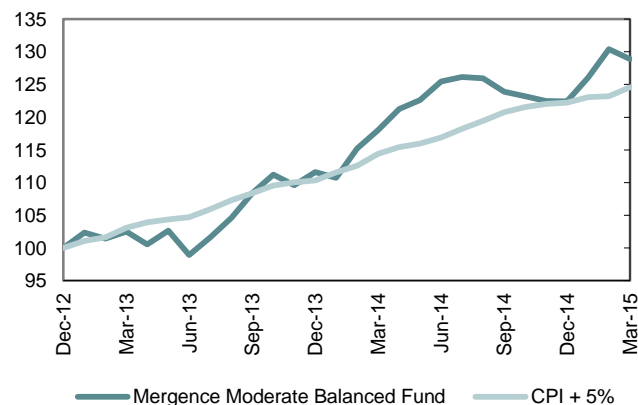




OVERVIEW

| | |
|---------------------------|---|
| Fund Purpose | Maximising long term returns for investors through a diversified investment vehicle |
| Investment Style | Multi-Asset Class (Balanced) |
| Benchmark | CPI + 5% |
| Investment Vehicle | Segregated |
| Inception date | January 2013 |
| Number of Months | 27 |
| Fund Size | R 1007.94 million |
| Minimum Investment | R50 million |
| Management Fee | Subject to mandate (usually between 0.50% and 1.00% per annum) |
| Performance fees | Negotiable |

TRACK RECORD



INVESTOR PROFILE

The Fund is suitable for institutional investors:

- seeking moderate risk investment strategies which provides capital and income growth over the longer term;
- building up long term retirement capital for their members in a prudent manner;
- who want a fund with low volatility characteristics.

INVESTMENT MANDATE

The Mergence Balanced product range encompasses segregated portfolios and also a pooled investment vehicle option (via Prescient Life). These moderate risk balanced mandates focus on delivering strong consistent returns over the medium to longer term, and are managed on a fully discretionary best house view basis. All the portfolios comply with Regulation 28 of the Pension Funds Act, 1956 as amended. While the Fund's benchmark is the Consumer Price Index (CPI) + 5%, it aims to outperform the median of the Alexander Forbes SA Large Manager Watch Survey.

INVESTMENT OBJECTIVE

The Fund is a multi-asset strategy fund managed in accordance with the prudential investment guidelines. The Fund will consist of a diversified spread of investments in equities, property shares, bonds and cash. The Fund aims to create long-term wealth for investors within the constraints governing retirement funds

RISK OF MONETARY LOSS

The recommended investment term for this Fund is 5 years or longer. While the return expectations should be set at periods over 5 years, the Fund is managed not to lose money over any 36-month period. As a result, declines over any 36-month period are unlikely. Note that while capital preservation is our intent, this is not a guaranteed fund.

PERFORMANCE DETAILS

| Period | Fund | AF LMW | ALBI | ALSI |
|-----------------|--------|--------|--------|--------|
| 1 Month | -1.18% | -0.70% | -0.51% | -1.33% |
| 3 Months | 5.28% | 4.02% | 2.99% | 5.85% |
| 6 Months | 4.03% | 6.13% | 7.37% | 7.28% |
| 1 Year | 9.22% | 10.46% | 12.44% | 12.53% |
| 2 Year | 12.13% | 13.90% | 6.35% | 17.92% |
| Since Inception | 11.93% | 13.93% | 6.05% | 11.52% |

Returns are quoted gross of fees. *Annualised.

| Year | Fund | CPI + 5% |
|--------|--------|----------|
| 2015TD | 5.28% | 1.50% |
| 2014 | 9.68% | 10.80% |
| 2013 | 11.60% | 10.31% |

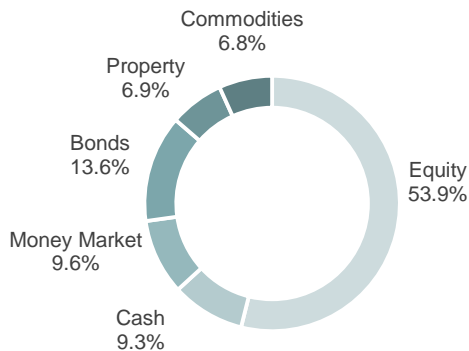
RISK ANALYSIS

| Risk Measure | Fund |
|------------------------------|--------|
| Annualised Return | 11.93% |
| Volatility | 6.75% |
| Sharpe Ratio | 1.16 |
| Sortino Ratio | 2.23 |
| Beta to JSE All Share | 0.57 |
| Correlation to JSE All Share | 0.88 |



FUND STRUCTURE

Asset Allocation



Top 10 Equity Holdings

| | % of Category | % of Total |
|----------------|---------------|------------|
| BHPBilliton | 12.46 | 6.17 |
| Aspen | 9.35 | 4.63 |
| Investec plc | 7.71 | 3.81 |
| Sasol | 6.31 | 3.12 |
| SAB Miller | 5.16 | 2.55 |
| Standard Bank | 5.11 | 2.53 |
| Anglo American | 4.52 | 2.24 |
| Reinet | 4.23 | 2.09 |
| Old Mutual | 3.87 | 1.91 |
| Datatec | 3.65 | 1.81 |

MONTHLY PERFORMANCE RETURNS

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|-------|-------|-------|-------|------|-------|------|-------|-------|-------|-------|-------|
| 2015 | 3.0% | 3.5% | -1.2% | | | | | | | | | |
| 2014 | -0.8% | 4.1% | 2.4% | 2.8% | 1.1% | 2.3% | 0.5% | -0.2% | -1.6% | -0.5% | -0.6% | -0.1% |
| 2013 | 2.4% | -0.9% | 1.0% | -1.9% | 2.1% | -3.6% | 2.8% | 2.9% | 3.6% | 2.6% | -1.5% | 1.8% |

Please note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

PORTFOLIO MANAGEMENT



Imtiaz Ahmed, B Com, CA (SA)

Portfolio Manager

Imtiaz qualified as a chartered accountant and has more than 23 years investment experience. He has held numerous senior executive roles during his career. As executive director and head of third-party assets at Stanlib, he headed a team of portfolio managers overseeing unit trust and pension fund assets in excess of R50 billion, including personally managing R11 billion. After leaving Stanlib, Imtiaz joined Investment Solutions, the largest and most prominent multi-manager in South Africa, as CIO (South Africa). More recently he executed a MBO from Macquarie where he acquired the Alternative Strategy business from them in a mutually beneficial transaction (renamed Forte Alternative Strategies). Imtiaz joined Mergence Investment Managers in 2012 as Portfolio Manager and brings with him substantial experience in macro strategies, asset allocation and a deep understanding of the numerous companies that are listed on the Johannesburg Stock Exchange.

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