

AN OVERVIEW

TBI Strategic Partners



Strategic
Partners

Introduction

Established in 1995, TBI Strategic Partners (“TBI SP”) is a subsidiary of the TBI Group, holding its strategic private equity portfolio. It is an unlisted South African open-ended investment company and member of the South African Venture Capital and Private Equity Association (SAVCA). TBI SP has a focused investment mandate of investing in the small and mid-market investment space, unconstrained by any particular market or sector. It invests in listed or unlisted companies that are considered to be strategic in nature and in funded B-BBEE solutions.

It has a proven track record of superior investment returns, where a key driver of success has been assisting investee companies to unlock their long-term growth potential in a sustainable way. TBI SP targets investments in good quality, cash-generative businesses with identifiable competitive advantages, strong growth potential, at attractive prices which it holds until exit opportunities are presented.

Investment Strategy

A **philosophy** of making smaller investments initially and building investment up over time, as TBI SP comes to know more about the investee company, management, and the respective industry or environment.

The **intention** is to grow the portfolio by making additional investments in existing investee companies and in companies that complement such investee companies, and investing in new strategic investment opportunities.

A hands-on **investment approach** means assisting management teams of investee companies and providing strategic input, without assuming direct operational responsibility. TBI SP actively leverages its existing network and engages with investee companies in relation to their corporate activity and other strategic initiatives.

Management

The management team has 170 years cumulative investment experience and a significant stake in the business.



Dr. Steve Booyesen

Non-Executive Chairman



Bruce Chelius

Member of Investment
Committee



Mike du Preez

Alternative Director and Member
of Investment Committee



Thys du Preez

Non-Executive Director and
Member of Investment
Committee



Ockert Goosen

CEO and Member of Investment
Committee



Ian Groenewald

Executive Director and Member of
Investment Committee



GC Swanepoel

Non-Executive Director and
Member of Investment
Committee



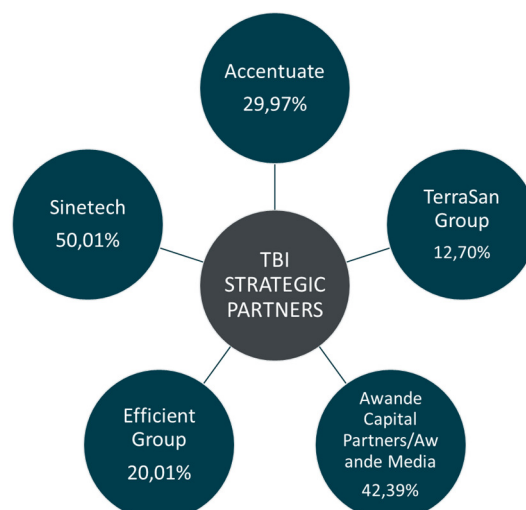
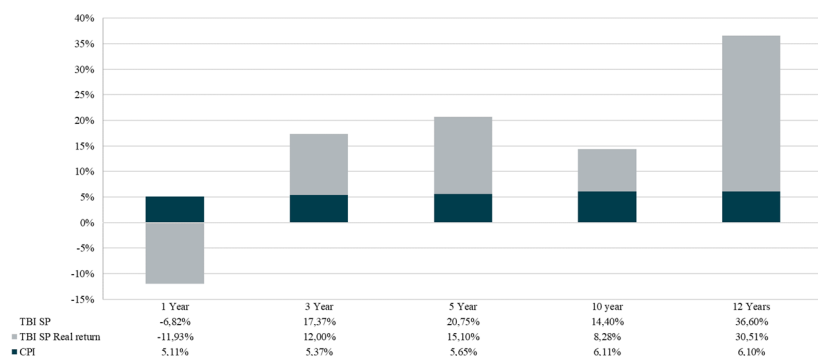
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Non-Executive Director and
Member of Investment
Committee

Investment Performance: 30 June 2017

Pro-forma historical net annualised IRR

Portfolio breakdown



Above and below portfolio and performance for TBI SP (and CPI) is as at 30 June 2017. IRR means internal rate of return and is annualised since inception. TBI SP returns are after all costs, taxes due and Participating Dividends. Pro forma net returns are calculated on accurate actual historic returns of the investment portfolio, adjusted for estimated fees and participation dividends that will be payable in future.

