met

collective investments

A member of MMI Holdings

Growing Tomorrow's Leaders Today™

A conceptual framework of our investment manager research process

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.

Foreword

There is no universal formula for how due-diligence reviews on investment managers should be carried out. There are standard factors that should be covered in even the most basic due diligence, such as understanding how investment managers approach investments, how they construct portfolios and manage risk.

But to truly understand the alpha potential of an investment manager, the due-diligence process should go beyond standard cursory evaluations. One key factor we have learnt during our 20 years of researching South African investment managers is that a due diligence is an evolutionary process. Its format, form and parameters change, just as the investment industry changes based on interest rates, inflation and commodity cycles, financial crises and recessions.

Through our years of analysing investment managers, we have uncovered an interesting fact about South African investment managers. They show significantly superior ability to analyse companies (when compared with many global peers). They have a thorough, broad and accurate understanding of the drivers of a company's earnings in a particular industry. However, in translating that view into portfolio construction, investment managers sometimes show an inferior ability to construct effective and complementary portfolios of investments that will deliver on their investment objective.

This is one reason why we analyse the extent to which an investment manager's overweight positions contribute to returns versus how underweight positions detract from them. It gives us a good picture of whether an investment manager generates alpha (outperformance of a benchmark) from positions that have been actively added to the portfolio, or those that have been excluded.
It speaks to an investment manager's conscious and active share-selection ability.

Our research and due-diligence reviews extends to every aspect of an investment manager's business and continues to evolve as the industry changes and new trends emerge.

Underscoring our process and investment aims is the objective of offering investors access to investment managers and portfolios that represent the opportunity sets we believe clients should consider.

We trust that you will enjoy reading this document and that you gain further insight into our well-developed and proprietary due-diligence process.

Yours sincerely,

Sonja Saunderson

Sonja Saunderson
Chief Investment Officer
Momentum Outcome-based Solutions

Research and due-diligence process

Momentum Outcome-based Solutions is responsible for conducting rigorous due-diligence reviews on more than 70 investment management companies in South Africa representing more than 200 different investment mandates.

MET Collective Investments leverages this research and insight to form the basis of the partners we choose to become part of MET Premium Partners™.

The research process is extensive and detailed, following a top-down and bottom-up approach to reviewing investment managers' knowledge, experience, strategy, style, alpha source, portfolio-construction abilities, approach to risk, trading expertise, business strategy, team environment, remuneration policies and business ownership structure.

Qualitative and quantitative measures are combined with site visits, meetings with the investment team and detailed analysis of portfolio and investment philosophy strengths and weaknesses.

The aim is to identify investment managers that can deliver repeatable and sustainable alpha, which is supported by a disciplined investment process and advanced ability to monitor and control risk.

Due-diligence measures

Organisation	Shareholding Business model Black economic empowerment, employment equity procurement and corporate social investment policies Management structure Company culture Succession planning Remuneration and training Fees
Investment philosophy	Asset class philosophies Changes over time in philosophy and process How the firm has dealt with growth in assets Return objectives Responsibilities for different parts of the process Decision-making mechanisms and degrees of autonomy Portfolio-construction abilities Risk limits Buy and sell disciplines Application of derivatives or unlisted holdings Mandates offered
Research process	Team structure Process Tools and databases used Quantitative techniques
Risk measures and controls	Tools and processes applied Management of different levels of risk
Compliance	Mandate violation procedure Audit process Personal trading policy
Administration	Systems, reporting and communication Custodian Administrator

MET Premium Partners™ within each category

We segment 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. However, we believe these categories more accurately reflect the approach, strategy and investment style of each investment manager.

Our aim is also to assist financial advisers in understanding each investment manager's approach to effectively blend their investments into different investor portfolios more easily.

