ETHOS CAPITAL

INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

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GROUP AT A GLANCE

INTRODUCTION

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") is an investment holding company, registered and incorporated in Mauritius and listed on the JSE Ltd ("JSE"). It invests directly into Funds or Direct Investments managed by Ethos Private Equity (Pty) Limited ("Ethos"), giving the Company indirect exposure to a diversified portfolio of unlisted private equity-type investments ("Portfolio Companies").

SCOPE OF THE INTEGRATED ANNUAL REPORT

This Integrated Annual Report combines the financial and non-financial information of Ethos Capital for the financial year ended 30 June 2017. The Integrated Annual Report adheres to the requirements of the Mauritius Companies Act, Act No. 15 of 2001 ("the Mauritius Companies Act") and the JSE Listings Requirements ("Listings Requirements") and uses the recommendations of the King Report on Governance for South Africa, 2009 ("King III").

EXTERNAL ASSURANCE

The Ethos Capital Board of Directors has drawn assurance on the Integrated Annual Report from the external auditor, Deloitte & Touche (South Africa), through its audit of the Annual Financial Statements and its report to shareholders on page 56 of the Annual Financial Statements.

The Integrated Annual Report has been reviewed by the Audit and Risk Committee and approved by Yvonne Stillhart and Kevin Allagapen on behalf of the Board of Directors.

The Board considers it appropriate not to seek any further external assurance on the Integrated Annual Report.

MATERIALITY

The Board is responsible for the process to determine how best to disclose the performance of the Company in a transparent manner. The performance is largely measured by the growth in the net asset value ("NAV") and NAV per share ("NAVPS") of the Company. The Board has considered all material matters it is aware of and that are material in the context of the performance of the Company. These material matters are included in the Integrated Annual Report.

REPORTED CURRENCY

Unless otherwise stated, all amounts presented in the Integrated Annual Report are presented in South African Rand ("ZAR").

FORWARD-LOOKING STATEMENTS

The Integrated Annual Report may contain statements regarding the future expected financial condition and results of the Company, which involve risk and uncertainty. Any forward-looking statements have not been reviewed or reported on by the Company's external auditor.

FINANCIAL HIGHLIGHTS

NAV and NAVPS:

7%
annualised % growth since listing

R10.37
NAVPS at 30 June 2017

Commitments to Ethos:

R0.7bn
at 30 June 2017

R1.3bn
updated post year-end

Invested capital:

18%
as % of NAV at 30 June 2017

40%
updated post year-end

11
Portfolio Companies

Value-weighted average debt and valuation multiples of Portfolio Companies:

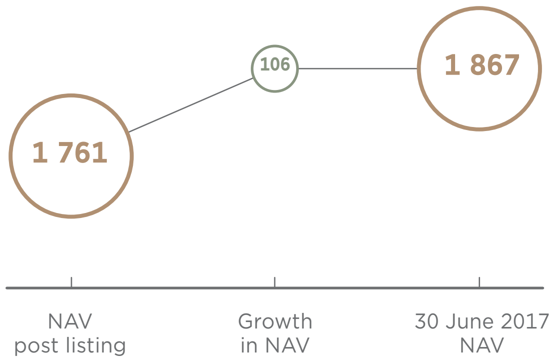
7.0x
EV/EBITDA valuation multiple at 30 June 2017