Outline of Investments

EFFICIENT GROUP (20.01%)

IRR: 34.25%



A listed financial services provider offering customised products, professional services and added value throughout the financial services value chain. The group has three market-focused clusters of business units. These clusters are focused on Financial Services; Services and Solutions; and Investments. www.efgroup.co.za

TERRASAN GROUP (12.70%)

IRR: 39.49%



An unlisted public company and a leading marine farming group in South Africa. It holds extensive investments in abalone farming, and in the pelagic, mussel and the related feed manufacturing industries. It owns commercial fishing rights and fishing trawlers in the pelagic fishing industry and has interests in sardine canning, freezing and fishmeal facilities. www.terrasan.co.za

AWANDE CAPITAL PARTNERS AND AWANDE MEDIA (42.39%)

IRR: Awande Capital Partners 38.06%; Awande Media 36.97%



Awande Capital Partners is an unlisted private investment company launched in 2006 with its current major investment through Awande Media in Trudon (www.trudon.co.za), the publisher of the Yellow Pages. Awande also has an interest in 360 Financial Services Group, comprising of interests in the Doves funeral services business, Union Life, Sechaba Medical and Numsa Financial Services. It also owns 75% of Awande Investment Managers.

ACCÉNTUATE (29.97%)

IRR: 3.90%



A listed group and market leader, providing flooring, infrastructure and maintenance solutions through its flooring division (Floorworx) and environmental solutions through its Safic Environmental Solutions division. It has an investment in Ion Exchange Safic, a joint venture with Ion Exchange (India) that provides the full spectrum of water purification and environment solutions. www.accentuateitd.co.za

SINETECH (50.01%)

IRR: -7.63%



Sinetech is an importer and distributor of standby and solar power producing products and one of the oldest photovoltaic (PV) solar energy unlisted private companies in Southern Africa, operating in this industry for over 20 years. It's wide product range includes its own brand of Omnipower products, the most prominent is the highly regarded range of solar batteries. www.sinetech.co.za

Fast Facts


MARKET VALUE <i>as at 30 June 2017</i>	R241.6 million
TARGET RETURN <i>over a rolling five-year period, subject to JSE trends</i>	CPI + 15% per annum
MINIMUM INVESTMENT	R1 million
TRACK RECORD	22 years
PORTFOLIO	Strategic equity and B-BBEE funded solutions.
INVESTMENT OBJECTIVES	To use long-term capital to acquire investments in quality businesses with a long-term investment view; and to assist in creating sustainable long-term growth of investee companies, thereby maximising returns and growing shareholder value.
DIVIDEND POLICY	100% of the after-tax consolidated profits and after-tax capital proceeds of realised investments less any settlement of outstanding costs (cash realised) will be distributed as Ordinary Dividends.
LIQUIDITY	3 years' notice may be given after 7 years. TBI SP will also facilitate trade in its shares. Merits of listing will be considered after 3 years.
COSTS	Capped expenses of 1.5% pa plus an annual participation dividend of 20% of the growth in investment value, subject to achieving a 10% hurdle for investors.
GEOGRAPHIC FOCUS	Invests mainly in the South African market.
OPPORTUNITY FOR INVESTORS	<ul style="list-style-type: none">• Invest alongside investment managers who have a 22-year proven investment track record.• Access to a previously restricted investment vehicle.• Invest at a discount to intrinsic fair value in identified new investment opportunities.• Significant growth opportunities in existing portfolio.

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Alternative Thinking

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