Managers
Balanced – Medium Equity	Seed Investment Consultants Counterpoint Boutique
Balanced – Low Equity	Contego Asset Management Counterpoint Boutique
Balanced – Income	Contego Asset Management Counterpoint Boutique
Fixed Interest – Flexible	Fairtree Capital (subject to FSB approval) Saffron Wealth Truffle Asset Management (subject to FSB approval)
Fixed Interest – Bonds	Saffron Wealth
Property Local	Metope Investment Managers (subject to FSB approval)

Investment manager profiles
360NE Asset Management

Overview

Launched in 2004 by Cy Jacobs and Steven Liptz, 36ONE Asset Management is a specialist investment manager. The investment team manages a range of local and offshore portfolios investing predominantly in South African equities. The company is one of South Africa's leading specialist investment managers with a commitment to delivering award-winning investment returns and quality service. 36ONE is a lean and flexible investment manager with a carefully selected team of skilled investment professionals and a proven track record.

Investment philosophy

36ONE's investment philosophy is focused on delivering outperformance by identifying mispriced securities. This is done through fundamental analysis, which is underpinned by long-standing relationships with management of companies and proprietary modelling techniques. This bottom-up approach is complemented by a top-down, macro-economic overlay, which is used to manage exposure to various industries and asset classes. Risk management plays an integral role at all stages of the investment process. 36ONE outsources all peripheral functions, enabling it to focus on efficient portfolio management to provide investors with consistent returns.

Key facts

- Business started: 2004
- Total number of investment portfolios: 10
- Total assets under management: R11.2 billion
- Size of team: 14
- MET Premium Partners™ Category:
    - Active Equity Quality (36ONE MET Equity Fund)
    - Balanced – Flexible Asset Allocation (36ONE MET Flexible Opportunity Fund)
- Website address: www.36one.co.za

36ONE
THREE SIX ONE ASSET MANAGEMENT

Contego Asset Management

Overview

Contego Asset Management was founded in 2003 and is a specialist independent investment manager with key expertise in protected investment portfolios. Backed by a strong team of experienced portfolio managers, analysts and strategists with a unique combination of complementary skills, Contego offers institutions and individuals an innovative range of portfolio management services. To secure and build wealth over the long term, the company's portfolio managers develop and implement sophisticated investment strategies, tailored to meet each client's objectives, while maximising total return.

Investment philosophy

Contego adopts a relative value-driven investment philosophy that is combined with a firm approach to risk management. Using a proprietary protection technique, the company focuses on protected portfolios delivering stable inflation-outperforming returns linked with strong income. This approach allows the investment team to manage portfolios that consistently perform in line with absolute growth benchmarks, but at significantly lower risk (volatility).

Key facts

- Business started: 2003
- Total number of investment portfolios: 5
- Total assets under management: R610 million
- Size of team: 6
- MET Premium Partners™ Category:
    - Balanced – High Equity (Contego B3 MET Protected Balanced Fund)
    - Balanced – Low Equity (Contego B2 MET Protected Income Fund)
    - Balanced – Income (Contego B1 MET Income Plus Fund)
- Website address: www.contego.co.za

Counterpoint Boutique

Overview

Founded in early 2012 by Chris Stainforth, Steve Mills and Alex Pestana, Counterpoint Boutique is a boutique investment manager that aims to deliver cost-effective service and consistent long-term results. The company's investment team manages a select range of multi-asset class (balanced), equity and fixed interest portfolios. Counterpoint has a lean and flat structure and outsources all peripheral functions, which ultimately ensures that investors' best interests are aligned with company goals. Financial advisers have direct access to portfolio managers and are regularly invited to partake in investment strategy meetings. This allows Counterpoint to gain valuable insights into the broader investment market and maintain a client-centric focus.

Investment philosophy

Counterpoint is a defensive investor that adopts a contextual value-investing mindset. Its valuation-driven approach is used to deliver consistent real returns above the risk-free rate on a risk-adjusted basis over the long term. This bottom-up analysis is aligned with a top-down macro overlay, which acts as a broader assessment of major economic themes. This allows for a more comprehensive evaluation of the risk-return dynamics of the market.

