

PRESCIENT

MEDIA RELEASE

Prescient's Foresight Delivers a Transformative BEE and Management Ownership Structure

South African based global financial services group, Prescient, celebrates its 1st year anniversary of its transformation from an empowered to a black owned company, combined with meaningful management ownership.

Having successfully navigated an extensive regulatory approval process, Prescient has concluded a deal, effective 1 April 2018, that significantly elevates the group's empowerment credentials in a transaction led by Thabo Dloti. Thabo, well known for his involvement in the South African financial services industry for over 25 years, is the Managing Director of investment holding company Sithega.

Sithega, through Sithega Financial Services Fund, acquired a controlling equity stake in Prescient. The deal involves Prescient forming a strategic partnership with Sithega as well as the introduction of an ownership scheme for Prescient management, raising the bar for transformation and staff share participation in the financial services sector.

This milestone completes Prescient's journey to becoming a black owned company, as promised to stakeholders when it delisted in 2017.

Prescient's founding members, Guy Toms and Herman Steyn, remain fully invested in the business, which strengthens the solid foundation on which the business was built over the last 21 years.

Prescient Holdings Chief Executive Officer, Willem Venter says, "Prescient has a 21-year track record of servicing clients and remains resolute to offer clients peace of mind in all we do."

Thabo Dloti says "Sithega has chosen to invest in and partner with Prescient because we fully subscribe to Prescient's investment philosophy which is anchored on consistency and predictability of returns for investors. We believe that our shared industry knowledge and experience will support Prescient's growth and unlock value while the business strengthens its capabilities and continues to focus on delivering to its clients. Prescient and Sithega share a common belief that improved participation in the financial services sector is critical in transforming people's lives."

Venter says, "As a South African 'born and bred' business, Prescient views transformation as a business imperative. We are delighted to have found a partner who understands and appreciates our investment philosophy of preserving capital and managing relative and absolute downside risk for our clients. The partnership with Sithega will entrench Prescient's unwavering focus on delivering to client expectations and will further position Prescient as a real contributor for change in South Africa."

PRESCIENT HOLDINGS (PTY) LTD

Block B, Silverwood, Silverwood Lane, Steenberg Office Park, Tokai, 7945
P.O. Box 31142, Tokai 7966 Tel: +27-21-700 3600 Fax: +27-21-700 3700 Website: www.prescient.co.za
Executive Directors: Herman Steyn (Executive Chairman) Cheree Dyers Willem Venter
Non-Executive Directors: Peter van Zyl
Reg No 1998/023559/07

“We recognise the importance of human capital in building a sustainable business. People are the foundation on which our business is built. We have launched a staff share scheme, bolstering our employee value proposition, which already includes meaningful annual profit share participation by all performing staff. The ownership scheme now includes strategic management as equity partners in our business.”

“We believe that the staff share scheme is essential for optimum retention of management and ensures equitable outcomes for all our stakeholders by aligning the success of our clients with that of our staff. The ownership scheme also extends the group’s long tradition of innovation and entrepreneurship.” he adds.

“Sithega will participate actively in driving Prescient’s strategy for growth. Thabo will join the Prescient Holdings and Prescient Investment Management boards now that the deal is concluded,” he says.

Herman Steyn, Prescient Executive Chairman, concludes “It is an exciting time for our business which remains true to its values of being inclusive, transformational and entrepreneurial. With the trust of our loyal clients and the extensive financial market knowledge and experience of our teams, we have succeeded in building a company with over R88 billion in client assets under management, over R415 billion in client assets under administration and a highly rated stockbroking business. Having strengthened our partnership, we look forward to our future success that will benefit Prescient’s clients, staff and shareholders.”