2.1x
Debt/EBITDA multiple at 30 June 2017

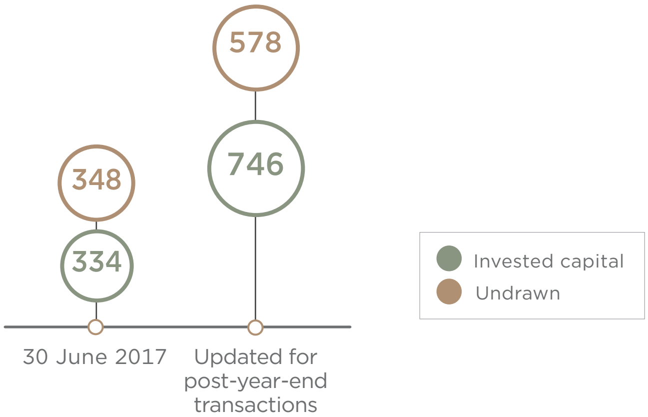
6.6x
updated post year-end

2.3x
updated post year-end

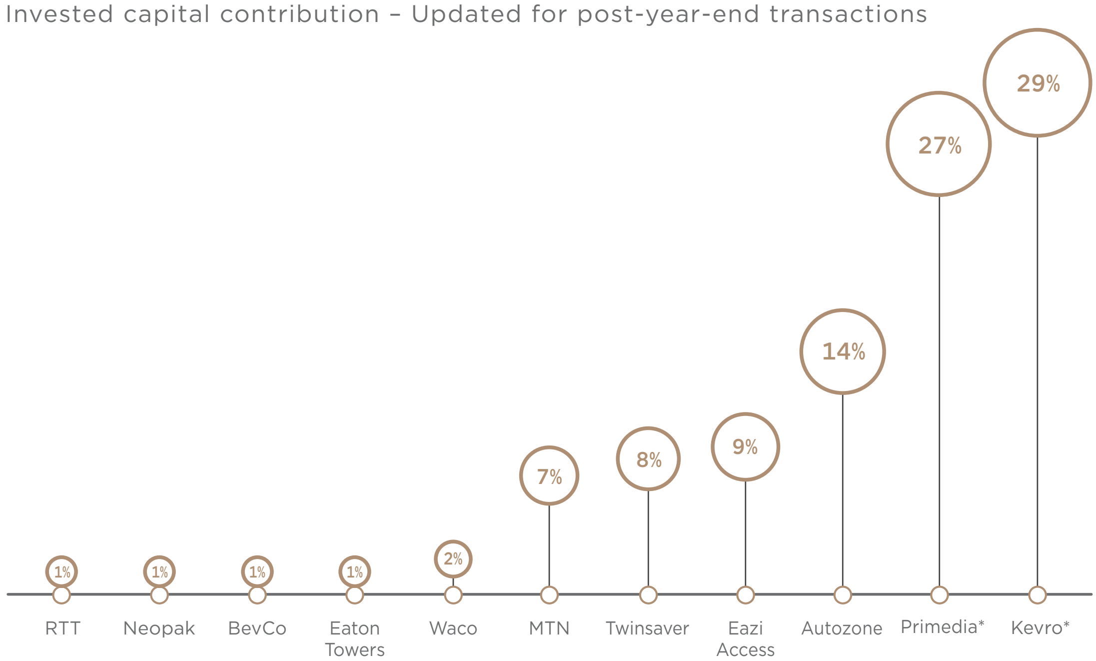
NAV – R'million



Commitments – R'million

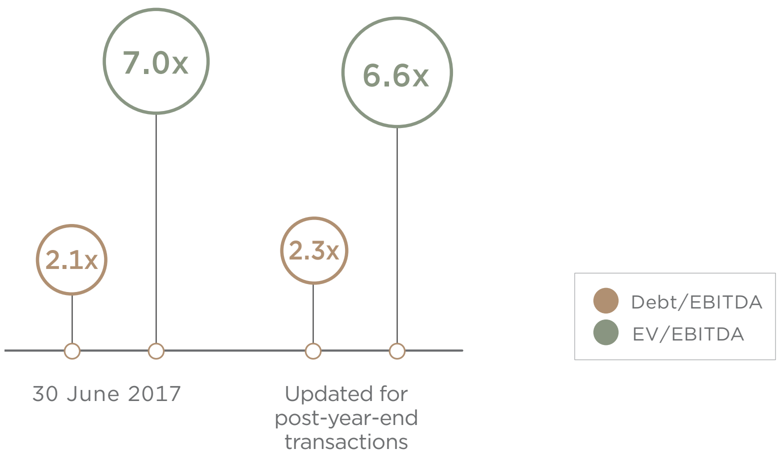


Invested capital contribution – Updated for post-year-end transactions



* *Awaiting completion.*

Debt and valuation multiples



LEADERSHIP REPORTS

REPORT BY THE CHAIRPERSON

"It was an exciting year with the inauguration and listing of Ethos Capital on the JSE."

Yvonne Stillhart
Chairperson

OVERVIEW

Welcome to the first Integrated Annual Report of Ethos Capital, for the year ended 30 June 2017.

It was an exciting year with the inauguration and listing of Ethos Capital on the JSE. We successfully raised R1.8 billion, invested 18% of the capital raised, and established operations that adhere to best practice standards and regulatory requirements, including effective investment, risk management and governance processes. We have a fantastic senior management team and a seasoned group of Directors in place, which position Ethos Capital well to deliver on its Investment Strategy and future growth. Ethos Capital provides its shareholders a unique diversified listed investment into private equity programmes managed by the leading private equity manager in South Africa and sub-Saharan Africa, Ethos.

FINANCIAL PERFORMANCE AND INVESTMENT ACTIVITIES

Ethos Capital ended its maiden year with a NAV per share of R10.37. This represents a 7% annualised uplift in the NAV of the Company since listing and it is encouraging to see early growth in our investment portfolio, plus further activity post year-end, increasing our invested capital base to 40% of NAV. We continue to build our portfolio with several Fund and Direct Investments at advanced stages in the pipeline for the coming financial year.

CORPORATE GOVERNANCE AND OPERATIONS

Together with the executive team, the Board has focused on establishing effective investment, risk management, and liquidity management processes.

The Board believes that the consideration of social, environmental and governance topics makes good business sense, supports alignment of interests and helps to create long-term sustainable value to the wider community. We are committed to our responsibility to the shareholders of Ethos Capital and to ensure that the Company conducts its business in the best interests of its shareholders with integrity and the highest principles of governance and ethical standards. The Directors endorse King III, where appropriate.

SHARE PRICE PERFORMANCE

The Company's share price ended the financial year at R8.74, a discount of 14.5% to the last reported NAVPS as at 31 May 2017. We believe that the increased investment activity and continuous growth in the portfolio value should provide a positive catalyst to the share price; however, public market perceptions are difficult to predict. To be able to manage this and to create liquidity, we have put a programme in place, which enabled the Company to repurchase up to 1% of its A Ordinary Shares; these Shares are currently held in treasury.

SOUTH AFRICAN PRIVATE EQUITY MARKET

In 2016, the private equity market continued its expansive cycle that began in 2008. Globally, institutional investors have increased their overall allocations to private equity in pursuit of higher risk-adjusted returns to close their funding gap.

At the time of writing, the global political and macro environment is growing more uncertain; however, global private equity markets have performed strongly. Exits are at an all-time high, resulting in strong capital flows back to investors. Private equity returns for the past 10 years have been 3.7% above those of public markets[1] – a consistent trend of outperformance.

In the South African market, private equity funds have also outperformed public markets.[2] These funds achieved, on average, a net internal rate of return over the past 10 years to March 2017 of 14.2% compared to a gross (pre fees) internal rate of return of 9.8% achieved by the JSE All Share Index.

Exits in 2016 hit record highs in Africa. Over the last 10 years, the top five countries accounted for 70% of all private equity exits on the continent, with South Africa enjoying 42% – by far the lion's share.[3]

The devaluation of ZAR and the political uncertainties resulted in a stark reduction in funds raised in South Africa for 2016 and 2017. The resulting reduction of capital overhang (defined as funds raised vs funds invested) experienced in South Africa can be compared to the analysis of the sub-Saharan Africa markets where the capital overhang decreased from R46 billion in 2014 and R49 billion in 2015 to R7 billion in 2016[4], which implies that over the next few years less money will compete for good deals. This puts Ethos Capital in an interesting investment cycle in what we consider a promising private equity market environment.

MEDIUM-TERM PRIORITIES

The Board's medium-term objective is to fully invest Ethos Capital's NAV and we are assessing further commitments into new Ethos Fund investment programmes, Direct Investments and other new Ethos opportunities, whilst managing the Company's liquidity and commitment strategies in a disciplined way.