Key facts

- Business started: 2012
- Total number of investment portfolios: 6
- Total assets under management: R1.35 billion
- Size of team: 6
- MET Premium Partners™ Category:
    - Balanced – High Equity (Counterpoint MET Balanced Plus Fund)
    - Balanced – Medium Equity (Counterpoint MET Moderate Fund)
    - Balanced – Low Equity (Counterpoint MET Cautious Fund)
    - Balanced – Income (Counterpoint MET Enhanced Income Fund)
- Website address: www.cpam.co.za

COUNTERPOINT
ASSET MANAGEMENT

Fairtree Capital

Overview
Fairtree Capital is a specialist investment manager committed to delivering consistent, high-quality returns. Founded in 2003 by Andre Malan, the company has developed a diversified range of investment solutions to suit a variety of investor needs. The investment team manages a selection of hedge funds and long-only portfolios across multiple asset classes and geographies, with a focus on South Africa and the African continent. Fairtree's client-centric culture is one that embodies its three core values of integrity, excellence and growth.

Investment philosophy
Fairtree follows a stable and repeatable investment process that is based on the investment team's expertise in absolute and relative investment selection, as well as disciplined portfolio construction and risk-management processes. When making investment decisions, the team combines a meticulous top-down macro-economic overlay with a fundamental bottom-up analysis to support the team's views. This approach allows investors to benefit from superior, risk-adjusted returns in a variety of market conditions.

Key facts
- Business started: 2003
- Total number of investment portfolios: 14
- Total assets under management: R15 billion
- Size of team: 32
- MET Premium Partners™ Category:
    - Active Equity Value (Fairtree Equity Fund – subject to FSB approval)
    - Fixed Interest – Flexible (Fairtree MET Income Plus Fund – subject to FSB approval)
- Website address: www.fairtree.com

FAIRTREE CAPITAL

First Avenue Investment Management

Overview

Founded in August 2010 by Hlelo Giyose and two other founding partners, Matthew Warren and Bonolo Magoro, First Avenue Investment Management is an independent equity specialist that manages two focused local equity-based portfolios, namely General Equity and Focused Equity. It aims to grow clients' wealth through the consistent and long-term application of a focused investment philosophy and process. Core competencies are performed in-house and other functions are outsourced to best-of-breed service providers. First Avenue provides investors with 39 years of combined investment experience from a variety of diverse backgrounds and perspectives.

Investment philosophy

First Avenue is a valuation-focused boutique manager that determines a company's intrinsic value by using fundamental company and industry-level analysis. This bottom-up analysis allows its investment team to evaluate companies based on competitive advantage, valuation, risk ratings and management leadership. First Avenue follows a rigorous research process to methodically differentiate between great and mediocre companies, undervalued and expensive shares, long-term valuations and short-term estimations, as well as well-managed companies from lifestyle entrepreneurs.

Key facts

- Business started: 2010
- Total number of investment portfolios: 3
- Total assets under management: R8 billion
- Size of team: 4
- MET Premium Partners™ Category:
    - Active Equity Quality (MET General Equity Fund)
- Website address: www.firstavenue.co.za

FIRST AVENUE
INVESTMENT MANAGEMENT

Imara Asset Management SA

Overview

Founded in 2003, Imara Asset Management SA is a specialist investment manager with key expertise in African investing. The company has a presence across the African continent, including Zimbabwe, South Africa, Zambia and Mauritius. Imara's experienced investment team manages assets on behalf of African and global investors, as well as a global portfolio that is offered primarily to the company's African client base.

Imara Asset Management SA is based in Johannesburg. Its investment team provides private wealth management and investment management products and services to high-net-worth individuals and mass affluent private clients. It also services smaller provident and pension funds in South Africa.

Investment philosophy

Imara's investment decisions are made using a medium- to long-term horizon. When developing its investment strategy, the firm blends a macro top-down overlay with a focused bottom-up approach. This is complemented by a focus on identifying changes in monetary policy, structural reforms and corporate and industry trends. Through rigorous quantitative research, the investment team determines each portfolio's asset allocation and share selection.