A summary of the transaction outcomes that resulted in Prescient becoming a majority black owned entity is detailed below:

- In a deal worth R710 million, Prescient Empowerment Trust (Pty) Ltd (PET) has increased its interest in Prescient Holdings (Pty) Ltd to a controlling equity stake of 56%.
- Sithega Financial Services Fund in turn acquired a controlling equity stake of 75% in PET for R360 million. The other 25% shareholder in PET is Prescient Foundation NPC.
- In a second deal worth R234 million, Prescient management subscribed for a 16% equity stake in Prescient Holdings (Pty) Ltd.
- In addition to the Prescient Holdings BEE level 2 certificate, the Prescient Group is now more than 51% black owned.
- In the process, the Stellar Capital Partners Ltd’s 49% direct equity stake in Prescient Holdings (Pty) Ltd will decrease to an indirect economic stake of 19%.
- The effective economic date for the transaction is 1 April 2018.

To achieve this transformation Prescient required significant support – Stellar Capital Partners Ltd helped facilitate the transaction and Standard Bank provided debt funding to the transaction.

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About Prescient

Prescient Holdings (Pty) Ltd is a diversified, global financial services group with a 21-year track record of providing solutions to our clients in Asset Management, Investment Administration and Platform Services, Retirement Solutions, Stockbroking and Wealth Management. As at 28 February 2019 the group had R88 billion client assets under management (AUM) and administered R415 billion client assets (AUA), split between asset admin (R287 billion) and unit holder admin (R128 billion). Prescient has established operating businesses in the following main jurisdictions: Prescient has successfully operated for 21 years in South Africa, 12 years in Ireland & the UK and 6 years in China.

<https://www.prescient.co.za/>

About Sithega

Sithega Holdings (Pty) Ltd is a black-owned and black-run investment holding company. Sithega focuses on asset management, life insurance and short-term insurance and has a team with a proven record of accomplishment and experience in the South African financial services industry. Sithega is led by Thabo Dloti, a well-respected executive boasting 25 years' experience in asset management and insurance businesses. <http://www.sithega.co.za/>

About Prescient Foundation

Prescient Foundation NPC was established in 2005 and is incorporated as an approved Non-Profit Company (Reg. number 2004/034082/08) as defined in the Companies Act. The Foundation is registered as a Public Benefit Organisation (PBO no 930022417). The Foundation complies with the requirements of a Broad-Based Ownership Scheme as set out in Code 100 of the Department of Trade and Industry's Broad-Based Black Economic Empowerment Codes of Good Practise under the Broad-Based Black Economic Empowerment Act. <https://www.prescient.co.za/who-we-are/corporate-social-investment/>

The Prescient Group directs its commitment to sustainable development through the Prescient Foundation. All programmes supported by the Foundation reinforce the Group's corporate philosophy of embracing the mutually reinforcing values of commercial success and empowerment. The Foundation's current projects include:

- **School support programme**
The Prescient Foundation's school support programme focusses on providing support for structural improvements, maintenance to physical buildings and the well-being of learners.
- **Bursaries and individual support**
The Prescient Foundation provides bursaries and individual support to promising learners who live in communities where the quality of education is compromised due to various social factors.
- **Leadership programme**
The Prescient Foundation introduced a leadership programme aimed at equipping learners with skills and knowledge to effectively deal with and manage challenges that may be experienced once they leave primary school.

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- **Community involvement**

The Foundation participates in several community-based projects that equips participating members with new skills and in turn uplifts community moral. The Foundation not only provides resources, but also educates community members through skills development and training initiatives that cover leadership, financial literacy and first aid. The project has also provided housing assistance to Prescient staff members who needed assistance accessing finances to afford housing.

About Stellar Capital Partners

Stellar Capital Partners Limited is a Johannesburg Stock Exchange (JSE) listed investment holding company with a combination of strategic and controlling stakes in a portfolio of investee companies that operate predominantly in the financial services and industrial sectors. Stellar recently implemented a more focused investment approach towards the financial services sector through disposals of a number of its industrial assets and expanding its alternative financial services businesses.

<http://www.stellarcapitalpartners.co.za/>

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