

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	R478 836 033
NAV	2.02
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)	3.30
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

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.

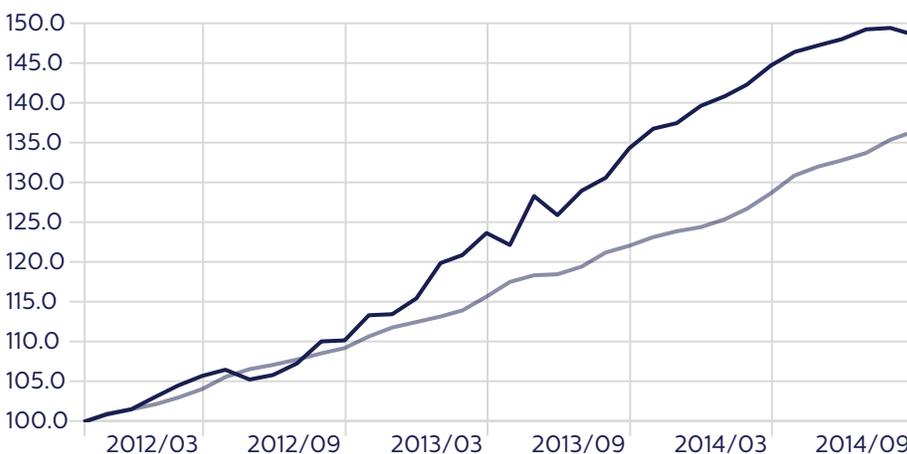
Total Expense Ratio (TER)

A Class:		A1 Class:	
Ann. Man. Fee	1.54%	Ann. Man. Fee	1.54%
Performance Fee	1.71%	Performance Fee	1.69
Other Costs	0.05%	Other Costs	-0.08%
TOTAL TER	3.30%	TOTAL TER	3.15%

Please note: the TER has been calculated using data from 1 July 2013 to 30 June 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 2014/09/30



—Northstar MET Managed A

—CPI +5%

	YTD	1 Year	2 Years	Manager Inception
Northstar MET Managed A	6.4	10.6	16.1	14.5
CPI +5%	9.6	11.7	11.7	11.2

Risk Statistics Since Manager Inception

Time Period: 2011/10/01 to 2014/09/30

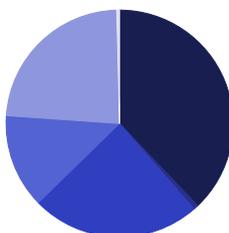
	Fund	ASISA Sector
Std Dev	4.7	5.7
Sharpe Ratio	2.0	1.7
Up Period Percent	88.9	77.8
Max Drawdown	-1.9	-3.5

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

Asset Allocation

Portfolio Date: 2014/09/30



	%
Domestic Equity	37.9
Domestic Property	0.7
Domestic Bonds	24.1
Domestic Cash	13.4
Foreign Equity	23.5
Foreign Cash	0.4
Total	100.0

Top 10 Equities

Standard Bank	4.0%
British Am. Tobacco	3.8%
Sun International	3.8%
Sasol	3.8%
Microsoft	3.2%
Discovery Comm.	3.1%
Woolworths	3.1%
Anglo American PLC	2.7%
Supergroup	2.4%
Qualcomm Inc.	2.2%
TOTAL	32.1%

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 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 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

Administrator:
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
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

Monthly Commentary

Our clients are well aware of our consistent writings and public presentations regarding most South African assets being overvalued. We have been more positive on global equities, but these too, we view as pricey.

With this in mind, wherever we have had a mandate to be cash rich, we have utilized this leeway to protect our clients and investors. Such conservatism did, however, create a fair share of controversy over 2014 and we understand why! Investing has both a cognitive or rational component and a psychological or emotional element. Surging or flaying share prices have an uncanny ability to draw investors into states of deep despair or emotional exuberance - 2014 has been no different.

Contemporary society focuses on reducing lead times for gathering and consumption, rewarding products and services that drive immediate gratification. With this backdrop, communicating the concept of investing as a cerebral, long duration process that requires patient construction around logical and quantifiable hurdles draws suspicion and mistrust, which is discarded as an inferior ideology.

At Northstar, we do not allow ourselves to be swayed by ever-present emotional swings in markets. This is achieved via a rigorous investment process designed to shackle feelings and create a logical, decision-making framework. It is, effectively, a step-by-step map designed to prevent disaster. Our thinking remains consistent, this being:

- Making money involves a deep-seated understanding of what an asset is worth and purchasing when it trades at a discount to this value or worth.
- Markets move about completely randomly in the short-term.
- Markets incorrectly price assets in the short-term.
- Markets correctly price assets in the long-term.
- Understanding what an asset is worth is only possible through ongoing research.

Most companies on the JSE remain pricey even though we have had a correction, taking the market back to levels last seen in February 2014. We have calculated what we believe the best assets in South Africa are worth and the respective entry and exit prices for each of these. Many of our most favoured companies have yet to reach prices that include a 'margin of safety' element that will protect investors should the reality be different to our base case. We will happily buy stocks if and when they reach the correct levels.

We are at ease with the companies which we own abroad. Interestingly enough, whilst we have been underweight SA equities and full weight offshore equities due to our work showing that offshore stocks offer better value, the latest sell-off has hit high quality offshore stocks too. This has, to some extent, negated the efforts we put into protecting our portfolio for a market correction. Are we concerned about our offshore stocks that we hold? No! We believe that we hold high quality offshore companies which are underpriced!

Our portfolio consists of solid companies that have the balance sheets to outlive tectonic shifts in the global economy. These businesses have powerful business models that create enduring income streams. The portfolio is constructed out of assets which trade at a discount to prevailing market levels. We consider our portfolio to be in touch with current market developments and well positioned to benefit from asset price reductions where valuations once again reach levels suitable to increase exposures.

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.