Key facts

- Business started: 2003
- Total number of investment portfolios: 9
- Total assets under management: R1 926 million
- Size of team: 9
- MET Premium Partners™ Category:
    - Active Equity Quality (Imara MET Equity Fund)
- Website: www.imara.com

IMARA
INVESTING
IN AFRICA

Metope Investment Managers

Overview

Founded by Liliane Barnard, Metope Investment Managers is an independent financial services group specialising in investment management and direct property portfolios. Metope is divided into two distinct pillars. The first is Metope Investment Managers, which offers investors access to listed property and niche alternative equity-protected investments. The second is Metope Property, which is a direct property investment and advisory services offering, providing investors with a range of direct property investment opportunities.

Investment philosophy

'Income is KEY'

The delivery of superior long-term outperformance to clients through focused investing in higher income yielding investments, which produce higher-than-market-average distribution growth, compounded over the long term.

This is supplemented by holding investments considered core, which have superior distribution growth, but are more highly rated, either because of geared capital structures, exchange rate gains, the accumulated effect of positively geared acquisitions or the unlocking of land values.

The core portfolio drives income and capital growth, especially powerful when compounded over the long term. The balance of the portfolio takes advantage of market mispricing, with an awareness of cash flows to enhance returns.

Key facts

- Business started: 2005
- Total number of investment portfolios: 10
- Total assets under management: R2.8 billion
- Size of team: 6
- MET Premium Partners™ Category:
    - Property Local (Metope Property Fund – subject to FSB approval)
- Website address: www.metopegroup.com

METOPE
INVESTMENT MANAGERS

Northstar Asset Management

Overview

Founded in 1996 by Alexander Otten, Northstar Asset Management is a specialist investment manager that manages predominantly equity-based portfolios. It has a key focus on investment returns and has consistently provided investors with reliable returns and quality service. Northstar's culture demonstrates its core value of integrity, which is underpinned by its long-term approach to investing and its ultimate aim of accumulating and protecting investor capital.

Investment philosophy

Northstar follows a prudent investment philosophy based on a long-term and disciplined mindset. The company's in-depth research is complemented by meticulous analysis of companies listed on the JSE. The investment team focuses on assessing the difference between intrinsic value and actual market price. By following this bottom-up approach and outsourcing all peripheral functions, the investment team is able to effectively and efficiently manage portfolios and produce markedly superior results. More importantly, Northstar is not afraid of being different. As a result, client portfolios rarely correlate with the return benchmark, which is the FTSE/JSE All-Share Index.

Key facts

- Business started: 1996
- Total number of investment portfolios: 2
- Total assets under management: R2.1 billion (including unit trusts and share portfolios)
- Size of team: 8
- MET Premium Partners™ Category:
    - Balanced – High Equity (Northstar MET Managed Fund)
- Website address: www.northstar.co.za

Perpetua Investment Managers

Overview

Perpetua Investment Managers is a privately-owned, independent investment management business that was founded in 2012 by Delphine Govender and Logan Govender. The business specialises in equity and multi-asset (balanced) portfolios and is backed by a dynamic team of seasoned analysts and portfolio managers. With a long-term mind-set and singular commitment to investment excellence, the company aims to preserve investor capital and generate excellent investment returns over time. Perpetua believes at its core that investment management should be pursued as a profession and therefore has a values-driven, performance-orientated, merit-based environment which ensures that the success of the firm is only achieved if a meaningful impact on clients' lives is attained.

Investment philosophy

Perpetua follows a valuation-based approach to investing using bottom-up share selection. Perpetua's core emphasis is on accurately determining the underlying fundamental value of a share while simultaneously assessing the key assumption risks in determining this intrinsic value. Through quality research and in-depth analysis, the investment team focuses on individual companies (and their related industries) on a case-by-case basis and concentrates their attention on the development of deeper level insights as opposed to the more general process of information aggregation. By pursuing a valuation-based approach, Perpetua tends to be innately contrarian, and considers a wide universe of shares for investment, whether they are large and small in size or be they high-quality, defensive or more cyclical businesses. Perpetua is not benchmark cognisant in terms of its portfolio construction. Portfolios are constructed in terms of the individual and relative attractiveness of each potential investment versus the risks attached to the specific share.

