

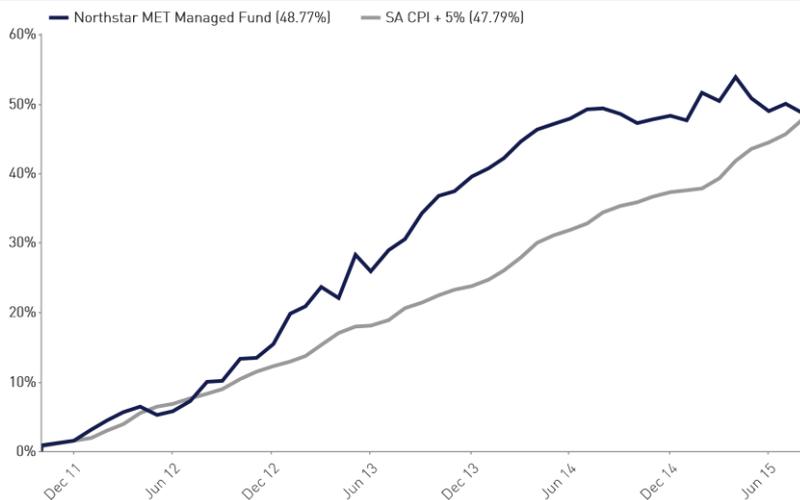
Northstar MET Managed Fund

MET Collective Investment Scheme (CIS) portfolio
 Class A | Minimum Disclosure Document (MDD) as at 31 August 2015
 Assets managed by: Northstar Asset Management



Portfolio performance

Since launch cumulative performance graph



Monthly (%) Sep'14 Aug'15

	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	Jul'15	Aug'15
Fund	-0.57	-0.88	0.36	0.39	-0.48	2.72	-0.77	2.31	-2.04	-1.19	0.70	-0.86
Benchmark	0.75	0.41	0.58	0.41	0.24	0.24	1.01	1.78	1.25	0.66	0.83	1.41

Yearly (%) Aug 13 Aug 15

	Aug 13	Aug 14	Aug 15
Fund	18.64	14.37	-0.41
Benchmark	11.35	11.35	9.98

	Cumulative (%)				Annualised (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 year	-0.41	9.98	6.35	4.97	-0.41	9.98	6.35	4.97
2 years	13.90	22.46	12.28	11.63	6.72	10.66	5.96	5.66
3 years	35.13	36.36	18.10	18.71	10.56	10.89	5.70	5.88
Launch	48.77	47.79	23.64	23.77	10.92	10.73	5.69	5.72

Portfolio holdings

Asset allocation (%)



Top holdings (%)

Northstar MET Income A	12.26
Standard Bank Group Ltd	4.14
Shinhan Financial Group Co Ltd	3.42
British Am. Tobacco Plc	3.29
Microsoft Corp	3.18
Sun International Ltd	3.00
Remgro Ltd	2.72
Markel Corporation	2.37
Standard Bank F/R 240519	2.33
Metrofile	2.32

Equity allocation (%)



Interest bearing allocation (%)



Portfolio profile

The primary objective of the portfolio is to offer investors moderate to high long-term total returns. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa. The recommended investment horizon for this fund is 5 years or more.

Portfolio information

Portfolio inception:	1 March 1998
Portfolio size (31/08/2015):	R 434.01 million
Launch:	1 November 2011
NAV price (Launch):	142.52 (cpu)
NAV price (31/08/2015):	200.63 (cpu)
JSE code:	METP
ISIN number:	ZAE000020384
Classification:	SA - Multi Asset - High Equity
Benchmark:	CPI + 5% p.a. over rolling 2 year period
Minimum lump sum:	R 10,000
Minimum monthly:	R 500
Valuation:	Daily
Valuation time:	15h00
Dealing cut-off time:	14h00

Portfolio income

	Distribution cpu	Dividend	Interest	Total
Dec'13		0.320	0.350	0.670
Jun'14		0.030	0.060	0.090
Dec'14		0.060	0.140	0.200
Jun'15		0.730	1.030	1.760
Sep'14 - Aug'15	0.790	1.170	1.960	
2014 Total:	0.090	0.200	0.290	
Declaration:	30 Jun/31 Dec			
Payment:	2nd working day of Jul/Jan			

