Perspective
Investment Management

Overview of Perspective

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Table of Contents

The Firm **2**

About us 2

Our culture 2

Our story 2

Our origin 2

Our name 3

Daniel Malan shares his perspective 3

Our people 5

Daniel Malan 5

Sean Neethling 5

Jean-Marie Eveillard 6

John Rainier 6

Mikael Liefferink 6

Khangelani Ncalu 7

Our investment approach **8**

Overview 8

Business principles 8

What makes Perspective different 9

The funds **10**

Perspective Balanced Prescient Fund 10

Overview 10

Tax free investment 10

Bespoke portfolios 10

Contact us **11**

The Firm

About us

Perspective is an investment management firm based in Cape Town, South Africa. The firm was founded in January 2017 by Daniel Malan and Sean Neethling and is focused on the principles of long-term investing on behalf of our clients.

Our commitment is to establish a resilient enterprise with purpose and heart that creates exceptional long-term value for all our current and future clients and stakeholders.

Our culture

Our culture and investment approach are interdependent and of equal importance. Our team lives and works in integrity with the firm's purpose of creating exceptional long-term value for clients. We provide competent professionals with the freedom and respect to authentically express their skills and make meaningful contributions to our business.

We value curiosity, independent thinking and candour in the persistent pursuit of delivering superior investment returns. We celebrate our successes with passion and learn from our mistakes with humility. Our only rule is to act in the best interests of our clients at all times.

Our story

Everything at Perspective has a personal story and ours starts in an aspen forest on the west coast of Canada.

Our origin

Emanating from a single seedling and interconnected underground, aspen forests have a fast growth rate and can grow to cover many hectares. The root system is long-lived; one colony in North America is estimated at over 80,000 years of age. An aspen colony can survive complete destruction of the above-ground infrastructure, because they can regenerate from the root system.

New stems in an aspen colony appear up to 40 metres from the parent trees, so that the newer trees don't ever grow in the shade of the parent trees. In order to survive the harsh northern hemisphere winter climate, the trees lose all their leaves in winter, while the bark is photosynthetic, meaning that growth is still possible after the leaves have been dropped.

The lifecycle of the aspen forest links directly to the way we go about developing our client portfolios, our firm and stakeholder relationships in the face of cyclicality and constant reinvention. The root and nervous systems that anchor us is our long-term approach and core cultural values. We build resilient portfolios of robust assets on a durable firm structure.

Our name

To us, to have Perspective is to have a point of view while remaining open-minded, intensely curious and respectful of the different views of others. It is to recognise the value of all perspectives, particularly those that differ vastly from our own in the pursuit of knowledge and exceptional investment returns.

Perspective matters because we recognise that true insight can be found anywhere, and we change our minds when the facts change.

Daniel Malan shares his perspective

I gained my investment and business experience since 1996 in the global investment industry; covering stockbroking, advice, settlements, trading, investment analysis, portfolio management, client & media relationships and business management. I continually sought mentorship and through this I established a global network of treasured long-term relationships.

I first met Jean-Marie Eveillard in July of 2012 and I cannot think of a better role model for any investment professional. His exceptional long-term track record spans over 5 decades and speaks for itself. Yet, he is also one of the most sincere, humble people that I have ever met. His support for and patronage of Perspective is inspiring.

I began working alongside Sean Neethling in 2011. While we have different backgrounds and orient from different perspectives, we have found a powerful alignment in what we believe to be the core ingredients in investments, business and what matters most in life. We share similar core values: integrity, authenticity, curiosity and a passion for the pursuit and sharing of knowledge. We have a vision for creating a world-class client-centric investment management firm.

In early 2015, I took a year to visit many people in my global network, re-read all the investment journals I had kept since 1996, re-read many of the articles and books in my library and objectively review the case study of the most important investment and business decisions I had made in my career to date. I also continued to do research and to manage my own and family life savings. It was a humbling and extremely valuable experience. I gained a deeper understanding of my decision-making processes: in investing, in business and in life. Amongst many other important things, I learned the value of working without distractions in an inspiring environment filled only with highly professional people that I like, respect and admire for their ability to think and act independently and freely speak their minds in pursuit of a shared goal without conflicting interests.

As an investor, I further distilled my investment approach of thinking as a sensible business person would on a truly long-term basis. Being grounded in this mindset led to eliminating a significant amount of unnecessary and irrelevant distractions. Only a few things really matter and it is far more productive, efficient and rewarding to focus my time and energy on solving for those.

Perspective is the result of a deliberate detailed design over a 3-year period. Many important stakeholders in Perspective have committed to our vision, including my two co-founder shareholders, Sean Neethling and Jean-Marie Eveillard, and our independent chairman, John Rainier.

