WEAVER
INVESTMENT MANAGEMENT (PTY) LTD
We build and protect

Weaver Investment Management (Pty) Ltd

Corporate Profile

Authorised Financial Services Provider: FSP 43314

1. Who we are

Weaver Investment Management (Pty) Ltd ("Weaver") is a majority black-owned, controlled and managed investment management business. Our shareholders include Miya Investments, a Women Empowerment Group with a wealth of experience in driving transformation by investing in companies that provide equal opportunities to address past imbalances. Weaver has a BBBEE Level 2 empowerment rating. We provide the following services to a range of both institutional and retail clients:

- Asset consulting
- Multi-management
- Wealth management

Our founding directors Owen Khumalo and Ngoni Gwatidzo have over 60 years combined experience in the financial services industry encompassing asset management, asset consulting, employee benefits consulting, multi-manager investments and retirement funds administration. Weaver's predecessor, Gatzo Independent Investment Advisors (Pty) Ltd, founded by our Chief Investment Officer (Ngoni Gwatidzo) has a successful track record of managing multi-manager portfolios for over 10 years.

Why the name Weaver

The Weaver bird is one of the prominent bird species prevalent in Sub-Saharan Africa. It is known for its skill, tenacity and ingenuity in nest building – the most elaborate of nest builders. The nest building process is well thought out and executed. The Weaver bird could be described as an architect, construction engineer and site foreman all rolled into one.

Weaver Investment Management identifies with these characteristics and we emulate them in the way we **advise clients**, **build portfolios** and **protect wealth.** We offer an end-to-end investment advisory and implementation solution.

2. Our mission statement

We aim to be a truly empowered, credible and sustainable financial services business that consistently delivers on clients' investment objectives through disciplined and robust implementation of investment strategies.

3. Our values

Partnership

We build rewarding relationships with all our stakeholders encompassing clients, business partners, shareholders and regulators.

Good governance

We assist trustees and management committee members in discharging their fiduciary responsibilities in relation to the investment management of assets**.**

Independence

We are totally independent as we do not have any outside shareholding by asset managers, insurers, administrators or brokers. This enables us to provide advice that is untainted and free from conflict of interest.

Integrity

Our advice will always be guided by our desire to offer cost effective solutions that offer the highest probability of success at the lowest possible risk.

4. Our value proposition

Our value proposition rests on three pillars:

Low costs
We keep costs to a minimum by blending passive with active solutions in our portfolios. This is in line with Retirement Fund Reform proposals from National Treasury.

Transformation
We blend black asset managers with traditional managers in all local asset class building blocks.

Independence
Weaver is not owned by any of the large insurance companies, banks or asset managers. This enables us to offer unbiased advice to our clients.

5. Our team

Owen Khumalo
Chief Executive Officer

Owen is one of the founding directors and Chief Executive Officer of Weaver and provides strategic direction to the firm. He has over 24 years' experience in the financial services industry which include employee benefits consulting to large umbrella funds at NBC Holdings and investment marketing to institutional clients at Escher Investments and mCubed Asset Management. He worked as the Business Development Manager at JM Busha Investment Group and before that, Joint Head of Asset Consulting at Sasfin and Head of Institutional Asset Consulting at Acsis Limited (a member of the Old Mutual Group) and more recently as a Senior Investment Consultant at Old Mutual Corporate Consultants. Owen holds qualifications in banking (Institute of Bankers), marketing (IMM Graduate School of Marketing) and retirement funds management (UNISA).

Ngoni Gwatidzo
Chief Investment Officer, Key Individual

Ngoni is one of the founding directors and Chief Investment Officer of Weaver and is involved in the day to day running of the investment division. Ngoni has extensive experience in investment management. Having started his career at Old Mutual Zimbabwe in 1980 as Investment Manager he immigrated to South Africa in 1992 and worked for Fedsure Asset Managers and Women's Investment Portfolio Asset Managers as Portfolio Manager. In 1999 Ngoni joined NBC Holdings, the second largest benefit consulting and administration firm in South Africa as director of the Investments Division. He was responsible for the investment management of institutional client portfolios worth over R20 billion until 2003. After a two-year stint as Portfolio Manager for retail clients with Analytics Multi Manager, he established Gatzo Independent Investment Advisers (Pty) Limited in 2006. Ngoni holds a B.Sc. (Economics) degree and an MBA from Wits Business School. He is also a Certified Financial Planner (CFP).