Portfolio costs

Initial fee – MetCI (incl. VAT):	0%
Initial fee – Adviser (incl. VAT):	0% - 3.42%
Annual management fee (incl. VAT):	1.54%

Performance fee:

Yes
 20% (sharing rate) of out performance above the portfolio benchmark (hurdle rate), over a 2 year rolling period, capped at 2% p.a. The fees are accrued on a daily basis and paid out on a monthly basis. Any shortfall to the hurdle rate is carried forward for set-off against future positive out performances. Fee example: 0% performance fee if portfolio performs in line with its benchmark.

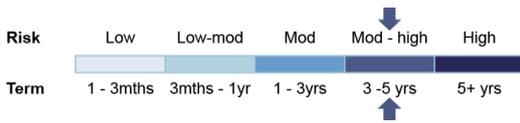
Total expense ratio (TER) (incl. VAT): 2.33%

Portfolio managers

Northstar Research Team

'Long-term exposure to quality assets where value exceeds price' - Northstar's investment philosophy drives our investment process which involves undertaking rigorous domestic and offshore screening of assets on the basis of value and quality criteria together with prospective returns. From this screening process we identify the best opportunities for detailed fundamental analysis focusing on business model sustainability, industry dynamics and value versus price. A selected list of investable instruments make it onto our select 'buy list' and then into our portfolios as a consequence of this intense research process. Ultimately, our goal is long-term ownership of quality assets that are trading below what we have calculated to be their true worth.

Portfolio risk and term



Regulation 28

Compliant: Yes

Portfolio intended maximum limits (IML's)

Equity	Property	Equity and property	Foreign	Africa
75.00%	15.00%	90.00%	25.00%	5.00%

Portfolio mandate

Objective/investment policy

The primary objective of the Northstar MET Managed Fund is to offer investors moderate to high long term total returns. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa. 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, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities, derivatives, non-equity securities and any other securities which are considered to be consistent with the portfolio's primary objective and the Act or the Registrar may allow, all to be acquired at fair market value. The portfolio may from time to time invest in financial instruments in order to achieve the portfolio's investment objective. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes in the Republic of South Africa. Where the aforementioned schemes are operating in territories other than South Africa, participation in these schemes will be included only where the regulatory environment is 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 will be actively managed with exposure to various asset classes being varied to reflect changing economic and market circumstances, in order to maximise returns for investors.

Limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum exposure of 25% to offshore investments plus maximum of 5% in Africa.
- The portfolio will maintain an equity exposure (incl international) up to 75% of the portfolio's net asset value.
- Maximum property exposure (incl international) 25%.
- The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa.

Portfolio commentary

Our fund positioning has been sound through this rough period on global markets. Although we were defensive early, excessive market valuations justified caution – the markets were priced not to withstand any bad news.

It does not surprise us that market stalwarts are systematically disappointing investors. We keep on hearing how high quality companies can justify stratospheric valuations, more and more retail and institutional market commentators espouse the new found belief that valuations matter little as earnings will save the day. We simply disagree. The truth is that stocks generate returns from three key areas, namely earnings, dividend yields and de or re-ratings of the P/E.

Most markets have rerated consistently since 2008 and some to the point of all-time highs – the JSE falling into that category. Consequently, one of the three areas where returns are normally forthcoming, the P/E, is now null and void – this tailwind had to turn to a headwind and it has! As is typical of markets however, the market re-pricing has not been homogenous and the JSE has seen the best quality companies enjoying real support – these being consumer, medical, media (Naspers), certain financials and the multinational franchises like SABMiller and Richemont. Against this, as we are all aware, our miners and other cyclical stocks have been crucified.

What strikes us as market-changing though, is that the 'reliable secular bankers' are beginning to disappoint with regards to their earnings, a great example being Mr. Price. Others include Mediclinic, Massmart (less reliable of late) and Sanlam and in most cases, the market has punished these companies heavily. This speaks to our exact point that earnings can only save the day for a limited time period - all company profits move through cycles and relying on earnings when a P/E is exaggerated will, ultimately, create pain!

