



VPM Regent Living Annuity Fund Fund Fact Sheet as at 30 November 2018

Fund Information

| | |
|--------------------------------------|----------------|
| Fund Inception Date | August 1998 |
| Fund Market Value (30 November 2018) | R86.07 million |

Fund Description

The VPM Regent Living Annuity Fund is underwritten by Regent Life Assurance Ltd and administrated by Cedar Employee Benefits Consultants (Pty) Ltd. Its assets are managed by Value Portfolio Managers (Pty) Ltd. This Fund provides the annuitants with a periodic income that is designed to suit their financial needs within regulatory limits.

The Fund offers a choice of two portfolios to meet the particular investment needs of clients. The "Equity" portfolio, managed as a

balanced portfolio, invests in a mix of shares, bonds and cash. Its asset allocation emphasises growth of capital. The "Income" portfolio gives preference to capital preservation and interest generating investments. Both portfolios may purchase foreign investments within allowances of South African Exchange Control regulations. The returns of the "Equity" portfolio are more likely to reflect the returns of equity investments while the returns of the "Income" portfolio reflect those of cash and money market investments.

Portfolio Choice

The value of the share of funds of the annuitants is linked to a choice of two investment portfolios.

VPM Regent Living Annuity Fund Portfolio (Equity)

| | |
|-------------------------------------------|----------------|
| Portfolio Market Value (30 November 2018) | R65.48 million |
| Unit Price (30 November 2018) | 1199.42 cents |

VPM Regent Living Annuity Fund Portfolio (Income)

| | |
|-------------------------------------------|----------------|
| Portfolio Market Value (30 November 2018) | R20.59 million |
| Unit Price (30 November 2018) | 441.26 cents |

Asset Allocation as at 30 November 2018

VPM Regent Living Annuity Fund Portfolio (Equity)

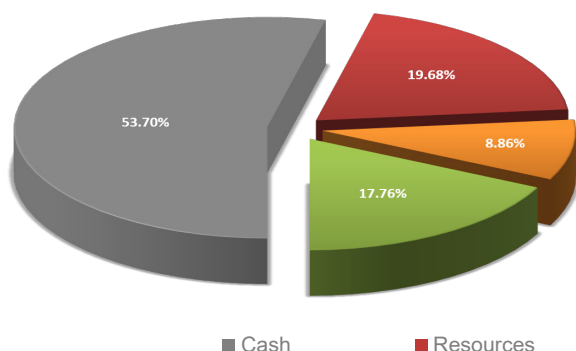
| Investments | Portfolio % | Equities % |
|--------------------------------|---------------|---------------|
| Resources | 19.68 | 42.51 |
| Industrials | 8.86 | 19.14 |
| Financials | 17.76 | 38.35 |
| Total Equities | 46.30 | 100.00 |
| Total Cash and Bonds | 53.70 | |
| SA Domestic Investments | 100.00 | |
| Offshore Investments | 0.00 | |
| Total Investments | 100.00 | |

VPM Regent Living Annuity Fund Portfolio (Income)

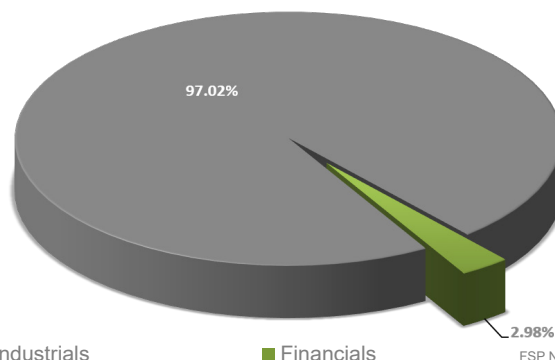
| Investments | Portfolio % | Equities % |
|--------------------------------|---------------|---------------|
| Resources | 0.00 | 0.00 |
| Industrials | 0.00 | 0.00 |
| Financials | 2.98 | 100.00 |
| Total Equities | 2.98 | 100.00 |
| Total Cash and Bonds | 97.02 | |
| SA Domestic Investments | 100.00 | |
| Offshore Investments | 0.00 | |
| Total Investments | 100.00 | |

Portfolio Structure

VPM Regent Living Annuity Fund Portfolio (Equity)



VPM Regent Living Annuity Fund Portfolio (Income)



Guidelines for Investments

VPM Regent Living Annuity Fund Portfolio (Equity)

| Tactical Asset Allocation | Minimum | Normal | Maximum |
|----------------------------|---------|--------|---------|
| Equities | 50% | 75% | 95% |
| Bonds (>3 years) | 0% | 0% | 35% |
| Cash and Assets (<3 years) | 5% | 25% | 50% |

VPM Regent Living Annuity Fund Portfolio (Income)

| Tactical Asset Allocation | Minimum | Normal | Maximum |
|----------------------------|---------|--------|---------|
| Equities | 0% | 0% | 20% |
| Bonds (>3 years) | 0% | 30% | 50% |
| Cash and Assets (<3 years) | 5% | 70% | 100% |

These guidelines:

- provide for investment in listed securities and other liquid financial assets.
- **include an exposure to offshore investments, spread across the various asset classes within the specified guidelines.**
- do not include any exposure to property other than listed property stocks.