ANNUAL GENERAL MEETING

The first Annual General Meeting of shareholders of Ethos Capital will be held on Monday, 13 November 2017 in Cape Town, South Africa.

APPRECIATION

On behalf of all of us at Ethos Capital, I would like to extend my appreciation to all stakeholders for their contribution to the successful establishment and progress of Ethos Capital. I specifically would like to thank the Ethos management and its staff for their accomplishments and dedication during the year, to our shareholders for their confidence in Ethos Capital, and my fellow Directors for their ongoing insight and support.

1 *Bain Global PE Report 02.2017*
2 *Riscura's Report 03.2017*
3 *E&Y Research*
4 *EMPA Report 08.2017 and converted to ZAR*

CEO'S REPORT

"The past year has been an exciting one for Ethos Capital and the Ethos franchise more broadly."

Peter Hayward-Butt
Chief Executive Officer

The past year has been an exciting one for Ethos Capital and the Ethos franchise more broadly.

On 5 August 2016, Ethos Capital successfully listed on the JSE, providing institutional and retail investors with an opportunity to invest in funds managed by one of sub-Saharan Africa's leading investment managers, Ethos.

At the time of the listing, Ethos and Ethos Capital established some key medium-term objectives including:

- the raising of Ethos Mid Market Fund I and Ethos Mezzanine Partners Fund 3, enabling Ethos Capital to make commitments to these Funds;
- the acquisition by Ethos Capital of a secondary stake in Ethos Fund VI and co-investments alongside the Fund in new opportunities where possible;
- the conclusion of a number of pipeline transactions in the Ethos Mid Market Fund I and the successful deployment of capital in the Fund; and
- the appointment of a suitable money market manager to invest capital raised on listing.

The past year has been economically and politically challenging for South Africa. GDP growth rates remain at multi-year lows, consumer confidence remains soft, and policy and political uncertainty is severely impacting companies' strategic deployment of capital. However, Ethos has consistently managed to realise market-leading returns over numerous cycles in its 33-year history. In fact, some of its best investment returns have occurred during periods of heightened uncertainty and distress.

Despite these headwinds, Ethos Capital, together with Ethos, has managed to achieve its medium-term objectives set at listing. Ethos' Funds continue to assess a large number of investments and maintain the belief that the current environment provides a good opportunity to acquire companies with strong fundamentals at attractive valuations.

ETHOS MID MARKET FUND I

The Ethos Mid Market Fund I has nearly achieved its target of raising R2.0 billion in commitments, including R900 million from Ethos Capital. The Fund reached a pre-final close of R1.83 billion within a year of launch and is confident of its ability to achieve the R2.0 billion level on final close. This is an impressive fundraising performance with very pleasing interest shown by local investors despite the difficult market conditions.

The Fund has a strong pipeline of potential investments in the mid-market space and its broad-based black economic empowerment ("B-BBEE") credentials are providing a competitive advantage in sourcing such opportunities. The Fund completed the acquisition of strategic B-BBEE stakes in three companies owned by Ethos Fund VI (which had been warehoused in anticipation of a sale to a B-BBEE partner). These investments – Autozone, Twinsaver and Eazi Access – were acquired in December 2016 and the businesses have continued to perform well despite the macroeconomic headwinds.

Since 30 June 2017, the Ethos Mid Market Fund I agreed to acquire two additional investments, resulting in the Fund having already invested 40% of its committed capital prior to its final close.

ETHOS FUND VI

Ethos Capital completed a secondary transaction of a stake in Ethos Fund VI in November 2016. Whilst the stake was relatively small (a US$10 million commitment), the Board believes there will be scope to acquire additional stakes opportunistically in the future.

ETHOS MEZZANINE PARTNERS FUND 3

The Ethos Mezzanine Partners Fund 3 is close to achieving a first close (likely to be before the end of calendar year 2017) with strong demand from international investors, especially development finance institutions.

The pipeline of opportunities for this Fund remains very strong, with particular application of the mezzanine product to growth opportunities in sub-Saharan Africa. The Fund operates in a relatively uncontested niche, which has resulted in strong demand both from potential investors and also companies looking to access growth capital.

DIRECT INVESTMENTS

Post year-end, Ethos Capital signed its first two Direct Investments, in Kevro Holdings (Pty) Ltd and Primedia Holdings (Pty) Ltd, respectively. The Company continues to assess a number of interesting additional co-investment opportunities alongside the various Ethos Funds.

APPOINTMENT OF A MONEY MARKET MANAGER

Ashburton Fund Managers Proprietary Limited was appointed in July 2016 to manage the surplus cash held by Ethos Capital. The cash is invested in a portfolio of South African government bonds, negotiable certificates of deposit and money market instruments, with the objective of maximising yield whilst minimising capital volatility and risk.

NAV

As at 30 June 2017, Ethos Capital's invested capital was 18% of its NAV and 37% of its NAV had been committed to various Ethos Funds.

Post year-end, three additional transactions were concluded or agreed, which increased the invested capital to 40% of the NAV and the commitments to R1.3 billion, 71% of NAV. Post these transactions, Ethos Capital has invested R746 million across a portfolio of 11 private companies.

UNDERLYING PORTFOLIO PERFORMANCE AND PROSPECTS

The NAVPS of Ethos Capital increased from R9.78 (listing proceeds less related expenses) to R10.37 as at 30 June 2017, an annualised return of 6.9%.

The net annualised return on Temporary Investments was 8.0% during the year. The unlisted investments generated a gross IRR of 12.0%; however, given these assets only constituted 18% of the NAV at 30 June 2017, the rate of growth in NAV is expected to increase as new investments are made by the various Ethos Funds.

The pipeline of opportunities across the Ethos Funds remains strong, yet a difficult macroeconomic environment and a lack of investor confidence can adversely impact deal execution. Still, with price expectations moderating, the Board remains confident that this represents a good window of opportunity to deploy capital in market-leading businesses that Ethos has the ability to develop and optimise over its investment horizon.

