

EFFICIENT GROUP LIMITED

Incorporated in the Republic of South Africa
(Registration number 2006/036947/06)
Share code: EFG ISIN: ZAE000151841
("Efficient Group" or "the Group")

VOLUNTARY ANNOUNCEMENT – ACQUISITIONS OF VITAL CONSULT AND VITAL WEALTH

Shareholders are advised that the Efficient Group has concluded two transactions in terms of which Efficient Financial Services Proprietary Limited ("**Efficient Financial Services**"), a wholly-owned subsidiary of the Efficient Group, will acquire the business of Vital Consult National Holdings Proprietary Limited ("**Vital Consult**") as a going concern ("**Vital Consult Acquisition**"), and the Efficient Group will acquire the entire issued share capital of Vital Consult Wealth Management Proprietary Limited ("**Vital Wealth**") ("**Vital Wealth Acquisition**"). The effective date of both the Vital Consult Acquisition and the Vital Wealth Acquisition is 1 March 2017.

The Vital Consult Acquisition:

Vital Consult is a category I licensed financial services provider based in Cape Town with a distribution footprint in the Western Cape, Eastern Cape and Gauteng. Vital Consult currently manages 174 registered financial advisors on its own licence and 23 product supplier agents on a third party license. Vital Consult's total assets under advice is approximately R1.7 billion.

The Vital Consult Acquisition is strategically important to the Group as it will increase Efficient Financial Services' distribution footprint to approximately 300 registered financial advisors and its assets under advice to approximately R16.6 billion. The acquisition will also enable Efficient Financial Services to increase its regional branch network to 23 regional offices, with advisor support centres in Pretoria, Port Elizabeth and Cape Town. The highly experienced management and support teams at Vital Consult will be transferred to the employment of Efficient Financial Services, allowing the latter to leverage off Vital Consult's experience and strategic industry-related relationships. This skills transfer will strengthen business continuity and will allow Efficient Financial Services to better mitigate succession risks in future.

Furthermore, the Vital Consult Acquisition is also the first step in a larger consolidation project, aimed at aligning the Group's financial services offering, operations and other synergies, to better serve its clients and strengthen its position in the financial services industry. To keep up with the fast, flexible and dynamic needs of its clients on the one hand, and the ever-changing demands posed by the industry and changes in the regulatory environment on the other, Efficient Financial Services (trading as Efficient Advise), Vital Consult and Efficient Wealth, as well as a number of the other financial services companies operating in the Group's financial services cluster, will, over the next 18 months, merge into a single-brand financial services entity under the banner of Efficient Wealth. Management believes that the Vital Consult Acquisition, and the consolidation of the aforementioned entities will present the Group with the opportunity to extract **value and wealth** for all its stakeholders – hence consolidation under the banner of **Efficient Wealth**.

The Vital Wealth Acquisition:

Simultaneously with the Vital Consult Acquisition, Efficient Group will acquire the entire issued share capital of Vital Wealth, a category II licensed financial services provider. Vital Wealth is still in its infancy and currently has approximately R41 million in assets under management, managed in two collective investment scheme portfolios - the *Vital BCI Balanced Fund of Funds* and the *Vital BCI Cautious Fund of Funds*. These funds will continue to be managed in terms of the existing multi-manager strategy employed by the current asset management team. Vital Wealth will in future form part of the Group's investment cluster.

While the aggregate size of the Vital Consult Acquisition and the Vital Wealth Acquisition fall below the threshold of categorised transactions which require disclosure in terms of the JSE's Listings Requirements, the board of directors of the Efficient Group nevertheless deems it appropriate to inform shareholders of the acquisitions.

Pretoria

1 March 2017

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