Portfolio selection does not include direct investments in commodities or hedge funds.

The Fund may use exchange-traded derivatives contracts on market indices to reduce net equity exposure from time to time.

Relative Performance and Risk

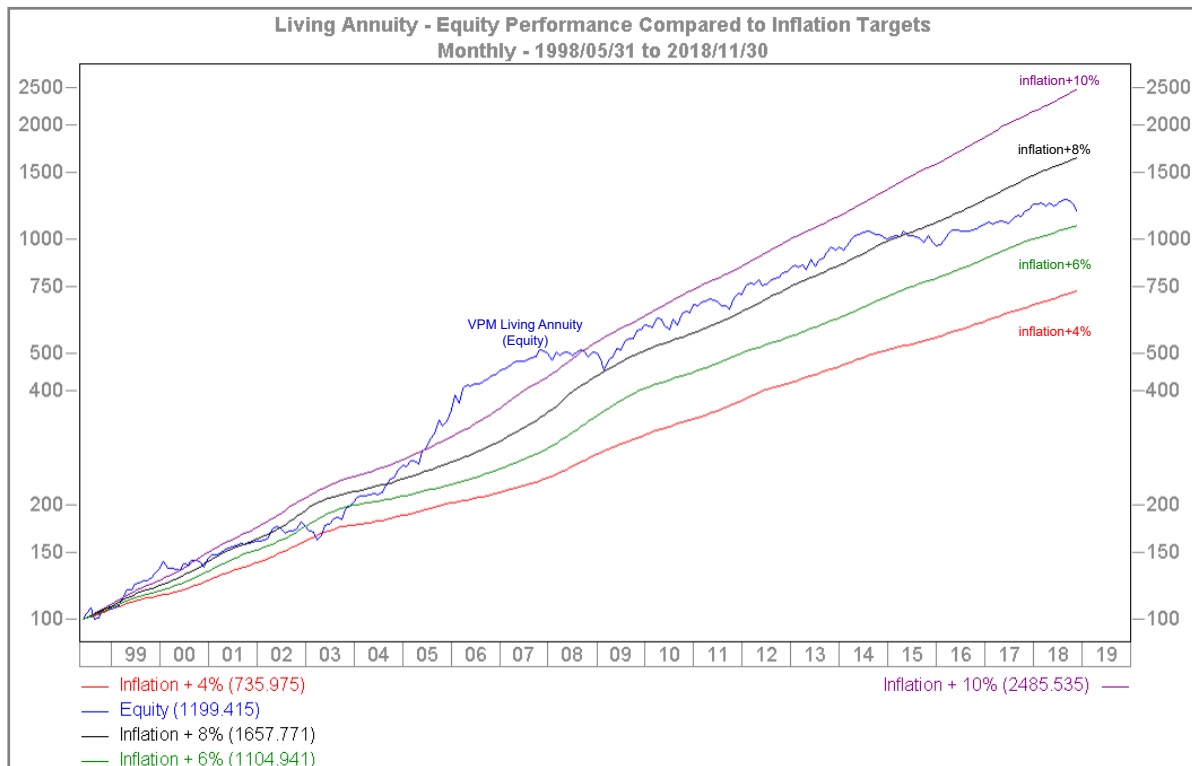
The underlying investments of the portfolios consist partly of equity and bonds investments. The investment horizon of equities and bonds is medium to long-term and the value of such investments may fluctuate. Consequently, past performance is not necessarily an indication of future

performance and investment risk is carried by the investor. Because the “equity portfolio” choice is more exposed to equities the unit price could therefore be more volatile. An increase in long-term interest rates may also adversely affect the market value of bond investments in both portfolios.