Nomahlubi Simamane
Non-Executive Chairperson

A scientist who became a brand strategist, Nomahlubi holds a BSc Honours Degree in Chemistry and Biology from the University of Botswana & Swaziland. She is the founding member of Zanusi Brand Solutions following an 18 months stint with BLGK Bates, a South African Top 20 through the-line communications company as Managing Director. In addition to extensive local and international marketing experience (17 years in South Africa, Kenya and the USA), she has an excellent track record of building brands within Unilever and British American Tobacco where she was the Marketing Director.

She serves on several Boards including JSE listed Cashbuild, The Foschini Group and Oceana as well as Hollard, Lenmed Health Group and SAPO.

Nomahlubi is an action-oriented business professional who is passionate about brands and branding and has the energy that is hard to match. She is inspiring, motivating and gives of her time and expertise as a mentor to aspiring brand strategists and as a guest lecturer at Wits, Vega School of Branding and Pick 'n Pay Institute.

She has been recognised both internationally and locally, being awarded The Businesswoman of the Year Award by two separate institutions in 2009.

Potlako Gasennelwe
Non-Executive Director

Potlako holds a Master's in Science in the Built Environment and Engineering from the University of Witwatersrand and Master's in Arts from the American International University in London (Cum Laude). Her junior degree is a Bachelor of Arts Interior Architecture. Potlako is an acute business woman who is constantly building on her accumulated knowledge of Interior Architecture, African Art History and Property Development. She has a playful and astute analytical mind, which is illustrated in her high level of awareness around commercial trends and her careful understanding of client requirements. Potlako's assortment of academic distinctions is an apt representation of her interest and skills sets. She believes that in business one can never be satisfied with existing achievements; there is always room for growth.

Daniel Clifford
Non-Executive Director

Daniel started his career as an actuarial student at J A Carsons and Partners in 1992. After gaining sufficient industry experience he moved to Jeremy Gallet and Associates (Pty) Ltd as Director responsible for employee benefit consulting in 1998. He accepted the managing director position at Multilect Administrators (Pty) Ltd in 2011 and co-founded an independent section 13B administrator, D and D the Cycle (Pty) Ltd in 2015. Daniel holds a Post Graduate Diploma in Financial Planning from the University of Free State.

6. Our services

6.1 Our multi-manager offering

The performance of any multi-manager investment portfolio is largely driven by two main factors, the asset allocation decisions and the asset manager selection decisions. Multi-managed portfolios can be constructed in two broad ways. One approach is to group selected balanced funds into a single portfolio. Under this approach asset allocation decisions rest with the individual balanced fund manager and the final asset allocation position of the fund will only be determined at reporting time. The other alternative is to adopt a specialist building block approach where the most competent manager is selected to manage a specific asset class. Under this approach asset allocation decisions are the responsibility of the multi-manager. This dynamic process allows for the fund's asset allocation position to be determined instantly. At Weaver we practice the specialist approach. We do place a lot of emphasis on asset allocation as studies have shown that up to 90% of the variability of returns can be explained by asset allocation.

Our portfolios have inflation targeting objectives as retirement fund members at the very least need to beat inflation to maintain the purchasing power of their savings. In this regard we offer the following range of multi-manager portfolios which are Regulation 28 compliant.

- Weaver Stable Fund (CPI + 2%)
- Weaver Moderate Fund (CPI + 4%)
- Weaver Balanced Fund (CPI + 6%)

6.2 Our asset consulting offering

Weaver offers asset consulting services in two ways namely, implemented consulting and traditional asset consulting.

