

AN OVERVIEW

Trustee Board Investments



INTRODUCTION

Established in 1992, TBI is a South African alternative investment and fund management group holding company, with a history of superior returns. The business consists of a number of direct investments in fund management and related associates (Awande Investment Managers, Bridge Capital and TBI Investment Managers), and three core investment portfolios which invest in:

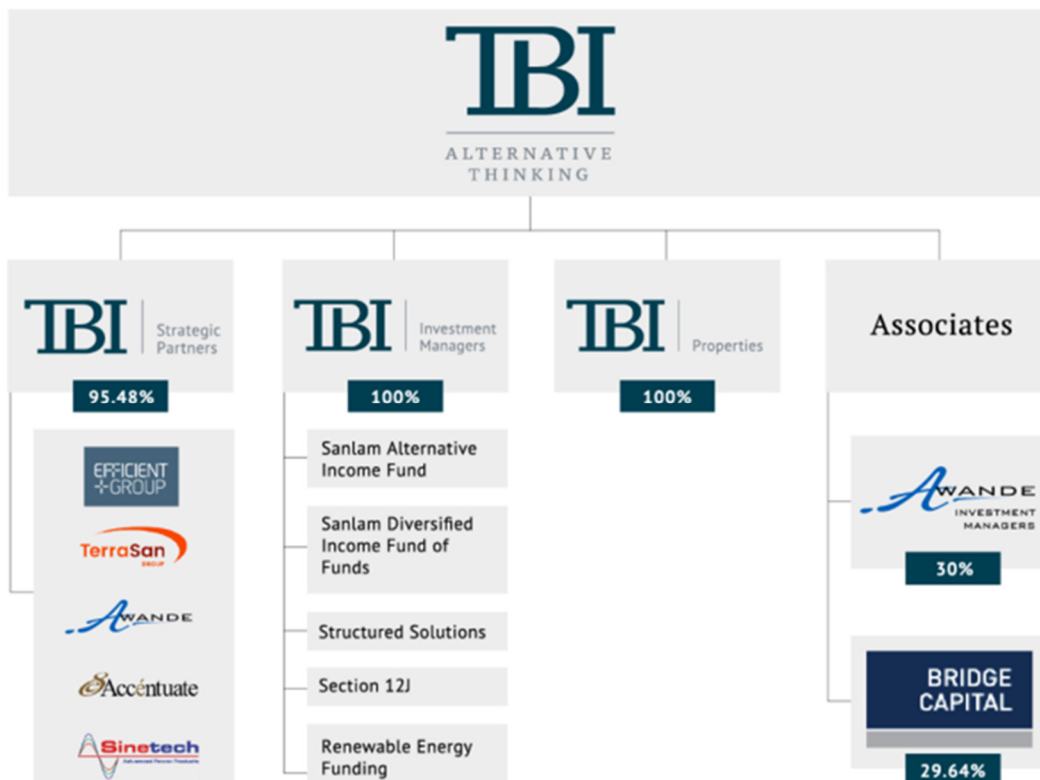
- **Strategic investments**, held through TBI Strategic Partners
- **Listed equity investments**, held through an index tracker fund; and
- **Property investments**, held through its subsidiary TBI Properties.

The investment objective is to create sustainable growth in shareholder value, using its long-term capital to make investments with a long-term view.

The group generates its returns not only from its investments, but also from asset management fees on third party managed investment portfolios and other transactional income. At 30 June 2017, the group had investable funds of R492 million, a net asset value of R372 million and, through ownership of TBI Investment Managers, investment assets under management exceeding R9.78 billion.

TBI Structure

Below is an overview of the TBI Group structure. Investors have the opportunity to invest either in the TBI Group or its subsidiary, TBI Strategic Partners. More details on these opportunities can be found under the section on Investment Options.