More broadly, Ethos continues to review opportunities to develop new products and strategies. Positively, a number of innovative strategies are currently being progressed, which will offer Ethos Capital additional potential investments.

MAXIMISING LONG-TERM SHAREHOLDER RETURNS

The objective of the Board of Ethos Capital is to maximise long-term, sustainable returns for investors. As part of that strategy and, in line with its stated intention in the pre-listing statement, the Board approved a share repurchase programme in June 2017. The Company has begun a programme of repurchasing shares to the extent that the Ethos Capital share price trades sustainably at a discount of more than 10% to the prevailing NAV. The Board will continue to monitor the share price and assess opportunities to maximise value for shareholders.

By nature, private equity is a long-term investment, requiring long-term thinking and a patient strategy. Ethos Capital remains confident in its ability to generate sustainable, market-leading returns – throughout the cycle – for its investors.

I would like to express my sincere appreciation for the guidance and input the Board has provided over the past year. It has been an exciting year in the history of both Ethos and Ethos Capital. The Board and I greatly appreciate the support from all the stakeholders in this journey.

INVESTMENTS, PERFORMANCE AND INVESTMENT ADVISOR

REVIEW OF THE INVESTMENT PORTFOLIO AND RETURNS

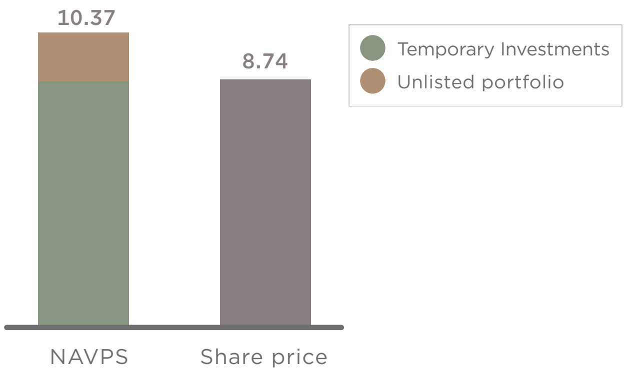
NAV

Ethos Capital raised R1.76 billion (net of expenses) through its JSE listing on 5 August 2016.

In the 11 months since listing to 30 June 2017, NAV increased to R1.87 billion, representing a NAVPS of R10.37 and an annualised return of 7%. At 30 June 2017, the Company's invested capital portfolio was 18% of the NAV, with the balance largely invested in Temporary Investments.

An analysis of the movements in the NAV and NAVPS is detailed below:

NAVPS and share price at 30 June 2017 – Rand



	NAV R'million	NAVPS Cents
Proceeds from listing	1 800.1	10.00
Non-recurring listing fees	(39.3)	(0.22)
NAV post listing	**1 760.8**	**9.78**
Net return on Temporary Investments	105.4	0.59
Net return on investment portfolio	18.8	0.10
Ethos Mid Market Fund I equalisation return	4.6	0.03
Share buy-backs	(0.3)	–
Ongoing operating expenses	(7.3)	(0.04)
Other legal and professional fees	(4.7)	(0.03)
Taxation and foreign exchange losses	(8.7)	(0.05)
Fees paid to Ethos	(1.5)	(0.01)
At 30 June 2017	**1 867.1**	**10.37**

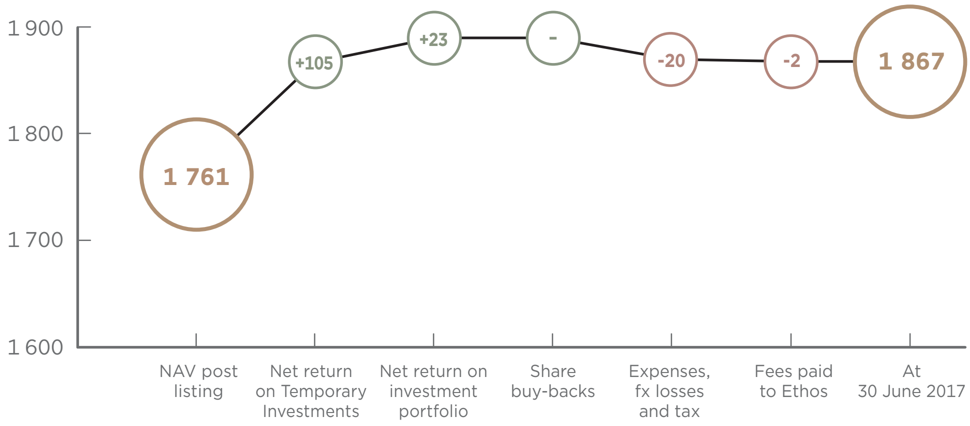
The net return on Temporary Investments for the period since listing was R105.4 million, representing a net annualised return of 8.0%. The net return on the unlisted investment portfolio was R23.4 million, which equates to an IRR of 12.0%.

Ongoing operating expenses for the Company totalled R7.3 million, including Directors' emoluments, travel, audit, administration and sponsor expenses for the year. The operating expenses constitute 0.4% of NAV.

For the year under review, Ethos did not charge Ethos Capital any advisory fees on Primary Investments and no performance fees were payable thereon. The fees payable to Ethos represent the net fees on the Temporary Investments, which equate to 0.1% of NAV.

Other legal and professional fees, largely relating to the establishment of the Company, are mainly of a non-recurring nature. The foreign exchange ("fx") losses of R5.2 million resulted from the conversion of ZAR into US$, in anticipation of an agreed Secondary Investment that was ultimately not concluded. Further details on expenses are provided in note 15 of the Notes to the Annual Financial Statements.

Analysis of movements in NAV – R'million



SHARE PRICE ANALYSIS

Ethos Capital's share price as at 30 June 2017 was R8.74, which represented a 15.7% discount to the NAVPS as at 30 June 2017. Since listing, c. 21% of the issued A Ordinary Shares traded and the average discount to NAV has been c. 7%.