However, as Howard Marks so rightly points out in his Oaktree Client commentary, Investing – It's Not Easy and great investors do not spend all their time focusing on a consensus trade as this is where the money has already been made. Smart money drives into those areas where the risk has diminished to nothingness because expectations have been completely depleted. Unfortunately, heading into zones that are losing money or have already lost money is not popular with an investor base, particularly one that is not patient. It is for this reason that investing is not simply "Not Easy" - it is in fact, downright hard!

This kind of 'Marsian thinking' has been misconstrued by certain SA managers as an excuse to seamlessly tear into resource companies and fill their entire portfolios with these 'cheap no-brainers'. We believe that selective ownership of these companies is justified but due to the binary outcomes for resource businesses, it is imperative to understand the 'bet sizes' that should be taken. We at Northstar have a highly organised process around structuring bet size to participate in upside without taking outsized risk.

We believe too that Marks is right - it is important to delve into those areas where the herd is less exposed, but the world is a big place and we are finding value across spaces that are not merely resource centric. Concurrently, one should not avoid consensus just for the sake of it - if it makes sense to own companies held well by others, then there is no reason not to. Our portfolio is exposed to both consensus and non-consensus stocks.

Disclosures

MET Collective Investments (RF) (Pty) Ltd (the "Manager"), registration number 1991/003741/07, is authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS) in Securities. The Manager is the manager of the MET Collective Investments Scheme, and MMI Holdings Ltd is a full member of the Association for Savings and Investment SA. Standard Bank of South Africa Limited (+27 (0)21 441 4100 PO Box 54, Cape Town, 8000) is the trustee of the scheme. Northstar MET Managed Fund is a portfolio of the MET Collective Investments Scheme and Northstar Asset Management (Pty) Ltd, registration number: 1996/001423/07, an approved financial services provider (FSP number: 601), is responsible for managing the assets of this portfolio. CIS 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. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of units apply to portfolios, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently in accordance with their mandate. Portfolios are valued daily at approx. 15h00, latest prices can be viewed at www.metci.co.za. Forward pricing is used. Instructions must reach the Manager before 14h00 to ensure same-day value. The Manager does not provide any guarantee, either with respect to the capital or the return of this portfolio. Additional information on the proposed investment can be obtained, free of charge, at www.metci.co.za or may be requested from the Manager.

Northstar MET Managed Fund is a third party named CIS portfolio, the assets of which are administered by Northstar Asset Management (Pty) Ltd, registration number: 1996/001423/07, a registered financial services provider, FSP number: 601. The Manager retains full legal responsibility for all third party named CIS portfolios under the MET Collective Investments Scheme.

This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

The Total Expense Ratio (TER) has been calculated using data from 01 July 2014 until 30 June 2015. The TER is disclosed as a percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER does not include transaction costs. The TER is calculated quarterly but may additionally be re-calculated with effect from any significant portfolio restructurings and/or fee changes occurring. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Included in the disclosed TER, is a performance fee of 0.81%.

Performance is calculated for a portfolio/portfolio class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. Annualised returns, also known as Compound Annualised Growth Rates (CAGR), are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. Performance figures quoted are from Morningstar, as at 31/08/2015, for a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-dividend date. CPI/Inflation figures, where present, are lagged by one month.

This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products.

Contact and other information

Scheme

[MET Collective Investments Scheme](#)

Custodian/Trustee

Standard Bank of South Africa Limited

Telephone: +27 (0)21 441 4100

Management company

[MET Collective Investments \(RF\) \(Pty\) Ltd](#)

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

Facsimile: +27 (0)12 675 3889

Call centre: 0860 111 899

Email: ci.clientservice@momentum.co.za

Web: www.metci.co.za

Registration no.: 1991/003741/07

Third party manager

[Northstar Asset Management \(Pty\) Ltd](#)

An authorised financial services provider, FSP No: 601

Suite 1A, Madison Place, Alphen Office Park, Constantia Road, Constantia

PostNet Suite # 784, Private Bag X16, Constantia, 7848

Telephone: +27 (0)21 810 8400

Facsimile: +27 (0)21 794 2885

Email: admin@northstar.co.za

Web: www.northstar.co.za

Registration no.: 1996/001423/07