DIRECTORS



Dr. Steve Booyesen

Non-Executive Chairman



Thys du Preez

Executive Director



Ockert Goosen

Executive Director



Ian Groenewald

CEO & Executive Director



Mike du Preez

Alternate Director



GC Swanepoel

Non-Executive Director



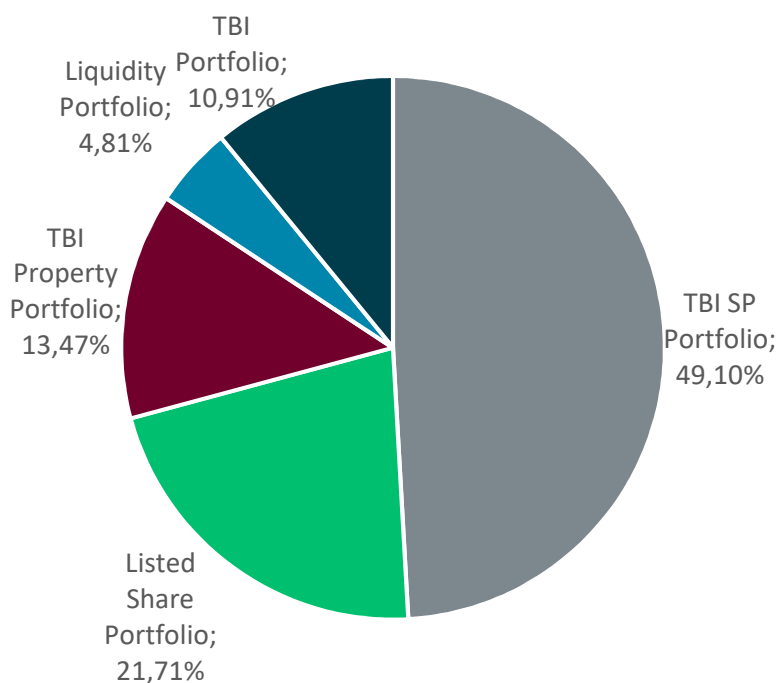
Tienie van der Mescht

Non-Executive Director

OVERVIEW OF INVESTMENT PORTFOLIO: 30 JUNE 2017

Portfolio mix of Investable Funds

Top ten investments



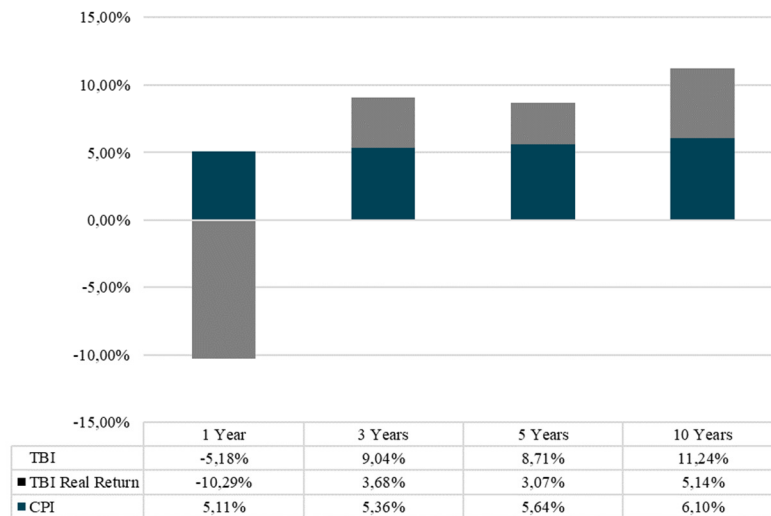
Investment	% of Investable Assets
Satrix Equally Weighted Top 40 Index Fund	19.69%
Efficient Group	17.14%
TerraSan Group	14.39%
TBI Properties	13.47%
TBI Investment Managers	9.17%
Accénuate	5.96%
Awande Capital Partners	4.88%
Awande Media	4.38%
Sinotech	2.35%
Trellidor Holdings	1.18%
	92.61

Notes:

*Liquidity represents available facilities.

Investment Performance: 30 June 2017

Annualised total returns compared to inflation



The results are stated as total returns attributable to shareholders, including dividends received and changes in net realisable asset value, after providing for all fees and expenses, taxes due and dividends paid or payable on preference shares. As of 1 April 2017, TBI Group no longer charges management fees of 2% and performance fees of 20% (without a hurdle).