Categories	Description
Active Equity Value	Investment managers typically follow a valuation or contrarian value strategy when managing these portfolios. Intrinsic value and margin of safety are emphasised within the strategy. The portfolio may contain a mix of large-, small- and mid-cap shares in SA and globally.
Active Equity Quality	Investment managers typically follow a valuation strategy with an emphasis on quality when managing these portfolios. Quality metrics typically emphasise strong management teams, moats (competitive advantages and barriers to entry) and earnings quality. The portfolio may contain a mix of large-, small- and mid-cap shares in SA and globally.
Passive Equity	Investment managers rely solely on passive and/or smart-beta strategies when managing these portfolios.
Balanced – Flexible Asset Allocation	Investment managers follow an unconstrained approach to asset allocation when managing these portfolios. They tend to be equity-centric and have a high equity component, but can also reside in fixed income asset classes during extreme volatile markets. These portfolios may be aggressively managed with investments shifting between various markets and asset classes to reflect changing economic and market conditions. The investment manager is typically accorded a significant degree of discretion over asset allocation to maximise total returns over the long term.
Balanced – High Equity	These portfolios are invested in multiple asset classes, which can include local and global investments. They tend to have an increased probability of short-term volatility as they tend to have higher equity exposures over time. These portfolios can have a maximum effective equity exposure (including global equity) of up to 75% and a maximum effective property exposure (including global property) of up to 25% of the market value of the portfolio. The underlying risk and return objectives of individual portfolios may vary as dictated by each portfolio's mandate and stated investment objective and strategy.
Balanced – Medium Equity	These portfolios are invested in multiple asset classes, which can include local and global investments. They can have a maximum effective equity exposure (including global equity) of up to 60% and a maximum effective property exposure (including global property) of up to 25% of the market value of the portfolio. The underlying risk and return objectives of individual portfolios may vary as dictated by each portfolio's mandate and stated investment objective and strategy.
Balanced – Low Equity	These portfolios are invested in multiple asset classes, which can include local and global investments. They tend to display reduced short-term volatility due to their lower exposure to equities, while aiming for long-term capital growth and can have a maximum effective equity exposure (including global equity) of up to 40% and a maximum effective property exposure (including global property) of up to 25% of the market value of the portfolio. The underlying risk and return objectives of individual portfolios may vary as dictated by each portfolio's mandate and stated investment objective and strategy.

Balanced – Income	These portfolios are invested in multiple asset classes, which can include local and global investments with the primary objective of maximising income. These portfolios tend to have low equity exposure over time. These portfolios can have a maximum effective equity exposure (including global equity) of up to 10% and a maximum effective property exposure (including global property) of up to 25% of the market value of the portfolio. The underlying risk and return objectives of individual portfolios may vary as dictated by each portfolio's mandate and stated investment objective and strategy.
Fixed Interest - Flexible	Investment managers follow a flexible strategy in allocating across various fixed income asset classes. The portfolios may include allocations to property and global asset classes. Depending on the objectives of the mandate, either capital preservation or capital and income yield may be targeted.
Fixed Interest - Bonds	These portfolios generally provide investors with a diversified exposure to the South African bond market, where portfolio returns are compared with the relevant fixed interest indices. The portfolios are aimed at providing income and capital growth to maximise returns. Strategies generally used in this category would include fixed income duration strategies, credit instruments and inflation-linked bonds.
Property Local	Portfolios in this category generally provide investors with a combination of income and long-term capital appreciation by investing in listed property collective investment schemes, property loan shares, real estate equity, other equity listed under the real estate sector of Johannesburg Stock Exchange and cash.

What leading investment manager research looks like

Experience

- We have been doing this for more than 20 years.
- We have a team of 23 investment professionals, with diverse backgrounds and skills.
- We spend 2280 hours on average researching each investment manager per year.

Focus

Our investment research team is not involved in the management of portfolios. They are solely dedicated to studying latest research developments and techniques as well as conducting proprietary research and due diligence.

Breadth of coverage

More than 70 investment management groups in South Africa covering more than 200 different investment mandates.

Evolving process

The investment research team focuses on identifying new and emerging sources of alpha in the South African market. The team researches changing dynamics in market structure, changing investment strategies and changes to the regulatory environment. This information filters into a proprietary research process to ensure data keeps pace with the changing market trends.

