

**30 October 2018**

**VISIO CAPITAL MANAGEMENT PROPRIETARY LIMITED ('VISIO CAPITAL') AGREES BINDING TERMS WITH ROYAL INVESTMENT MANAGERS PROPRIETARY LIMITED ('RIM')**

Visio Capital is pleased to announce that, on 24 October 2018, RIM entered into an agreement with Visio Capital, its employees and Gondo Visio Capital Management (Pty) Ltd ('**Gondo Visio**') in terms of which RIM has agreed, subject to the fulfilment of certain suspensive conditions (including regulatory approval), to subscribe for a 30% equity stake in Visio Fund Managers (Pty) Ltd ('**VFM**'), a wholly-owned subsidiary of Visio Capital (the '**Proposed Transaction**').

**Background on Visio Capital**

Visio Capital was formed in June 2003 by investment and hedge fund manager Patrice Moyal. Visio Capital's diverse investment team manages third party assets on behalf of institutional and retail clients. The firm's current AUM is circa R50 billion and consists of traditional long-only mandates (including Shariah compliant mandates), unit trusts, hedge funds and listed Pan-African equity funds.

Between 2006 and late 2013, Visio Capital played a key role in the formation and growth of South Africa's first black-owned and managed hedge fund management company and, through Gondo Visio, a Pan African focused listed fund management business.

**Background on RIM**

RIM is a black-owned and managed investment holding company which seeks to acquire minority equity stakes in either existing or new asset management firms. RIM was established in May 2016 and has since its inception been led by its founding CEO Kabelo Rikhotso. RIM's shareholders are Royal Bafokeng Holdings Limited, RMI Holdings Limited, through its asset management subsidiary RMI Investment Managers Group Proprietary Limited and RIM management. RIM's primary focus is to identify and partner with companies that meet its investment criteria and share common values, which include, amongst others, a relentless focus and belief in the value of transformation and diversity as a strategic business imperative. RIM currently holds equity stakes in Ethos Private Equity (an alternative asset manager), Sesfikile Capital (a listed property asset manager) and Balondolozzi Investment Services (a quantitative fund manager).

**Proposed Transaction deal structure**

All investment activities currently under Visio Capital, VFM and Gondo Visio will be amalgamated into and combined under the umbrella of VFM. There will be no change to the day-to-day operational management of the funds. Patrice Moyal and the team at Visio Capital remain committed to VFM and its clients on a long-term basis. RIM will, as indicated above, subscribe for a 30% equity stake in VFM, subject to regulatory approval.

Subject to regulatory approval and the fulfilment of certain conditions precedent, the effective date of the Proposed Transaction is 1 October 2018.

## Benefits of the Proposed Transaction

We believe that that the Proposed Transaction delivers the following benefits to all key stakeholders:

1. **Strategic fit:** Visio Capital recognises that to build a sustainable business for the benefit of staff, clients and other stakeholders, it needs to contribute meaningfully to South Africa's transformation needs within its sphere of expertise. RIM seeks to be an active enabler of transformation through identifying and partnering with affiliates who have a proven experience in the management of long/short, long-only equity and listed pan-African funds.
2. **Support and share in Visio Capital 's longer-term prospects:** Visio Capital views RIM as an active strategic partner providing knowledge of the asset management sector and access to long-term and patient capital from RIM's supportive shareholders.

All parties are enthusiastic that the Proposed Transaction will create value for staff through direct equity participation in addition to their existing profit share arrangements. We believe that the Proposed Transaction will further promote the ongoing recruitment of high caliber talent to support Visio Capital's growth plans, longer-term sustainability and most importantly, enhanced outcomes for the firm's clients.

3. **Ability to attract, train and retain the best black talent:** Visio Capital has historically enjoyed exceptional levels of staff retention and has embraced diversity as the business has grown. The Proposed Transaction will further support its desire to attract some of the best black talent for its Johannesburg and Cape Town offices.
4. **Improved empowerment:** The Proposed Transaction affords Visio Capital significantly improved BEE credentials with qualifying black ownership increasing to approximately 30%. We anticipate that black equity participation will increase further over time as high caliber individuals are attracted to join the team.