Breathing life into a new venture in a highly regulated, complex industry in South Africa is not easy, simple or quick. We could not have done this without the time and energy of every one of our incredible stakeholders. Thank you to all of you. When we first introduce Perspective only a fraction of our fast growing ecosystem is visible.

We are committed to practicing a stakeholder business approach, whereby each of our stakeholders rank equally and whose opinions and perspectives matter.

Our firm is still young, in its seedling phase, however our team is highly qualified, motivated and experienced and our leaders have been working together for many years. Our ecosystem of stakeholders and relationships is already well developed.

Perspective is exciting, vibrant, confident and ambitious, but also honest, curious and humble in our pursuit of creating exceptional long-term value for our clients.

We are confident in our investment and business approach and abilities and we relish the challenge to compete with the very best and exceed the expectations of our clients.

Thank you very much for your time and attention. Give us a call. Walk with us. Invest with Perspective

Our work and our story continues...

Our people

Daniel Malan *B.Com, CFA*

Co-Founder, Managing Director & Chief Investment Officer

Daniel has 23 years of investment industry and business management experience across multiple asset classes and geographies. In 2015 he began the formal process of creating our firm. Resolute in his open-minded curiosity about the way things really work, his ambition is to establish an ethical, sustainable business based in South Africa. As a result, the firm is grounded in and surrounded by people and processes that are unwavering in their purpose and dedication to making a meaningful impact for all our clients and other stakeholders. Daniel believes in doing things properly or not at all.

Daniel is a co-founder and shareholder of our firm and holds the CFA designation.

After receiving his B.Com Degree from Stellenbosch University in 1994, he worked as a private client stockbroker with SMK Securities in Cape Town before joining Brockhouse & Cooper, as a dealer in Montreal, Canada. In 2000, he joined Investec Asset Management as a dealer and investment analyst in London and then Cape Town. He was part of Regarding Capital Management between 2003 and 2015 where, as Chief Investment Officer, his key responsibilities included custodianship of the investment process, investment research, portfolio management, business management, and client and media relations.

Sean Neethling *M.Com (Finance)*

Co-Founder, Director & Portfolio Manager

Sean has 17 years of relevant industry experience across listed and unlisted credit and fixed income markets. He holds undergraduate degrees in Economics and Information Systems as well as postgraduate Finance Honours and Masters' degrees from the University of Cape Town (UCT). He is currently a PhD Candidate at UCT studying the correlation of listed asset prices in local and global debt and equity markets.

Sean is a co-founder and shareholder of our firm and provides a healthy dose of skepticism, candour and uncommon sense to the firm's investment team.

Sean began his career in the banking division of the FirstRand Group in 2003 as a credit analyst covering unlisted middle market companies in South Africa. His responsibilities were broadened to managing a portfolio of distressed credit and special situations, and in 2008 he moved to the group's boutique leveraged finance team where he focused on mergers and acquisitions, management buyouts and turnarounds. In 2011 he was contracted to the investment and wealth management business of Absa where he consulted to executive and private banking clients. Sean joined Regarding Capital Management as a credit analyst and portfolio manager in 2012 with dedicated research responsibilities in credit, fixed income, currency, convertibles and preference shares. He co-founded Perspective after spending a year as an investment analyst and portfolio manager at Sanlam Investment Management.

Jean-Marie Eveillard

Shareholder

Jean-Marie has over 50 years of investment experience. In 2003 he received a Lifetime Achievement Award from Morningstar for building one of the most successful long-term records in the global investment business.

Jean-Marie serves as a board trustee to First Eagle Funds in New York. He is an external shareholder and patron of our firm with no operational or executive responsibilities.

John Rainier *B.Com, LLB*

Independent Non-Executive Chairman

John has 30 years' investment industry experience, specialising in general property investment and management. He served as the Managing Director and later as a Non-Executive Director of JSE listed Allan Gray Property Trust* from 1996-2013.

* Later renamed Fountainhead Property Trust before merging with Redefine Properties in 2015.

Mikael Liefferink *B.Ing (Civil Engineering)*

Investment Analyst

Mikael completed his civil engineering degree at the University of Johannesburg in 2010. He grew up in an entrepreneurial family and has 6 years business experience working specifically as a civil project, design and site engineer with DRA Projects SA until April

2017, when he joined Perspective. He has worked as the lead civil engineer on various multifaceted large-scale mining projects across numerous continents within diverse and complex project teams. Mikael also has 5 years of part-time sales and marketing experience, having worked with Lexus South Africa, Kras and Amazen as a brand ambassador and sales representative. He passed the FSB Regulatory Level 1 RE5 exam.