MET Premium Partners™ portfolios

Based on each partner's strongest skills set, we have chosen the following portfolios to be represented in each category. Details of these portfolios are set out in the pages that follow.

Category	Portfolios
Active Equity Value	Fairtree Equity Fund (subject to FSB approval) Perpetua MET Equity Fund Truffle General Equity Fund (subject to FSB approval)
Active Equity Quality	36One MET Equity Fund MET General Equity (First Avenue) Imara MET Equity Fund
Passive Equity	Seed Equity Fund
Balanced – Flexible Asset Allocation	36One MET Flexible Opportunity Fund Truffle Flexible Fund (subject to FSB approval)
Balanced – High Equity	Contego MET B3 Protected Balanced Fund Counterpoint MET Balanced Plus Fund Northstar MET Managed Fund Perpetua Balanced MET Fund
Balanced – Medium Equity	Counterpoint MET Moderate Fund Seed Absolute Return Fund
Balanced – Low Equity	Contego MET B2 Protected Income Fund Counterpoint MET Cautious Fund
Balanced – Income	Contego MET B1 Income Plus Fund Counterpoint MET Enhanced Income Fund
Fixed Interest – Flexible	MET Income Plus Fund (Fairtree) (subject to FSB approval) Saffron MET Opportunity Income Fund Truffle Flexible Income Fund (subject to FSB approval)
Fixed Interest – Bonds	Saffron MET Inflation Linked Bond Fund
Property Local	Metope Property Fund (subject to FSB approval)

Perpetua MET Equity Fund

Portfolio description

The fund is general equity portfolio that seeks to maximise long-term capital growth. The fund's objective is to maximise long-term returns by investing in listed domestic equities and to outperform the listed South African equity market, without assuming greater risk.

Portfolio details

Launch date:	1 October 2014
Benchmark:	FTSE/JSE SWIX J403T, calculated over a 2 year rolling period
Annual management fee*:	Class A: 1.10% (including VAT)
ASISA category:	SA – Equity – General
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Delphine Govender

Fairtree Equity Fund

(subject to FSB approval)

Truffle General Equity Fund

(subject to FSB approval)

36One MET Equity Fund

Portfolio description

The 36ONE MET Equity Fund is a general equity portfolio with the primary objective of generating sustainable capital growth for investors. The fund invests predominantly in local listed companies and primarily follows a bottom-up stock picking approach. Fund holdings are determined to optimise long-term sustainable returns.

Portfolio details

Launch date:	1 July 2012
Benchmark:	FTSE/JSE SWIX over rolling 2 year period
Annual management fee*:	Class A: 1.43% (including VAT)
ASISA category:	SA – Equity – General
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Evan Walker, Cy Jacobs

MET General Equity Fund (First Avenue)

Portfolio description

The Manager will follow an investment policy, which will seek to secure for investors an optimum overall yield comprising both capital growth and income. In order to achieve these objectives the investments normally to be acquired for the MET General Equity Portfolio will comprise a mix of non-equity securities, securities and assets in liquid form.

Limits and constraints:

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum exposure of 25% to offshore investments.
- Maximum of 5% in Africa.
- Minimum of 80% of market value of portfolio must be invested in equities.

Portfolio details

Launch date:	19 August 1991
Benchmark:	SWIX
Annual management fee*:	Class A: 1.43% (including VAT)
ASISA category:	SA – Equity – General
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Hlelo Giyose

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Imara MET Equity Fund

Portfolio description

The Imara MET Equity Fund shall seek to sustain high long-term capital growth. The Imara MET Equity Fund is a general equity portfolio. The Fund largely mirrors the successful Imara Houseview investment policy and may consist of financially sound equity securities, property shares and property related securities listed on exchanges and assets in liquid form. In selecting securities for this portfolio, where possible, the manager shall seek to sustain high long-term capital growth. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and 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 portfolio equity exposure will always exceed 75% with the balance, if any, invested in assets in liquid form.

