

Cattle Investment

INFORMATION UPDATE AT JANUARY 2020



What is the fund's objective?

The portfolio is a long term investment that aims to achieve capital growth over time horizon of 12 months. It aims to generate a return from buying and selling cattle while putting measures in place to reduce the related risk.

What does the fund invest in?

This is a cattle investment portfolio. Calves are purchased between the weight of 200kg - 240kg. The calves are placed into a feedlot for a minimum period of 120 days with the purpose of controlled feeding and fattening of the cattle for sale into the market once the optimum weight ranging between 400kg - 500kg has been reached while maintaining the quality of the meat. Once the cattle has reached the optimum weight, they are sold to an abettor under an offtake agreement.

What possible risks are associated with this fund?

There are market price risks associated with this portfolio. The Cattle are sold at the prevailing market price when the optimum weight is reached. Market factors such as an increase in demand or an increase in supply for beef may impact the price in a positive or negative manner respectively. We have put measures in place to manage the associated risks through constant monitoring of the market price and ensuring the sale at the correct point in the market. Other market forces such as disease outbreaks and regulation change can also impact this portfolio.

Who should consider investing in this fund?

The investment is suitable for anyone with the goal of producing steady, inflation-beating returns over 12 months. It is appropriate for investors who wish to start investing or grow their wealth.

General fund information

Farmers: Beefcor
Classification: Alternative Asset
Benchmark: CPI +4%

Launch: September 2017
This portfolio was launched in September 2017.

Minimum investment requirements -

Lump sum R 2,000
Monthly R 500

What are the costs to invest in this fund?

Maximum charges including VAT

Initial fee	0,00%
Cycle fee	5,18%
Performance fee	20,00%

Cycle fee – this is a service charge (% based Incl VAT) levied on the value of your portfolio. Cycle fees are calculated on the value of the portfolio once the cattle have been sold.

Risk rating

Conservative

Moderate

Aggressive

Minimum period

3 Months

6 Months

12 Months

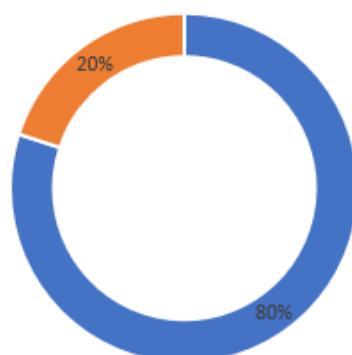
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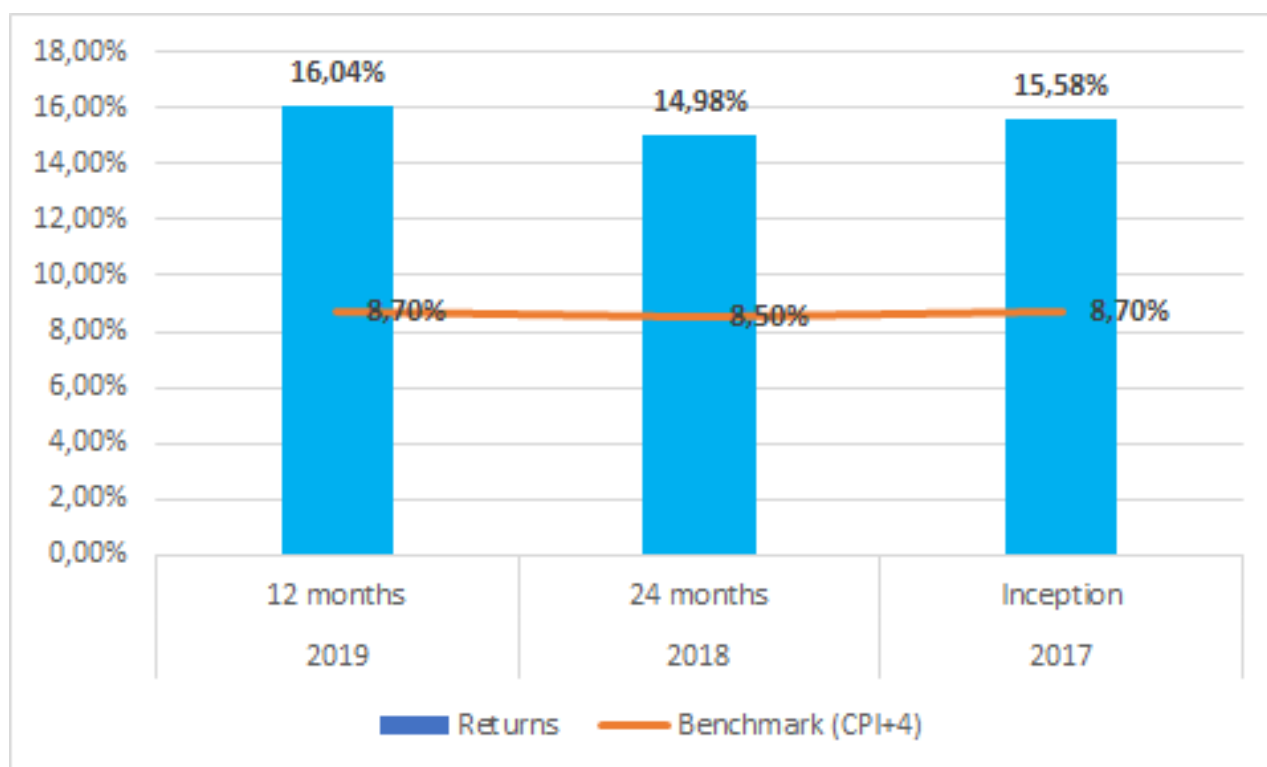
Holdings

Asset allocation (%)



■ Cattle ■ Cash

Performance



The above returns are an average of the performance in that period net of fees.

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Who are the Farmers?

BeefCor (Pty) Ltd is a well established feedlot in South Africa, with feedlot operations situated in Bronkhorstspuit. Beefcor operations were established in 1973 and they now market up to 70 000 cattle per year and have diversified their products and services. Beefcor is an industry leader and innovative company that employs over 600 people.

Market overview

The long-term global protein demand which depends on global economic growth and consumer preference is looking stable moving to strong. Locally, the closure of all auctions in South Africa amid the FMD (Foot and Mouth Diseases) outbreak continues to cause uncertainty and puts producers under strain. BeefCor will still maintain the same buying principles as we always have by partnering with reputable sellers. The local beef prices are expected to trade sideways from February until more clarity is provided on the FMD impact and the suspension of auctions around the country.

Mangers



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