Key facts

- Business commenced operating: 2012
- Total number of investment portfolios: 3
- Total assets under management: R2.1 billion
- Size of team: 6
- MET Premium Partners™ Category:
    - Active Equity Value (Perpetua MET Equity Fund)
    - Balanced High Equity (Perpetua MET Balanced Fund)
- Website address: www.perpetua.co.za

PERPETUA
INVESTMENT MANAGERS

Saffron Wealth

Overview

Saffron Wealth is a boutique investment manager with expertise in traditional and hedge fund management. It was founded by Brandon Quinn and Deon van Zyl in 2008, who have more than 48 years' combined experience in the industry. The company has demonstrated consistent high-quality returns since inception and manages investments across all major asset classes within South Africa, the African continent and abroad. Saffron is a reputable investment company that focuses on three core values, namely integrity, investment excellence and innovation. By blending experience with key company values, the investment team is able to develop investment strategies that maximise and protect an investor's wealth.

Investment philosophy

The underlying philosophy of the Saffron investment process is that value opportunities exist and, via mispricing identification, excellent investments opportunities on a risk-adjusted basis are created. All modelling (a combination of quants and economic/fundamental) is orientated towards identifying such opportunities.

Key facts

- Business started: 2007
- Total number of investment portfolios: 5
- Total assets under management: > R2 billion
- Size of team: 4
- MET Premium Partners™ Category:
    - Fixed Interest – Flexible (Saffron MET Opportunity Income Fund)
    - Fixed Interest – Bonds (Saffron MET Inflation Linked Bond Fund)
- Website address: www.saffronwealth.com

Seed Investments

Overview

Seed Investments is a specialist investment manager offering private clients and institutional investors a select range of professionally managed local and global investment portfolios. Founded in 2007 by Ian de Lange and Vincent Heys, the company is committed to effectively managing clients' investment portfolios and to demonstrate its core values of honesty, integrity and professionalism. Seed's culture exhibits a passion for embracing the challenges and complexities of the investment world.

Investment philosophy

Seed follows a value-based investment approach underpinned by a long-term mindset and capital protection. This is because a longer-term investment strategy is crucial to help drive wealth creation, while capital protection is essential for the attainment of superior returns. Seed reduces overall portfolio risk by incorporating sufficient diversification across geographies, asset classes and investment sectors.

Key facts

- Business started: 2007
- Total number of investment portfolios: 3 unit trusts and various model portfolios
- Total assets under management: R1.4 billion
- Size of team: 13
- MET Premium Partners™ Category:
    - Passive Equity (Seed Equity Fund)
    - Balanced – Medium Equity (Seed Absolute Return Fund)
- Website address: www.seedinvestments.co.za

seed investments
prudent stewards of wealth

Truffle Asset Management

Overview
Founded in 2008 by Louis van der Merwe, Hannes van der Westhuizen and Charles Booth, Truffle Asset Management is a boutique investment manager that caters to individual and institutional investors. The company's team of experienced investment professionals manage a focused range of traditional, alternative and segregated investment portfolios to suit a variety of investor needs. Truffle's consistent track record demonstrates its ability to identify successful investments that maximise investor benefits while minimising costs. This approach embodies the company's culture of providing investors with value, while remaining focused on its core values of honesty and integrity.

Investment philosophy
Truffle follows a value-driven investment style. Its investment team adopts a common fundamental valuation philosophy and disciplined investment process to provide investors with sustainable and reliable investment returns. Truffle complements this investment approach with efficient implementation, competitive fees and personalised service.

Key facts
- Business started: 2008
- Total number of investment portfolios: 12
- Total assets under management: R4.7 billion
- Size of team: 13
- MET Premium Partners™ Category:
    - Active Equity Value (Truffle General Equity Fund – subject to FSB approval)
    - Balanced – Flexible Asset Allocation (Truffle Flexible Fund – subject to FSB approval)
    - Fixed Interest – Flexible (Truffle Flexible Income Fund – subject to FSB approval)
- Website address: www.truffle.co.za

Truffle

Contact details:

MET Collective Investments (RF) (Pty) Ltd
Registration number 1991/003741/07
The portfolios are registered with the FSB as part of the MET Collective Investments Scheme (CIS number 20).

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