Portfolio details

Launch date:	21 May 2008
Benchmark:	ALSI
Annual management fee*:	Class A: 1.71% (including VAT)
ASISA category:	SA – Equity – General
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	David Eliot, Chris Botha

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Seed Equity Fund

Portfolio description

The Seed Equity Fund is a local equity Fund that aims to provide investors with returns in excess of the JSE All Share Index total return. The Seed Equity Fund is a low cost local equity Fund managed by Seed. The Fund makes use of smart beta techniques leveraging off the research and advice of Prof Paul van Rensburg from Salient Quants. Value and momentum investment styles that have a low correlation to one another have been selected as in combination research shows that they generally outperform market capitalisation indices (e.g. All Share Index) overtime. These styles are equally weighted within the Fund.

Portfolio details

Launch date:	30 April 2013
Benchmark:	All Share Index – Total Return
Annual management fee*:	Class A: 1.14% (including VAT)
ASISA category:	SA – Equity – General
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Ian de Lange, Mike Browne, Vincent Heys

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

36One MET Flexible Opportunity Fund

Portfolio description

The 36ONE MET Flexible Opportunity Fund is a flexible asset allocation portfolio with the primary objective of providing investors with significant medium to long term capital growth. The fund invests in local listed companies and primarily follows a bottom-up stock picking approach. Strong companies undervalued by the market are preferred for the core holdings. The fund has a diverse spread across large and mid-cap companies with less significant weightings in the small cap sector. The fund has limited offshore exposure. The sector focus shifts as sector mixes are optimised after considering macro-economic fundamentals.

Portfolio details

Launch date:	5 September 2005
Benchmark:	SARB Repo rate + 2% p.a. over rolling 2 year period
Annual management fee*:	Class A and A1: 1.51% (including VAT)
ASISA category:	SA – Multi Asset – Flexible
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Cy Jacobs

Truffle Flexible Fund

(subject to FSB approval)

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Contego B3 MET Protected Balanced Fund

Portfolio description

The objective of the Contego B3 Met Protected Balanced Fund is to provide the investor with moderate long-term capital growth and income. The B3 Met Protected Balanced Fund is an actively managed Prudential Balanced fund complying with Regulation 28 of the Pension Funds Act and is therefore suitable for Pension and Provident Funds. This is a medium to long term investment for investors with a moderate risk profile looking for a balanced exposure to local and off shore growth assets. Innovative hedging strategies are used to protect the local equity component, giving investors' further peace of mind. The equity exposure of the fund is limited to 75% of the NAV.

Portfolio details

Launch date:	1 February 2006
Benchmark:	CPI + 5% over 12 month rolling period
Annual management fee*:	Class A: 1.43% (including VAT)
ASISA category:	SA – Multi Asset – High Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Kobus Louw, JC Louw

Counterpoint MET Balanced Plus Fund

Portfolio description

The Counterpoint MET Balanced Plus Fund aims to provide the investors with a high long term total return and conforms to regulations governing retirement portfolio investments and will comply with Prudential Investment Guidelines within the limits prescribed by the Act. The portfolio will maintain an equity exposure of between 60% and 75% of the portfolio's net asset value. 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, corporate debt, equities, bonds, property securities, preference shares, convertible equities, derivatives and non-equity securities. The portfolio may invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, as well as in offshore investments as permitted by legislation, in order to achieve the portfolio's investment objective. The manager may include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes as prescribed by the Act.

Portfolio details

Launch date:	20 November 2012
Benchmark:	68% FTSE/JSE SWIX J403T, 22% ALBI, 10% STeFI over rolling 24 month period
Annual management fee*:	Class A1: 1.40%,
ASISA category:	SA – Multi Asset – High Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Dr Alex Pestana, Steve Mills

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Northstar MET Managed Fund

Portfolio description

The primary objective of the Northstar MET Managed Fund is to offer investors moderate to high long term total returns. The fund is able to invest across asset classes, equities, convertible equities, bonds, debt instruments, cash, preference shares, derivatives, property and securities which are considered to be consistent with the portfolio's primary objective. The investment philosophy is based on time, value and quality, the managers aim to invest into companies with quality assets, where value exceeds price. Different measures are used depending upon where the company is, in its cycle; thus the asset manager does not consider itself as a value style manager, although elements of the value technique are blended into the investment process.