As set out in the pre-listing statement, the Board undertook to monitor the share price to the extent it traded at a sustainable discount to the prevailing NAV over a period of time. On 23 June 2017, the Ethos Capital Board announced its intention to repurchase shares in the Company. As at 30 June 2017, the Company had repurchased 40 102 shares, held in treasury. Further share repurchases have taken place since year-end, resulting in 1 800 000 shares being repurchased at 26 September 2017, representing 1% of the unencumbered issued A Ordinary Share capital. The Board will continue to monitor the Company's share price performance and the discount to NAV.

COMMITMENTS

Ethos Capital's Investment Strategy is to make investment commitments into Funds managed by Ethos, through a combination of Primary, Direct and Secondary Investments, or making commitments to Direct Investments.

On 17 November 2016, the Company made a R550 million commitment to the Ethos Mid Market Fund I ("EMMF I") as a first-close investor. Ethos Capital acquired a US$10 million (R132 million) commitment in Ethos Fund VI ("EF VI") through a secondary transaction, on 21 November 2016.

As at 30 June 2017, the Company's commitments to Ethos Funds were as follows:

	Type	Vintage	Ethos Capital Fund share %	Original R'000	Undrawn R'000
EMMF I	Primary	2016	60.6	550 000	319 205
EF VI	Secondary	2011	1.6	131 673	55 874
				681 673	**375 079**

Ethos formally launched the Ethos Mezzanine Fund 3 ("EMP 3") in November 2016 with a target fund size of R2.0 billion. The first closing of the Fund is expected in Q4 2017. Ethos Capital's intended final commitment to this Fund is R320 million.

Ethos launched the fundraising for Ethos Fund VII ("EF VII") in August 2017 with a target size of R8.0 – 10.0 billion. Ethos Capital will make a first close commitment to EF VI of R1.25 billion, and its intended final commitment to this Fund is R2.3 billion; however, the final level of commitment will depend, *inter alia*, on the Company's liquidity position at the time of making the final commitments.

As at 30 June 2017, Ethos Capital had liquid resources of R1.6 billion to meet any outstanding commitments. In addition, the Company has agreed a four-year revolving credit facility with Rand Merchant Bank ("RMB") that, once activated, will provide access to c. R0.6 billion of additional resources for the Company.

Post-year-end transactions

Post the end of the financial year, Ethos Capital signed agreements for two Direct Investments, totalling R292 million.

Furthermore, EMMF I had a pre-final close of R1.83 billion and, as part of its original agreement, Ethos Capital increased its commitment to the Fund to R900 million.

The Company's commitments to Funds and Direct Investments, updated for the post year-end activities, increased to R1.3 billion. In addition, at the September 2017 Board meeting, the Board approved a further Direct Investment commitment of R100 million; however, there is no certainty that this transaction will complete. The Board also approved initial commitments to Ethos Fund VII (R1.25 billion), Ethos Mezzanine Partners Fund 3 (R250 million) and an indicative commitment to Ethos Healthcare Fund I of R250 million.

INVESTMENT PORTFOLIO

At 30 June 2017, the investment portfolio and invested capital consisted of the following:

	Cost R'000	Valuation R'000	NAV %
Investments			
EMMF I	228 965	247 412	13.3
EF VI	59 540	60 527	3.2
Total investments	**288 505**	**307 939**	**16.5**
Unfunded guarantees			
EF VI	–	25 665	1.4
Total invested capital	**288 505**	**333 604**	**17.9**

In December 2016, EMMF I acquired strategic stakes in three companies (Autozone, Twinsaver and Eazi Access) at NAV. These investments had been warehoused by EF VI for sale to a B-BBEE partner, and were eventually acquired by EMMF I for R361 million; Ethos Capital's share of which was R218 million. Subsequent to the acquisition, further amounts were invested as follow-on investments.

As a first-close investor in EMMF I, Ethos Capital received R4.6 million in equalisation proceeds on conclusion of the second close of the Fund. The gross IRR achieved by the investments in EMMF I since the acquisition date has been 14.4%.

Ethos Capital acquired a US$10 million (R132 million) commitment in EF VI through a secondary transaction in November 2016. The Company's net cost (post realisations) was c. R52.0 million. Since the transaction date, capital calls amounting to R7.5 million were drawn down to finance a new investment and for follow-on investments into Portfolio Companies. The participation in EF VI gives Ethos Capital indirect exposure to nine Portfolio Companies that are owned by the Fund.

EF VI provided guarantees of R25.7 million that enabled financing to be raised, the proceeds of which were invested into Portfolio Companies. These unfunded guarantees are included in the invested capital of the Company.

Post-year-end transactions

Post the end of the financial year, Ethos Capital increased its investment portfolio through additional investments by the Funds and also through two Direct Investments that are subject to completion.

