

Investment Objectives and Strategy

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 from time to time, all to be acquired at fair market value. The portfolio may from time to time invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, 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 will maintain an equity exposure (incl. international) up to 75% of the portfolio's net asset value.

Fund Statistics

Inception Date	1998/03/01
Manager Inception	2011/11/01
Fund Size	R 495 051 995
NAV	2.05
Ticker	METP
Benchmark	CPI +5%
ASISA Sector	SA MA High Equity
Risk & Investment Term	Moderate, 3yrs - 5yrs
Portfolio Manager	Northstar Investment Team
Annual Management Fee	1.54% (incl. VAT)
Manager's Upfront Charge (max)	0% (incl. VAT)
FSP Upfront Comm (max)	3.42% (incl. VAT)
Total Expense Ratio (TER)	3.16
Date of Income Declaration	30 Jun / 31 Dec
Minimum Lumpsum Investment	R10 000
Minimum Monthly Investment	R500
Valuation Time	15h00
Transaction Time	14h00

Performance Fee (Historic)

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.

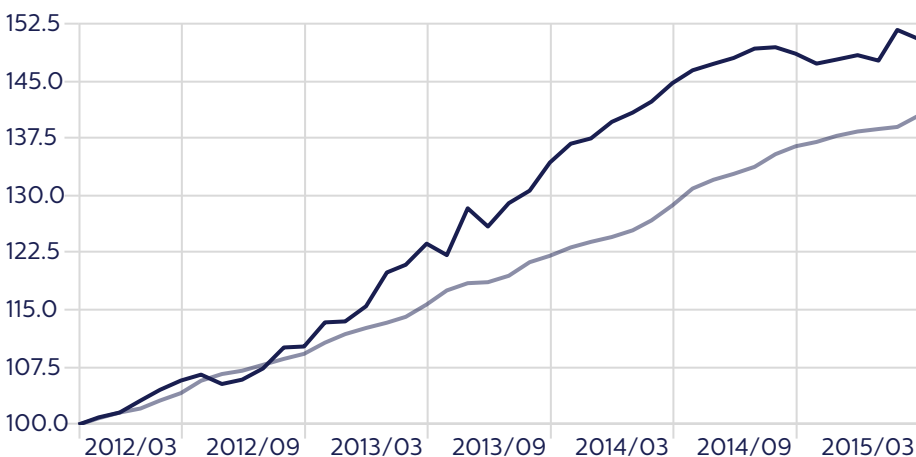
Total Expense Ratio (Historic)

A Class:		A1 Class:	
Ann. Man. Fee	1.54%	Ann. Man. Fee	1.42%
Performance Fee	1.59%	Performance Fee	1.49%
Other Costs	0.03%	Other Costs	0.03%
TOTAL TER	3.16%	TOTAL TER	2.88%

Please note: the TER has been calculated using data from 1 January 2014 to 31 December 2014. The TER is disclosed as a percentage of the average Net Asset Value of the portfolio that were incurred as charges, levies and fees related to the management of the portfolio. The TER is adjusted for significant subsequent portfolio restructurings and/or fee changes. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Investment Growth Since Manager Inception

Time Period: 2011/11/01 to 2015/03/31



	YTD	1 Year	2 Years (ann)	Manager Inception (ann)
Northstar MET Managed A	1.4	4.0	10.3	12.7
CPI +5%	1.5	9.1	10.2	10.4

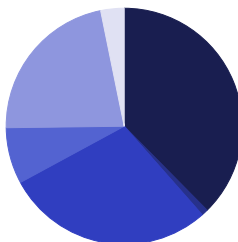
Risk Statistics Since Manager Inception

Time Period: 2012/04/01 to 2015/03/31

	Fund	ASISA Sector
Std Dev	5.1	5.3
Sharpe Ratio	1.4	1.7
Up Period Percent	80.6	77.8
Max Drawdown	-1.9	-3.5

Asset Allocation

Portfolio Date: 2015/03/31



Domestic Equity	37.6
Domestic Property	0.9
Domestic Bonds	28.6
Domestic Cash	7.7
Foreign Equity	22.0
Foreign Cash	3.2
Total	100.0

Income Distribution

Date	Class A	Class A1
2012/01/03	1.21 cpu	-
2012/07/02	1.93 cpu	1.03 cpu
2013/01/03	1.75 cpu	1.83 cpu
2013/07/01	1.65 cpu	1.71 cpu
2014/01/02	0.67 cpu	0.73 cpu
2014/07/01	0.09 cpu	0.08 cpu
2015/01/02	0.20 cpu	0.43 cpu

Top 10 Equities

Standard Bank	4.17%
MTN Group	4.85%
British Am. Tobacco	3.55%
Sun International	3.53%
Anglo American PLC	3.21%
Sasol	2.83%
Illovo	2.49%
Remgro	2.47%
Microsoft	2.43%
Supergroup	2.14%
TOTAL	30.67%

Performance Fee and Total Expense Ratio (Current)

The current daily Performance Fee on the portfolio as at 31 January 2015 is 0.008%, annualised equates to a Performance Fee of 0.292%. This implies a prospective Total Expense Ratios of 1.86% and 1.74% for the A and A1 classes respectively. These prospective Performance Fees and Total Expense Ratios are NOT guaranteed, they only give an indication of what the fees could be on the portfolio based on current information.

Regulation 28 Compliance & Intended Maximum Limits

Compliant	Equity	Property	Equity & Property	Foreign	Africa	Cash	Debt
YES	75%	15%	90%	25%	5%	50%	50%

Investment Philosophy

'Long-term exposure to quality assets where value exceeds price' - Northstar Asset Management'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.