Portfolio details

Launch date:	1 March 1998
Benchmark:	CPI +5% over a 2 year rolling period
Annual management fee*:	Class A: 1.54% (including VAT)
ASISA category:	SA – Multi Asset – High Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Adrian Clayton

Perpetua MET Balanced Fund

Portfolio description

The fund invests in a combination of South African listed equities, bonds, property, commodities and cash. The fund may also invest in foreign assets up to a maximum of 25% of fund. The fund's objective is to maximise long-term returns within the constraints of a prudential retirement fund investment restrictions. The fund aims to outperform its stated benchmark, without assuming greater risk.

Portfolio details

Launch date:	1 October 2014
Benchmark:	60% FTSE/JSE SWIX J403T index, 20% ALBI, 5% STEFI, 9% MSCI World Index and 6% Barclays Global Aggregate Bond Index, calculated over a 2 year rolling period
Annual management fee*:	Class A: 1.10% (including VAT)
ASISA category:	SA – Multi Asset – High Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Delphine Govender

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Counterpoint MET Moderate Fund

Portfolio description

The Counterpoint MET Moderate Fund aims to provide the investor with a moderate total return and conforms to regulations governing retirement portfolio investments and will comply with Prudential Investment Guidelines within the limits prescribed by the Act. The portfolio will maintain an equity exposure of between 40% and 65% of the portfolio's net asset value. 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, corporate debt, equities, bonds, property securities, preference shares, convertible equities, derivatives and non-equity securities. The portfolio may invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, as well as in offshore investments as permitted by legislation, in order to achieve the portfolio's investment objective. The manager may include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes as prescribed by the Act.

Portfolio details

Launch date:	23 November 2012
Benchmark:	53% FTSE JSE SWIX J403T, 32% ALBI, 15% STeFI. over a rolling 24 month period
Annual management fee*:	Class A1: 1.29%
ASISA category:	SA – Multi Asset – Medium Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Dr Alex Pestana, Steve Mills

Seed Absolute Return Fund

Portfolio description

The Seed Absolute Return Fund is a specialist portfolio with the objective to secure consistent real total returns in excess of inflation plus 4% p.a. over any rolling 2 year period. The Seed Absolute Return Fund is a multi strategy Fund, with 3rd party specialists managing segregated mandates. Seed is responsible for the selection of the strategies and 3rd party managers. Seed favours owner managed investment firms with a value biased investment process. The Fund aims to consistently generate CPI + 4% p.a. and avoid negative returns over any 12 – 18 month period. The Fund is a Regulation 28 compliant Fund and is suitable for investments in retirement funds. The portfolio's maximum net equity (including international equity) will never exceed 60% of the portfolio's market value.

Portfolio details

Launch date:	9 January 2012
Benchmark:	CPI + 4% p.a. over rolling 2 year periods
Annual management fee*:	Class A: 1.88%
ASISA category:	SA – Multi Asset – Medium Equity
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Ian de Lange, Mike Browne, Vincent Heys

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Contego B2 MET Protected Income Fund

Portfolio description

The Contego B2 MET Protected Income Fund is conservative low equity income generating portfolio that is managed in line with prudential investment guidelines. The investment objective of the portfolio is to achieve above real inflation beating total returns with a high level of stable income plus a small measure of capital growth over the medium to long term. The B2 is a specialist income fund investing in financial instruments in accordance with the provisions of the Act. The fund invests in a well diversified selection of money market instruments, bonds, equity, preference shares, property related securities and participatory interests in collective investment schemes (Unit Trusts) as well as unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The equity exposure of the fund is limited to 40% of the NAV and equity derivatives may be used for capital preservation.