Implemented Consulting
Through Implemented Consulting, also known as Delegated Consulting, we provide both asset consulting and asset management solutions in a packaged end-to-end solution to clients. This offering is mainly suitable for small to medium sized clients (typically below R5 billion) who do not need the hassle of appointing and monitoring asset managers. The implementation of the clients' investment strategies is done via pooled vehicles (Collective Investment Schemes or Life portfolios) allowing our clients to enjoy economies of scale. Clients sign discretionary mandates with Weaver which enables us to make timeous asset allocation and manager selection decisions.

Traditional Asset Consulting
Traditional asset consulting entails the provision of asset consulting advice only without any implementation. This offering is suited to large clients (typically above R5 billion) as they prefer to retain control over the major components of the investment management including the appointment of asset managers. Weaver will propose the appropriate asset allocation and recommend asset managers but the ultimate decision rests with the trustees.

The implementation of the investment strategy is done via either the asset managers' existing off the shelf portfolios or segregated mandates where asset managers are given specialist asset class mandates to manage.

7. Investment Process

The asset consulting process is key to the proper implementation of any retirement fund's investment strategy. At Weaver we follow a comprehensive process that is fully compliant with the requirements of Regulation 28 to the Pension Funds Act as well as Circular PF130 from the Financial Sector Conduct Authority. This process, which offers retirement funds a good governance framework for sound decision making is outlined below.

Fund Analysis

Our investment process starts with the full understanding of the investment objectives of the client.

Portfolio construction

Upon establishing the client risk profile an optimized portfolio made up of diverse asset classes with the best chance of delivering on the client's investment objective is constructed. Our portfolios are diversified from a geographical, manager and currency perspective.

Manager Selection

Our managers are selected based on specialization allowing us to engage the best manager in each asset class. Our portfolios are made up of managers with demonstrable track records and uncorrelated investment styles. Weaver uses both quantitative and qualitative analysis in the process of selecting managers.

Preliminary screening is conducted by a thorough statistical analysis. This process will allow us to identify the managers' style, consistency and potential risk.

Candidates who pass the screening test will be subjected to qualitative analysis which encompasses visits to company premises and interviews with analysts and fund managers. This process will allow us to confirm information garnered from the statistical analysis. For each incumbent manager, there is a shadow manager. This allows us to replace a manager at short notice. In line with National Treasury recommendations, as part of its philosophy Weaver includes black-owned asset management firms in the suite of its managers.

Portfolio Monitoring

On-going portfolio monitoring is an important part of our investment process. This process allows us to compare managers against both selected benchmarks and peers. Through our monitoring process deviations from an agreed strategy can be identified and corrective action can be effected timeously.