FAIS Conflict of Interest Disclosure

Please note that in most cases where the FSP is a related party to Northstar Asset Management Pty (Ltd) and/or MET Collective Investments (RF) (Pty) Ltd, the Northstar Asset Management Pty (Ltd) and/or distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client. Such fees are paid out of the portfolio's service charge and range anything between (excl VAT):

CIS Manager: Up to 0.15%
Northstar Asset Management: Up to 1.00%
Distributor/LISP: Up to 0.25%
Total Management Fee: 1.35%

Contact Details

Custodian:
Standard Executors & Trustees: Tel 021 441-4100

Management Company:
MET Collective Investments, 268 West Avenue, Centurion, 0157; PO Box 7400, Centurion, 0046
Call Centre Tel: 0860 111 899, Fax (012) 675-3889
Email: ci.clientservice@momentum.co.za
Registration No: 1991/03741/06

Fund Manager:
Northstar Asset Management
An authorised financial services provider, FSB No. 601
Tel: 021 810-8400
Email: admin@northstar.co.za
Address: Suite 1A, Ground Floor, Madison Place, Alphen Office Park, Constantia Road, Constantia, 7806

Deposit Details

Deposits can be made at any First National Bank:
Account Holder: Met Collective Investments Ltd - METCI Client Deposit Trust
Account Number: 623 614 33784
Branch Code: 253 145
Bank: First National Bank
Please fax deposit slip to: (012) 675 3889
or email to: ci.clientservice@momentum.co.za

Minimum Disclosure Statement

Introduction

This document contains the minimum disclosure information as required by legislation to enable you as an investor to make an informed decision before investing. 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 from time to time, all to be acquired at fair market value. The portfolio may from time to time invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, 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 will maintain an equity exposure (incl. international) up to 75% of the portfolio's net asset value.

Risk Reward Profile: The recommended investment horizon for this fund is 1 year or more. It is highly unlikely that this fund will have a negative return over any 1 year rolling period.

Portfolio Benchmark: see the **Fund Statistics**

Fees and Charges: see the **Fund Statistics** and **FAIS Conflict of Interest Disclosure**

Portfolio Inception Date: see the **Fund Statistics**

Portfolio Category: see the **Fund Statistics**

Portfolio Size: see the **Fund Statistics**

Distribution Dates and Values: see the **Income Distribution**

Portfolio Performance: see the **Investment Growth and Monthly Returns**

Manager, Trustee Names and Contact Details: see the **Fund Statistics** and **Contact Details**

Portfolio Valuation and Transaction Cut-off Time: see the **Fund Statistics**

Asset Allocation: see the **Asset Allocation**

Frequency of Publication and Location of Prices: daily and <http://www.momentuminv.co.za/METCollectiveInvestments/METCollectiveInvestmentsFunds.aspx>

Additional Free of Charge Information: Please contact Client Services, Tel: 0860 111 899, Fax (012) 675-3889, Email: ci.clientservice@momentum.co.za

Monthly Commentary

Prospective equity returns are heavily influenced by their historical performance, with mean reversion playing a significant role and the rating of the market being equally important. Typically, elevated historical returns create a residual high market rating.

Leading into 2014, we felt that equities were in for a low teen return year and based this view on two key internal proprietary research sources. The first, our quantitative analysis on returns, which we construct by normalizing margins and earnings (adjusting sustainable growth levels), adjusting P/E's to long-term averages and adding dividend yields. The second, our bottom-up analysis of companies, calculating their true value as against their market price. In both cases, the upside was minimal.

This assessment proved accurate – the JSE returned 10.9% in 2014, following on from 21.4% in 2013 and 26.7% in 2012. Over the long-term, the JSE has delivered an annualized return of 19.3% (55 years). What was startling about last year's returns, is that the cheapest parts of our market de-rated (became even cheaper) and the most expensive stocks became even more expensive – a trend that continues unabated. Our market has become highly polarized with investors obsessed with short-term profits and willing to pay a lot for near-term earnings visibility – expensive share prices have surged and are disconnected from their underlying value.

Cyclical shares on the other hand, were decimated in 2014 and this continues in 2015, yet for certain companies, a 'through-the-cycle' valuation demonstrates high potential returns. We estimate the break-up valuation of Anglo American, as an example, to be at least 40% higher than the current share price. Equally, we deem many of the high flying growth companies of last year to be dangerously over-priced. Our views of 2014 and the potential for low returns from the market as a whole are, sadly, being mirrored in 2015. In fact, our analysis is directing us to single digit returns in the years ahead.

Northstar operates predominantly in what we describe as the 'middle world' – we seek companies that have sustainable moats, good management teams that provide economic optionality, exist in constructive industries and where valuations are modest. In a normal market environment, many companies on the JSE exist in this space and we enjoy rich hunting grounds. Currently, the polarized world has radically diminished our investable domestic universe and we consider this to be the case for most pragmatic managers. Fortunately, our investing landscape is no longer merely the JSE and our research team continues to find quality companies globally, many of which are not as richly priced as our own at home. A main area of focus for us of late has been Europe and we are also actively assessing various Asian stocks.

As was the case in 2014, our SA cash levels are high, although we must stress that we have no agenda to hold raised cash positions and our approach is as consistent as ever. As and when we unearth an investable opportunity that is priced at a reasonable discount to what we have calculated its intrinsic value to be, thus offering a fair and quantifiable 'margin of safety' for our investors, we will actively deploy cash to these situations.

Disclaimer

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. 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. 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. Service charges and investment manager charges are calculated and accrued on the daily marketed value of the investment and paid out monthly. 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. 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 Limited (RF) (Pty) Ltd's product.