Portfolio details

Launch date:	1 February 2006
Benchmark:	CPI + 3% p.a. over a rolling 12 month period
Annual management fee*:	Class A: 1.14% (including VAT)
ASISA category:	SA – Multi Asset – Low Equity
Date of income declaration:	31 March/30 June/ 30 September/31 December
Date of income payment:	2nd working day of April/July/ October/January
Portfolio manager:	Kobus Louw, JC Louw

Counterpoint MET Cautious Fund

Portfolio description

In selecting investments for the portfolio, the manager will seek to follow an investment policy which will reflect a spread of investments aiming at income and capital growth. The investment philosophy is described as contextual value (which is essentially a pragmatic valuation approach) which combines bottom up value and understanding the investment environment. The managers have a more absolute mind set, they set hurdle rates and adjust for risk. The intrinsic value of a security may be altered by the macroeconomic socio-political and regulatory environment context in which it is assessed. Macro considerations are drawn into the process by debating the appropriateness of long term metrics. A key metric that the managers believe to be important, is to place more emphasis on is the expected future dividend stream of each company than to manage the capital value of each share. The starting point of the asset allocation process is the determination of the fair value real cash rate, this is also where their macro views play an important role. Macro analysis assists in analysis of correlation between the asset classes. The fund managers have a bias towards the quality factor.

Portfolio details

Launch date:	3 January 2012
Benchmark:	25% SWIX, 55% ALBI, 20% STEFI
Annual management fee*:	Class A1: 1.17%
ASISA category:	SA – Multi Asset – Low Equity
Date of income declaration:	31 March/30 June/ 30 September/31 December
Date of income payment:	2nd working day of April/July/ October/January
Portfolio manager:	Dr Alex Pestana, Steve Mills

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Contego B1 MET Income Plus Fund

Portfolio description

The Contego B1 MET Income Plus Fund is an enhanced income portfolio. The investment objective of the portfolio is to provide investors with a high level of income. The Contego B1 Met Income Plus will aim to deliver an enhanced yield through the diversification of high yielding instruments and it is this diverse asset class approach that should protect investors against excessive volatility and capital losses over the longer term. Capital appreciation as well as our primary goal of capital preservation could be achieved through the use of growth asset classes ranging from listed property shares to ordinary securities or through the use of derivatives (in the case of protection).

Portfolio details

Launch date:	28 December 2011
Benchmark:	SteFI composite index over a rolling 12 month period
Annual management fee*:	Class A: 1.14% (including VAT)
ASISA category:	SA – Multi Asset – Income
Date of income declaration:	31 March/30 June/ 30 September/31 December
Date of income payment:	2nd working day of April/July/ October/January
Portfolio manager:	Kobus Louw, JC Louw

Counterpoint MET Enhanced Income Fund

Portfolio description

The investment objective of the portfolio is to provide investors with a high level of income. As a secondary objective the portfolio aims to achieve low to moderate levels of capital growth over the long term. The Counterpoint MET Enhanced Income Portfolio is a flexible fixed interest portfolio. The investment objective of the portfolio is to provide investors with a high level of income. As a secondary objective the portfolio aims to achieve low to moderate levels of capital growth over the long term. Investments to be included in the Metropolitan Enhanced Income Portfolio will, apart from assets in liquid form, consist of non-equity securities, fixed interest instruments (including, but not limited to, bonds, cash deposits and money market instruments), preference shares of an income nature and listed property securities as well as any other income enhancing securities which are considered consistent with the portfolio's primary objective and that the Act or Registrar may allow from time to time. The portfolio may also invest in financial instruments in accordance with the Act as well as in offshore investments as permitted by legislation.

Portfolio details

Launch date:	3 January 2012
Benchmark:	SteFI +1% p.a.
Annual management fee*:	Class A1: 0.89%
ASISA category:	SA – Multi Asset – Income
Date of income declaration:	Monthly
Date of income payment:	2nd working day of new month
Portfolio manager:	Dr Alex Pestana, Steve Mills

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Saffron MET Opportunity Income Fund