Rebalancing

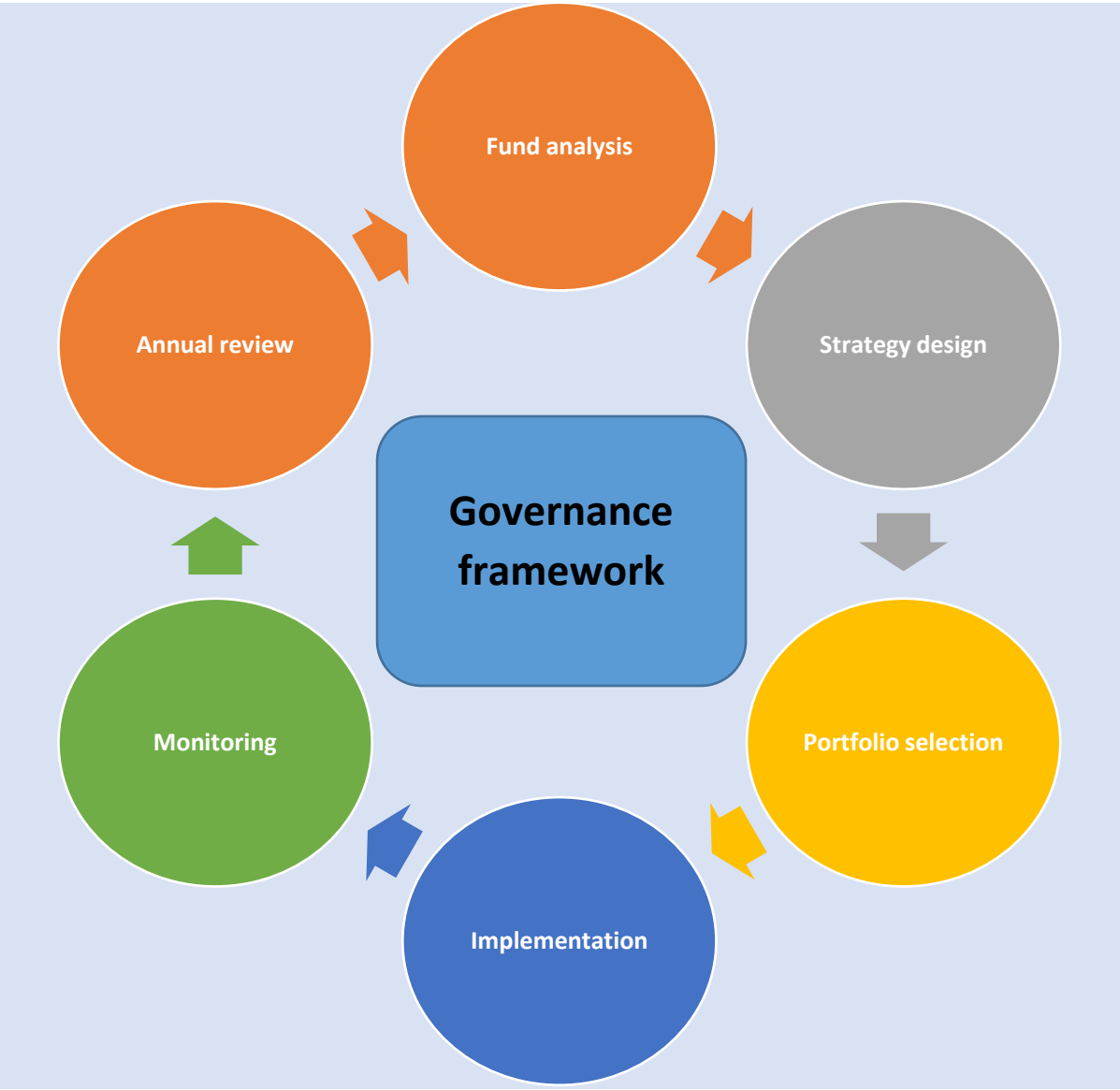
Weaver ensures that portfolios are not mechanically balanced. We institute a judicious process in order to avoid destruction of value. Before any rebalancing is conducted Weaver will assess the economic and investment environment to determine the best possible manner as rebalancing could be achieved through applying cash flows or the physical disposal of assets.

Report backs

Clients are provided with regular and user-friendly reports on the performance of their portfolios. We provide monthly fund fact sheets showing a summary of the fund's position in relation to the mandate. Performance for both the fund and asset managers is measured against the fund's investment

objectives, peers and selected market indices. Face to face presentations are conducted on a quarterly basis.