VPM Regent Living Annuity Fund Portfolio (Equity)

Investment returns are dependent on many factors including financial market conditions and inflation. In particular, the level of inflation over the term of an investment is significant to the nominal returns. Generally speaking, the higher the rate of inflation, the higher the nominal returns. Inflation is an important consideration when formulating return expectations. Historically, inflation is recorded in a range of 6%-7%

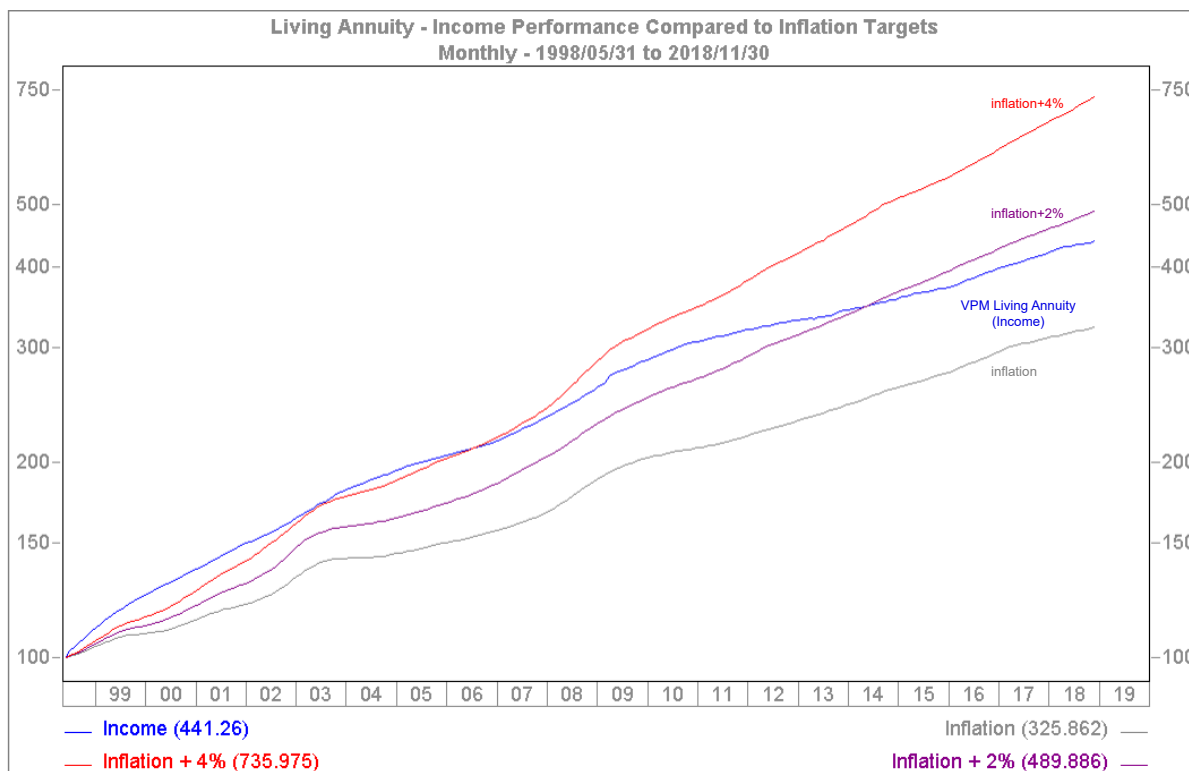
(the lower scenario) and a range of 10%-13% (the higher scenario). Generally, depending on the spread between growth investments such as equities and income investments such as cash and bonds, the portfolios target returns are between inflation and inflation plus 6%. The graphic representation below illustrates how the value of the VPM Regent Living Annuity Fund Portfolio (Equity) has performed relative to inflation.



VPM Regent Living Annuity Fund Portfolio (Income)

The graphic representation below illustrates how the value of the VPM Regent Living Annuity Fund Portfolio (Income) choice has performed. The absolute return is more modest and this choice is used to moderate risk and smooth out market price volatility of equities held in the

Equity Portfolio. This choice is also preferred by risk-averse investors seeking maximum capital protection. The appropriateness of returns in this portfolio depends largely on the availability of real interest rates.



Unit Price

Unit prices are calculated on a net asset value basis, this is the total market value of all investments in the individual portfolios including income accruals less any permissible deductions divided by the number of units representing the share of the fund of all annuitants invested in each portfolio. The net asset value of the portfolios is calculated on a monthly basis on close of the last business day of each calendar month.

Fund Transfers

Fund transfer requests must be received in writing by 12h00 on the third Friday of the calendar month. All fund transfers are processed on a net realisable basis as at the end of each calendar month.

Fund Payments

Annuity payments are processed at the end of the designated calendar month at the ruling unit price.

Fund Fact Sheet - 30 November 2018

The VPM Regent Living Annuity is underwritten by Regent Life Assurance Limited - Registration Number 1994/001332/06

The assets of The VPM Regent Living Annuity are managed by Value Portfolio Managers (Pty) Ltd - Registration Number 1970/001228/07

Disclaimer

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