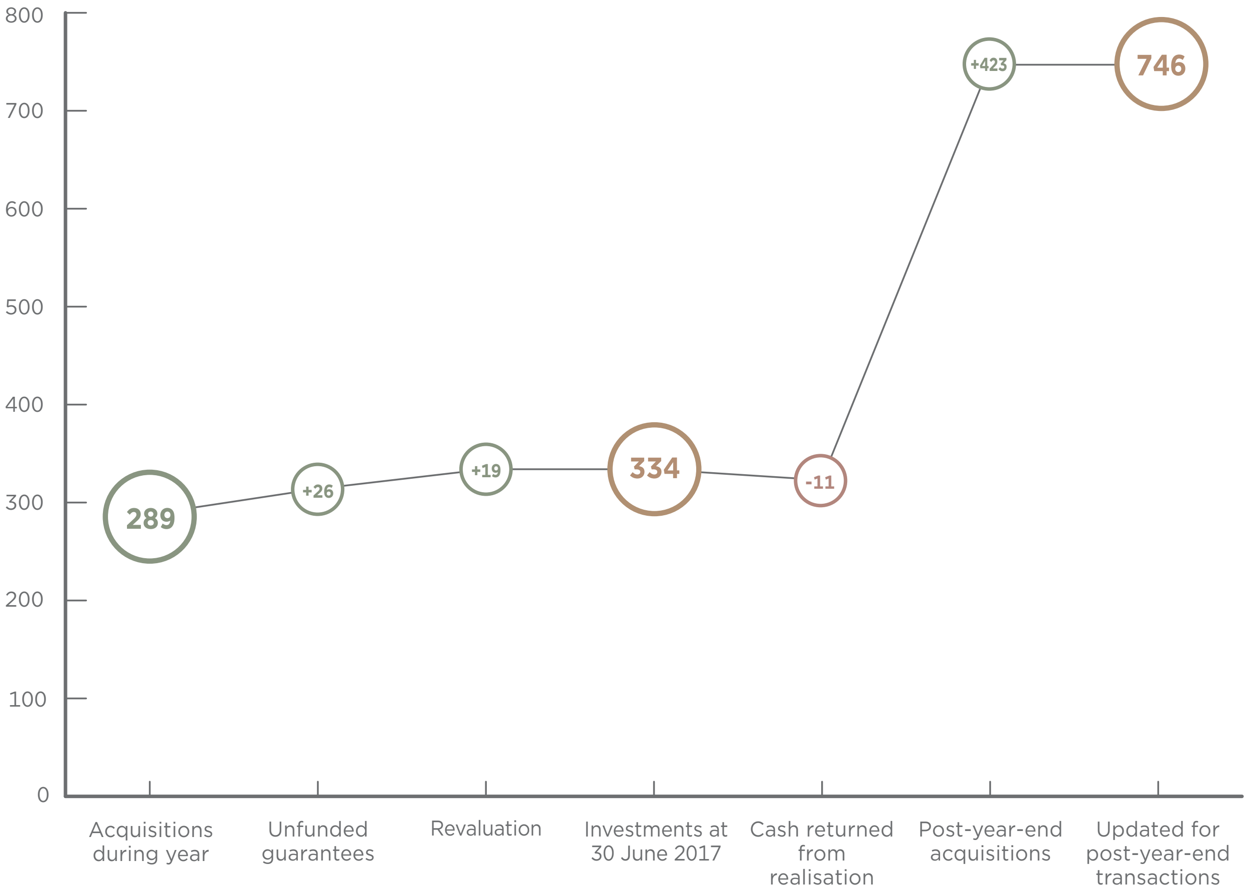
On 14 July 2017, EMMF I completed the acquisition of a stake in MTN Zakhele Futhi (a special purpose vehicle established to hold a B-BBEE shareholding in the MTN Group Ltd) for a consideration of R100.0 million. Ethos Capital's exposure to this investment, through EMMF I, was R49.2 million.

In September 2017, a consortium of investors, including EMMF I, signed a conditional agreement to acquire Kevro Holdings (Pty) Ltd. Ethos Capital will co-invest alongside the Fund through a Direct Investment of R100.0 million. Ethos Capital's exposure to Kevro (direct and indirect) is expected to be R215.7 million.

In September 2017, Ethos Capital signed a conditional agreement to make a Direct Investment into Primedia Holdings (Pty) Ltd, acquiring a stake from Brait Fund IV. Ethos Capital's exposure to this investment is expected to be R203.0 million.

Including the above completed and agreed transactions entered into post 30 June 2017, Ethos Capital's updated invested capital is expected to be R746 million, 40% of the 30 June 2017 NAV. An analysis of the updated invested capital is provided below:

Movement in invested capital – R'million



REALISATIONS

EMMF I concluded its second close towards the end of May 2017. As a first-close investor, Ethos Capital was equalised and received a repayment of cost of R77.8 million, which can be redrawn. As part of the equalisation, Ethos Capital received a return of prime + 2% on the proceeds, totalling R4.6 million.

In November 2016, Ethos Capital received proceeds of R5.5 million following the partial sale of EF VI investments to EMMF 1.

Post-year-end transactions

EMMF I concluded its pre-final third close in August 2017. Ethos Capital's investment participation was equalised, and, in addition to the repayment of cost, it received an equalisation amount, totalling R3.2 million.

At the completion of the Kevro transaction noted on page 15, the Company is expected to receive proceeds of about R11.0 million from EF VI.

UNDERLYING PORTFOLIO COMPANIES

The Ethos Funds – making up Ethos Capital's investment portfolio – invest in a diversified pool of unquoted investments (Portfolio Companies) and provide the Company with indirect exposure to the Funds' underlying investments.

At 30 June 2017, the investments constituting 16.5% of total NAV (excluding guarantees) consisted of the following nine companies and other surplus cash and current assets at the Fund level:

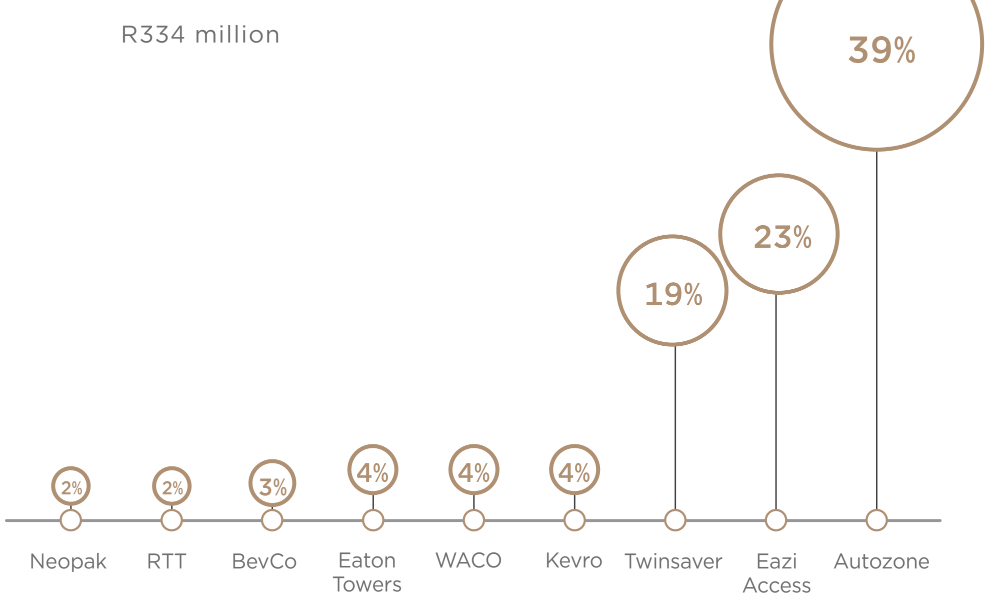
	Fund	Business description	Year*	% of NAV
Autozone	EF VI/EMMF I	Automotive parts retailer and wholesaler	2014	6.7
Eazi Access	EF VI/EMMF I	Industrial equipment	2016	3.9
Twinsaver	EF VI/EMMF I	Industrials FMCG	2015	3.2
Waco	EF VI	Industrial support services	2012	0.6
Kevro	EF VI	Branded clothing and corporate gifting	2011	0.6
Eaton	EF VI	Cellphone tower business	2015	0.6
BevCo**	EF VI	Bottling and distribution	2017	0.3
RTT	EF VI	Industrial transportation services	2014	0.2
Neopak	EF VI	Paper and packaging	2015	0.1
Other	EF VI/EMMF I	Cash and current assets		0.3
				16.5