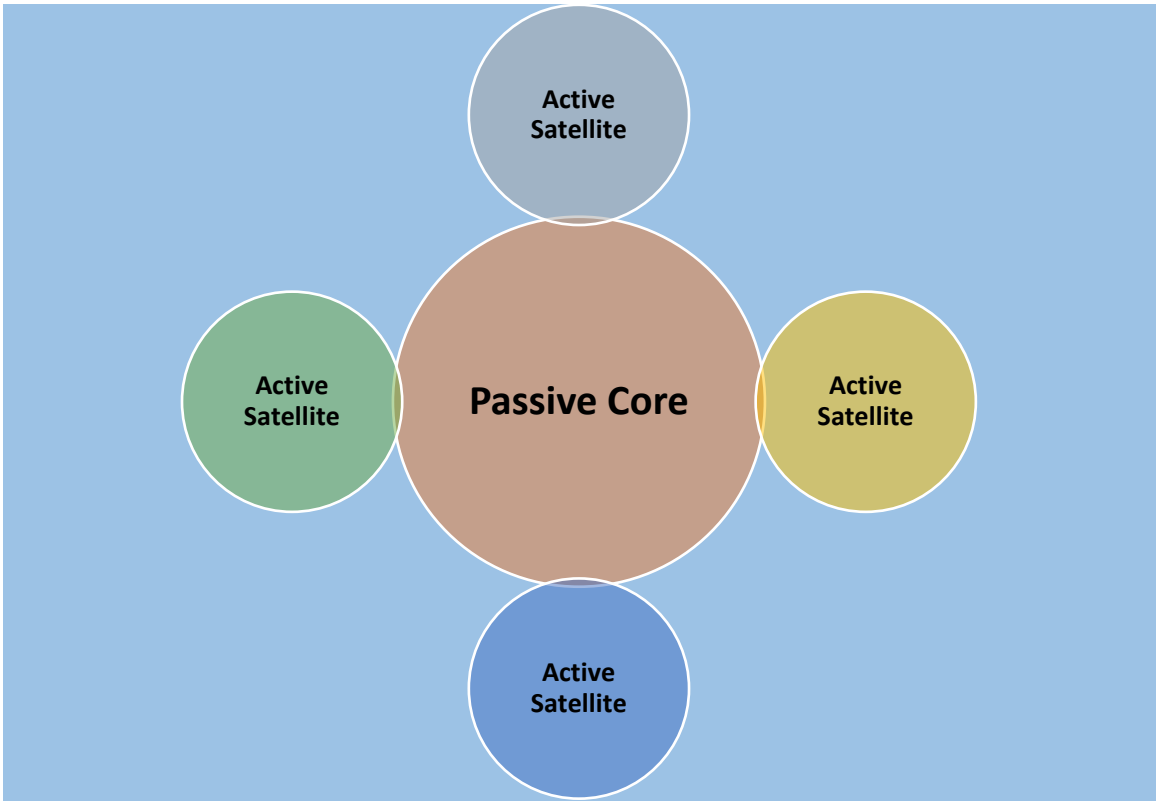
The process is schematically illustrated in the diagram below.



"A robust end-to-end governance framework that enables Trustees and Management Committee members to make sound investment decisions"

8. Our investment philosophy

Our multi-manager process is premised on the need to achieve superior risk adjusted returns in a cost-efficient manner. This is achieved by combining passive strategies with the best of breed active managers. We follow a Core-Satellite approach to investing. The Core is passively managed to provide Beta while satellites are actively managed to generate Alpha. The diagram below illustrates our investment philosophy.



"The passive core provides Beta while active satellites generate Alpha."

9. External Service Providers

Portfolio Investment Administration
Our portfolio investment administration services are provided by Boutique Collective Investments (BCI). The BCI system provides the following:

- Daily unitisation
- Reg. 28 reporting and compliance monitoring
- SARB reporting
- Monthly and quarterly reporting
- Generation of fund fact sheets

Compliance
Compliance is outsourced to Compliance ToolBox (Pty) Limited. (CO 4073).

Auditing
The company's auditors are Carlisle Tax and Financial Services (Pty) Ltd (SAICA Registration 03081621E)

Professional Indemnity
Professional Indemnity cover of R2 000 000 is held with Aon.

10. Systems and Technology

Our internet system is powered through fibre supplied by Liquid Telecoms South Africa. The system has a firewall in place for the protection of data from hacking together with sufficient backups on Cloud. The use of optic fibre ensures an efficient connectivity with BCI, our investment administration partner.

For research purposes, portfolio monitoring and reporting, Weaver subscribes to the Morningstar system which provides detailed information on various asset managers' portfolio performance and risk.

11. Our target market

We have identified the following types of clients as our target market:

- Retirement funds (pension and provident funds)
- Medical aid schemes
- Community trusts
- University endowments
- Any companies with corporate reserves

14. Contact details

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