Mikael is responsible for investment analysis and approaches everything from first principles.

Khangelani Ncalu *Clan name: Cwerha, Gxarha, Vambane, Mahlahlana*

Office Administration

Khangelani has 6 years business experience as the general manager of an established restaurant. He joined Perspective in March 2017 and is responsible for office administration & logistics, executive assistance and the end-to-end visitor experience.

Khangelani is fluent in English, isiXhosa, isiZulu and seSotho and believes that individuals can co-exist and work for the same goal without boundaries and barriers if people have mutual respect and regard for each other.

Our investment approach

Overview

We invest as a sensible business person would in managing their own affairs, by applying a long-term, independent and pragmatic approach.

As discerning long-term investors, our aim is to capture the full benefits of capital compounding in combination with human enterprise and ingenuity. We look to invest* in the equity and debt of sensibly priced, durable companies run by competent and ethical leaders whose long-term goals and incentives are aligned with those of our clients. Our team-based approach combines diverse contributions from multiple perspectives to identify the most compelling investment opportunities for our clients.

We manage risk by not overpaying for assets and by not selling indiscriminately. We diversify our portfolios to balance our best thinking against the possibilities that life happens and that we could be wrong.

Business principles

- Thinking and acting like a sensible business person leads to sound investment decisions.
- Buying cheaply and owning for the truly long-term produces exceptional investment returns.
- As stewards of other people's life savings, our thinking will only be shared with our clients.
- Clients deserve consistently honest, authentic and straightforward communication.
- Focusing on what matters most delivers the greatest value.
- People and culture are critically important in building a successful business.

What makes Perspective different

There are eight equally important factors that align your interests with ours.

Investing as a Sensible Business Person Would

We are long-term investors and think about capital allocation in the same way a sensible business person would in managing their own affairs. We look to invest in companies where the economics of the business and management incentives are clearly understandable and aligned to our approach of ownership over at least a five- to ten-year period.

Culture

Our team live and work in integrity with the firm's purpose of creating exceptional long-term value for you. Our culture places competent, curious, passionate people in an environment where trust, accountability and candour gives us the bedrock on which to deliver exceptional investment returns for your benefit.

Focusing on What Matters Most

Our firm is deliberately designed to focus only on what matters most. The portfolio managers invest their time managing your life savings. The analysts invest their time analysing your companies. The client service specialists invest their time serving your needs. All our non-investment functions are outsourced to carefully selected top business partners.

Majority Employee-owned & Managed

Perspective will always belong to and be managed by the people who work in the firm. Our commitment is to remain true to our long-term investment and business management approach.

Investment-led

Our primary purpose and measure of performance is delivering exceptional long-term investment returns. The profitability of the firm is an outcome of delivering this performance, never a goal in itself. The dominant component of our incentives, financial and otherwise, are therefore directly tied to your long-term investment returns.

Fully Invested Alongside You

We invest 100% of our investable savings on a long-term basis alongside your investments in our publicly available funds at the same fees.

Zero Conflicts of Interest

We do not trade in assets for our personal accounts and we do not invite, create or tolerate any other conflicts of interest with you.

Low Total Fund Costs

We charge a competitive professional fee that is sufficient to maintain and invest in our firm's ability to add real value to you. Long-term investing results in exceptionally low portfolio turnover, which serves to meaningfully reduce both your direct and indirect costs, such as brokerage commissions, market impact and opportunity cost.

The funds

Perspective Balanced Prescient Fund

Overview

The Fund is most suited to investors with an investment horizon of five to ten years seeking a combination of capital preservation, income generation and long-term capital growth.

The Fund aims to provide investors with returns after costs at or above its benchmark of the South African inflation rate plus 5%.

The Fund is managed in accordance with Regulation 28 of the Pension Funds Act. This means that the fund managers can invest across multiple asset classes and geographies wherever the best investment opportunities present themselves. The fund managers can also reposition the fund more defensively when risks are high in order to preserve capital.

Tax free investment

Based on section 12T of the Income Tax Act this Fund qualifies as a tax-free investment account ("TFSA"). This allows South African individuals to qualify for no tax on distributions and / or capital gains while invested in the Fund.

The current tax framework limits contributions to tax-free investments to R33 000 per tax year with the lifetime limit capped at R500 000. Any contributions exceeding these limits will be subject to tax.

It is recommended that any investor considering investing in the Fund for specific tax purposes and requires explicit tax advice consult directly with a qualified tax professional. Perspective Investment Management (Pty) Ltd does not render financial advice but can recommend accredited professionals who are licenced to do so if required.

Bespoke portfolios

We manage bespoke equity, fixed income and balanced portfolios for qualifying investors.

Perspective
Investment Management

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