Outline of Investments

<p>TBI Strategic Partners</p>	<p>Established in 1995, TBI Strategic Partners 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 Strategic Partners has an investment mandate focused on 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.</p> <p>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 Strategic Partners 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.</p>
<p>TBI Investment Managers</p>	<p>The TBI Group manages Tax Efficient Investments, Structured Investments and Renewable Energy Equity Refinancing via its wholly-owned subsidiary, TBI Investment Managers (Pty) Ltd. Founded in 2004, TBI Investment Managers is an alternative investment management company that aims to offer investors higher returns than conventional solutions with similar risks. They have the ability to identify clients' needs, and then source and manage investments to meet those needs. They believe in creating long-term partnerships to add value for their clients.</p>
<p>Listed Equity Portfolio</p>	<p>TBI's listed equity portfolio investments are mainly held in the Satrix Equally Weighted Top 40 Index Fund, a domestic unit trust fund. The fund has the objective to track the performance of the FTSE/JSE Equally Weighted Top 40 Index. The portfolio represents a solid base of investments in prime companies, providing TBI with liquidity, an avenue to invest excess funds and diversification of the portfolio.</p>
<p>TBI Properties</p>	<p>TBI Properties, is a wholly-owned subsidiary of TBI. Its objective is to generate superior returns over the long-term, by developing specialised light-industrial properties in good quality locations to</p>

	tenants' specification, and holding these as a diversified property portfolio over the long-term. It is currently invested in light industrial properties located in a light industrial park, the N4 Industrial Gateway situated to the east of Pretoria.
Associates	<p>Awande Investment Managers ("Awande") is an unlisted independent black-owned and black-managed investment and private equity fund manager, established and managed in accordance with the criteria specified in Section 3.10 of the Codes. Awande's objective is to create superior returns for investors and unlock value for investee companies, in full support of the development of black industrialists in South Africa. It seeks to invest at least 51% of its funds under management in companies that have at least a 25% direct black shareholding, in accordance with the timetable contemplated in the Codes.</p> <p>Bridge Capital is a corporate finance, mergers and acquisitions and renewable energy advisory house. It is a registered JSE sponsor, and has an investment in Foundation Wealth, a fast-growing family-office wealth manager. www.bridgecapital.co.za</p>

Investment Options

	TBI	TBI STRATEGIC PARTNERS
MARKET VALUE of investable funds	R492 million	R241.6 million
TARGET RETURN over a rolling five-year period, subject to JSE trends	CPI +10% per annum	CPI +15% per annum
MINIMUM INVESTMENT	R1 million	
TRACK RECORD	25 years	22 years
PORTFOLIO	Strategic equity, property and listed equity portfolio investments.	Strategic equity and B-BBEE funded solutions.
INVESTMENT OBJECTIVES	To offer superior returns over the long-term by investing in good quality businesses at attractive prices and retaining these investments over the long-term. To reduce risk and provide liquidity a significant portion of assets are invested in property and top 40 listed shares.	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	Annual capitalisation issue of approximately 5% of the net realisable asset value. Shareholders can elect to receive a cash dividend as an alternative subject to cash flow and operational constraints.	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	Annual.	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	No fees charged, as TBI is an operating company.	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.

GEOGRAPHICAL FOCUS	Invests mainly in the South African market.	
OPPORTUNITY FOR INVESTORS	<ul style="list-style-type: none"> • Invest in a private investment company offering superior returns from a diversified investment portfolio of strategic equity, listed equity portfolio and property, with a long-term investment view. • Invest alongside investment managers who have proven investment track records. • Liquidity for investment offered on an annual basis. 	<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.

Contact Details



+27 (0)21 948 0322



info@tbi.co.za



www.tbi.co.za



FedGroup Place, Willie van Schoor Avenue, Bellville, 7530

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Alternative Thinking

Trustee Board Investments (Pty) Ltd | www.tbi.co.za | Tel: +27 21 948 0323

Directors: SF Booysen; MM du Preez; MM (Mike) du Preez (Alt); I Groenewald; OJ Goosen; GC Swanepoel; MJ van der Mescht
 3rd Floor, 35 FedGroup Place, Willie van Schoor Avenue, Bellville, 7530 | PO Box 21168, Parow, 7499 | Reg. No: 1993/005253/07