* *Initial acquisition date by EF VI.*
** *Holding company of Little Green Beverages.*

PORTFOLIO COMPANY CONTRIBUTION

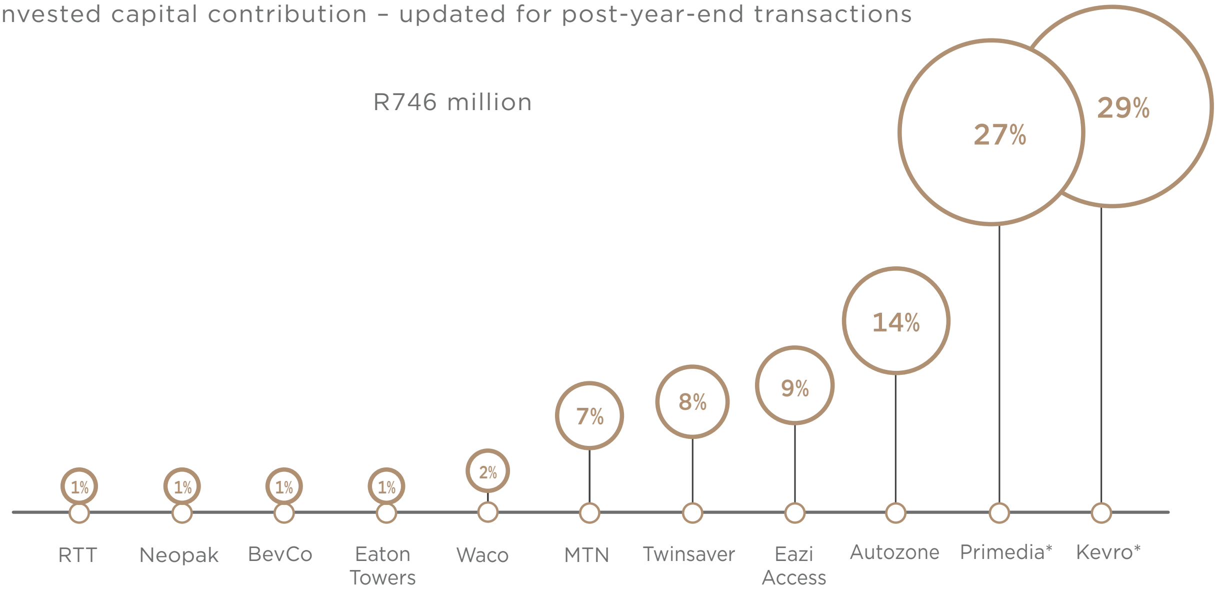
The contribution of each Portfolio Company to the invested capital at 30 June 2017 was as follows:

Invested capital contribution



Post the acquisitions entered into subsequent to 30 June 2017, the updated contribution of each company to the invested capital is expected to be as follows:

Invested capital contribution – updated for post-year-end transactions



* *Awaiting completion.*

PORTFOLIO COMPANY PERFORMANCE

Ethos Capital's investment portfolio at 30 June 2017 provides exposure to nine Portfolio Companies with aggregate sales of c. R20 billion and aggregate EBITDA of more than R3 billion. The companies span a number of sectors providing a diversified portfolio exposure.

The economic environment in South Africa and sub-Saharan Africa has remained subdued in the past 12 months, with some prevalent macroeconomic headwinds. However, the Portfolio Companies' performance held up relatively well and the Funds benefited from sectoral diversity in the portfolio.

In aggregate, the sales growth of the Portfolio Companies over the last 12 months ("LTM") to 30 June 2017 was 8.6%. The portfolio grew its LTM aggregate EBITDA by 9.6%.

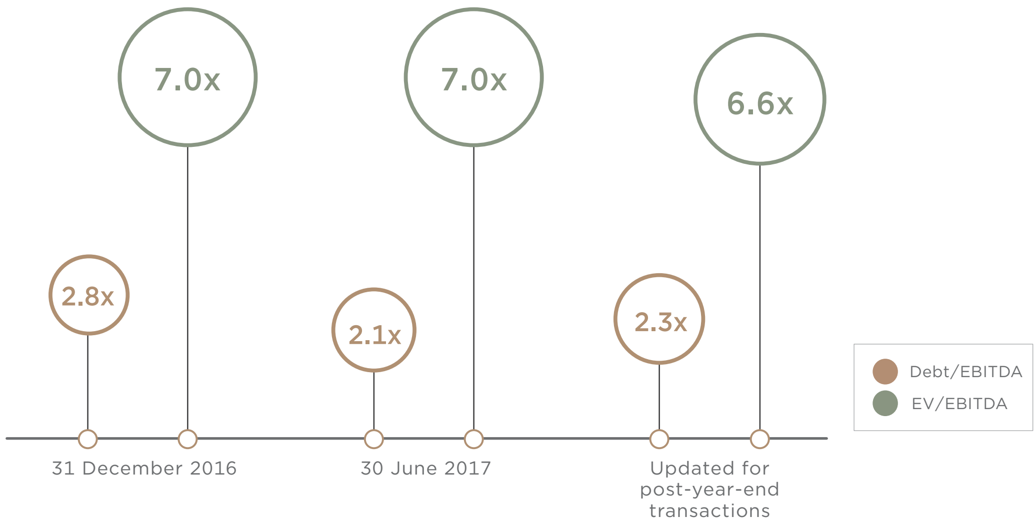
Ethos, through its in-house Value Add capability, plays an active role in the operational and strategic performance of the Portfolio Companies. Two Portfolio Companies (RTT and Neopak) in particular bore the brunt of the economic headwinds. Ethos and its management teams continue to proactively transform these companies and early signs of success are being realised.

