INVESTMENT OBJECTIVE

The portfolio aims to seek to preserve capital and to maximize income returns for investors. The fund conforms to legislation governing retirement funds.

INVESTMENT POLICY

The PSG Diversified Income Fund is a specialist portfolio. The portfolio comprises a mix of high yielding equity securities, property, bonds, preference shares and assets in liquid form, both locally and abroad, thereby generating both tax free and taxable income, whilst preserving capital.

Please note that the name of the fund changed from PSG Optimal Income Fund to PSG Diversified Income Fund from 1 September 2014.

FUND OBJECTIVES

The PSG Diversified Income Fund has been designed for retirement funds or similar plans.

FUND CHARACTERISTICS

This fund only invests predominantly in fixed income instruments but can also have up to 10% of the fund in equities, both domestic and foreign. The fund can have up to 10% in listed property and 25% of the fund in foreign markets. The fund aims to provide a reasonable income with above-inflation capital appreciation over time. Investors in this fund should be comfortable with a small degree of exposure to market fluctuations and should have an investment horizon of at least twenty-four months.

INVESTMENT POLICY

The PSG Diversified Income Fund is a specialist portfolio. The portfolio comprises a mix of high yielding equity securities, property, bonds, preference shares and assets in liquid form, both locally and abroad, thereby generating both tax free and taxable income, whilst preserving capital.

Please note that the name of the fund changed from PSG Optimal Income Fund to PSG Diversified Income Fund from 1 September 2014.

ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equity</td>
<td>4%</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>52%</td>
</tr>
<tr>
<td>Domestic cash</td>
<td>39%</td>
</tr>
<tr>
<td>Foreign equity</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

TOP 5 EQUITY HOLDINGS

1. Berkshire Hathaway Inc
2. FirstRand Ltd
3. Nedbank Group Ltd
4. J Sainsbury plc
5. Discovery Holdings Ltd

TOP 5 ISSUER EXPOSURES

1. Republic of South Africa
2. Absa Bank Ltd
3. Standard Bank of SA Ltd
4. Nedbank Ltd
5. FirstRand Bank Ltd

HOW THE FUND HAS PERFORMED SINCE 7 April 2006 (Cumulative)

ANNUALISED PERFORMANCE % (after fees)

<table>
<thead>
<tr>
<th>Period</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>8.0%</td>
</tr>
<tr>
<td>3 years</td>
<td>7.0%</td>
</tr>
<tr>
<td>5 years</td>
<td>6.8%</td>
</tr>
<tr>
<td>10 years</td>
<td>6.7%</td>
</tr>
<tr>
<td>Inception</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

MANAGEMENT COMPANY: PSG Collective Investments (RF) Limited, 1st Floor, Alphen Office Park, Constantia Main Road, Constantia, 7806 Tel: +27 (21) 799 8000, Email: assetmanagement@psg.co.za, Website: www.psg.co.za/asset-management

Date issued: 14 September 2016
Who should invest in the PSG Diversified Income Fund?

The fund is suitable for investors who:

- have a low risk appetite and with an income requirement
- want to earn an income, but need to try and beat inflation
- focus on a short- to medium-term investment horizon

Diversified Income

The yield is calculated daily on an annualised basis. The calculation is based on the current yield of fixed income instruments.

General information and risks

Collective Investment Schemes in Securities (CIS) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up and past performance is not a guide to future performance. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and script lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity. Where foreign securities are included in a portfolio, the portfolio is exposed to risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax, settlement and potential limitations on the availability of market information. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed payouts over time may be followed. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio.

Regulation 28

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period.

Performance

All performance data for a lump sum, net of fees, include income and assumes reinvestment of income on a NAV to NAV basis. Annualised performances show longer term performance rescaled over a 12 month period. Individual investor performance may differ as a result of initial fees, the actual investment date, the investment manager and the TER. The total expense ratio (TER) is the annualised percentage of the Fund’s average assets under management that has been used to pay the Fund’s actual expenses over the past three years. The TER includes the annual management fees that have been charged, other expenses like audit and trustee fees and VAT. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The TER and other fund’s TERs should then be used to evaluate whether the Fund performance offers value for money.

Transaction costs

Transaction costs are shown separately. Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total investment charge

The sum of the TER and transaction costs is shown as the Total Investment Charge. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns.

Cut-off times

The cut-off time for submitting investment transactions is 14h30 daily, with the exception of the PSG Money Market Fund which is 11h00.

Company details

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Services Board, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Konsult Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd, PSG Collective Investments (RF) Limited and PSG Konsult Limited are subsidiaries of PSG Group Limited. PSG Collective Investments (RF) Limited and can be contacted on +27 (21) 799 8000; (toll free) 0800 600 168, via email assetmanagement@psg.co.za.

Conflict of Interest Disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

Trustee

The Standard Bank of South Africa Limited, Main Tower, Standard Bank Centre, 2 Hertzog Boulevard, Cape Town, 8001. Tel: +27 (21) 401 2443. Email: compliance-PSG@standardbank.co.za.

Additional information

Additional information is available free of charge on the www.psg.co.za/asset-management and may include publications, brochures, application forms and annual reports.