

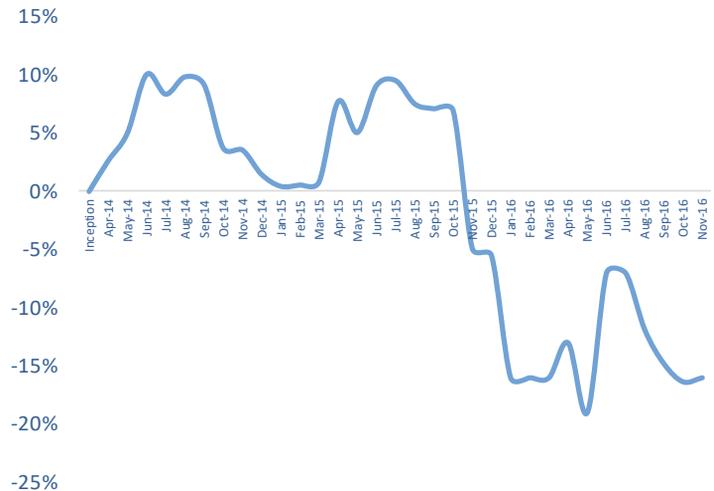
PROFILE AND OBJECTIVE

This fund invests in the JSE and OTC-listed BEE schemes. These instruments are typically geared and trade at discounts to their intrinsic value. At present, they can only be traded by qualifying investors (51% black-owned). As debt gets paid down and the discount narrows as they become freely traded (2016-2018), there should be an appreciable increase in the share prices, assuming increases in the underlying.

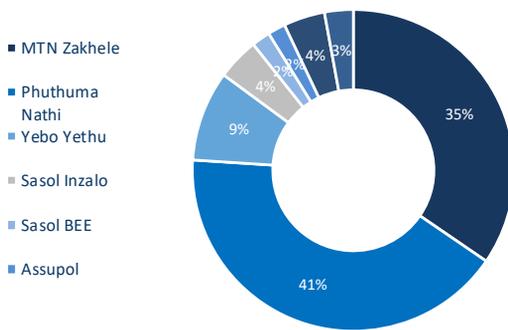
STRUCTURE

Black investors can invest in Shumba (Pty) Ltd, which owns 51% of the underlying investment company. Shumba shareholders are rebated 75% of performance fees of the total investment. White investors can invest in Ngala (Pty) Ltd, which owns 49% of the underlying investment company.

FUND PERFORMANCE SINCE INCEPTION



ASSET ALLOCATION AT 30 NOV 2016



SHARE PRICES AS AT 30 NOV 2016

	R
Shumba	8 410
Ngala	8 138

** After providing for capital gains tax on profit generated*

FUND MANAGER COMMENTARY AT 30 NOV 2016

The BEE investment scheme ended the month 0.54% higher.

During the month MTN Zakhele announced the final details pertaining to the unwinding of the structure, informing shareholders they anticipate to distribute c. R60 cash in exchange for the each MTN Zakhele share held. During the month we were active in the trading of MTN Zakhele, taking advantage of the large discount that the share was trading to the unwind value. While the gains made were relatively small compared to the ultimate loss of the investment, they demonstrated the opportunities that can present themselves in the BEE space.

We have elected cash in return for our stake in MTN Zakhele and will look to increase holdings in dividend-paying investments such as Phuthuma Nathi which we anticipate will deliver R18/share in dividends in 2017, placing the share on a 14% dividend yield.

We anticipate to receive cash from the MTN Zakhele investment during mid-December and will use this liquidity event to provide an opportunity for shareholders to redeem a portion (or possibly all) of their investment in the scheme.

Please inform your portfolio manager by 15 December should you elect to disinvest. The underlying investments of the scheme are not particularly liquid and the timing of paying out the full cash portion will depend on the quantum of disinvestment. We will need to sell some of the assets if the exit option is exercised by a large number of investors. The result is that a portion of the cash (MTN Zakhele portion) will be paid out in January and the remainder once sufficient assets are realised to enable a full pay-out.

FACTS AND FIGURES

FUND MANAGERS

Anchor and Cartesian Capital



INCEPTION DATE

April 2014

PORTFOLIO VALUE

R194mn

PROJECTED RETURN

25%+ per annum, assuming 5-10% per annum growth in underlying assets.

MINIMUM INVESTMENTS

R1,000,000

FEE

1.00% p.a. (excl. VAT)

PERFORMANCE FEE

15% above 15% per annum, with a high watermark; 75% paid back to Shumba investors.