Portfolio description

The Saffron MET Opportunity Income Fund aims to seek opportunities to deliver a reasonable level of sustainable income and stability on capital invested. The fund's objective is to deliver a return of 2.0% over the STeFI index on a sustainable basis. The fund has a flexible mandate with no prescribed maturity or duration limits. The fund can invest in a wide variety of interest or yield bearing instruments, including, but not limited to cash deposits, money market instruments and debentures, government and corporate bonds, convertible bonds as well as preference shares, property securities, and assets in liquid form. The portfolio may from time to time invest in financial instruments, in accordance with the provisions of the Act, and Regulations, as amended from time to time, in order to achieve the portfolio's investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. With the purpose to seek opportunities to enhance the portfolio's income return, the portfolio may invest in securities such as equity linked notes that are exposed to price movements in the equity markets as well as derivative instruments such as futures and options linked to the equity exposure of equity linked notes and other such instruments. The portfolio may also invest in participatory interests and other forms of participation of collective investment schemes, registered in South Africa and other similar schemes.

Portfolio details

Launch date:	2 June 2008
Benchmark:	Stefi + 2.0% p.a.
Annual management fee*:	Class A: 1.14% (including VAT)
ASISA category:	SA – Multi Asset – Income
Date of income declaration:	31 March/30 June/ 30 September/31 December
Date of income payment:	2nd working day of April/July/ October/January
Portfolio manager:	Brandon Quinn

Fairtree MET Income Plus Fund

(subject to FSB approval)

Truffle Flexible Income Fund

(subject to FSB approval)

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Saffron MET Inflation Linked Bond Fund

Portfolio description

The Saffron MET Inflation Linked Bond Fund is a specialist fixed interest portfolio that consists of inflation linked bonds, government bonds, corporate bonds, money market instruments , other interest bearing securities, preference shares, property shares , property related securities, non-equity securities and assets in liquid form. The fund's objective is to deliver a return of 2.0% over CPI (over 12 month rolling period, net of fees) on a sustainable basis. The fund seeks to secure stable real capital growth in excess of the headline inflation rate. The fund adopts an active asset allocation and will reflect Saffron's best view of relative attractiveness of the assets in the investable universe. The fund shall maintain an exposure to inflation linked bonds of at least 50% depending on the portfolio manager's view of the interest rate cycle and inflation expectations. Exposure to property related securities may be actively varied but shall not exceed 10% of the fund's net asset value.

Portfolio details

Launch date:	2 July 2012
Benchmark:	CPI +2.0% over 12 month rolling period
Annual management fee*:	Class A: 1.14% (including VAT)
ASISA category:	SA – Multi Asset – Income
Date of income declaration:	30 June/31 December
Date of income payment:	2nd working day of January/July
Portfolio manager:	Deon van Zyl

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Metope Property Fund

(subject to FSB approval)

*Performance fees may be payable in addition to the normal annual management fees on some of the more aggressive asset classes like equities if the underlying investment managers outperform challenging targets.

Disclosure:

Performance figures quoted are from Morningstar, as at the date of this factsheet, for a lump sum investment, using NAV-NAV prices with income distributions reinvested. CPI/Inflation figures are lagged by one month. Performance data may not be displayed for recently launched funds as regulations governing the content of this factsheet preclude the publication of performance data for any fund/class that is less than 6 months old. Collective Investment Schemes (CIS) in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. All CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the MET Collective Investments (RF) (Pty) Ltd. Commission may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. MET Collective Investments (RF) (Pty) Ltd reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of participatory interests apply to certain portfolios, which are subject to different fees and charges. The exposure limit to a single security, in certain Specialist Equity portfolios, can be greater than is permitted for other portfolios in terms of the Collective Investments Schemes Control Act. MET Collective Investments (RF) (Pty) Ltd's portfolios are valued daily at 15h00. Instructions must reach MET Collective Investments (RF) (Pty) Ltd before 14h00 to ensure same day value. MET Collective Investments (RF) (Pty) Ltd is the Manager of the MET Collective Investments Scheme, and a full member of the Association for Savings and Investment SA. The Standard Bank of South Africa Limited (PO Box 54, Cape Town, 8000) is the Trustee of MET Collective Investments Scheme. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, MET Collective Investments (RF) (Pty) Ltd does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of MET Collective Investments (RF) (Pty) Ltd's product.

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The portfolios are registered with the FSB as part of the MET Collective Investments Scheme (CIS number 20).

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