PORTFOLIO COMPANY VALUATION ANALYSIS

The NAV of each Fund is derived from the valuations of the underlying Portfolio Companies, which are prepared in accordance with International Private Equity and Venture Capital Guidelines ("IPEV Guidelines"). Valuations are performed quarterly, audited semi-annually and approved by each Fund's Advisory Boards. The IPEV Guidelines set out best practice where private equity investments are reported on at fair value.

As at 30 June 2017, the Ethos Capital portfolio of investments was valued at a value-weighted average EV/EBITDA multiple of 7.0x. This average EV/EBITDA multiple was at a value-weighted average discount of 23% compared to the equivalent multiple of the Portfolio Companies' peer groups. The value-weighted average Net Debt/EBITDA of the portfolio was 2.1x. Including the impact of the post-year-end transactions, the Ethos Capital portfolio is valued at a value-weighted EV/EBITDA multiple of 6.6x (an average discount of 29% to the peer group multiple) with the Net Debt/EBITDA multiple of 2.3x.

Debt and valuation multiples



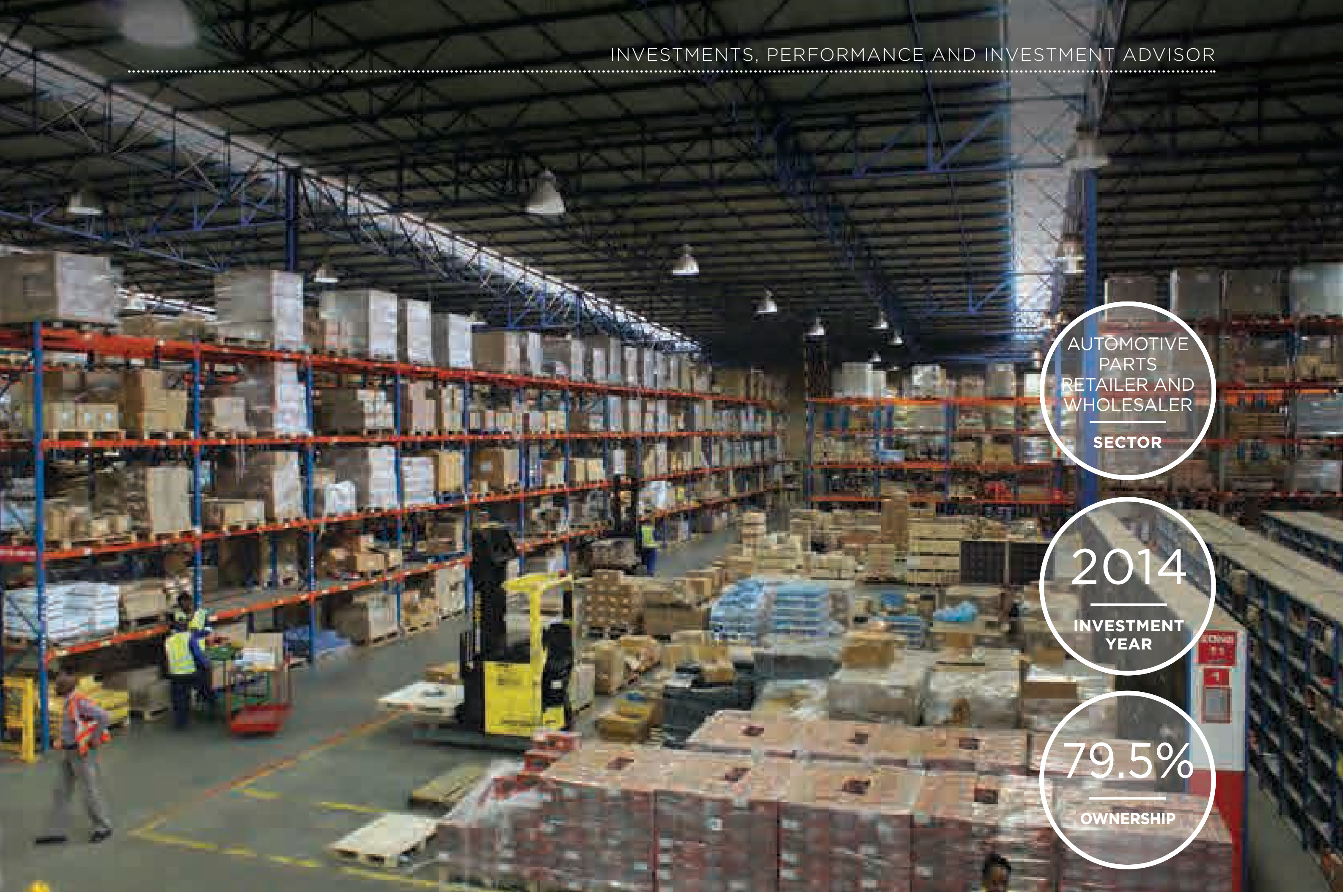
OVERVIEW OF THE PORTFOLIO COMPANIES

The Company makes commitments into Ethos Funds, enabling it to invest alongside Ethos' institutional investors and providing its shareholders with unique access and exposure to a diversified portfolio of private equity-type investments. At 30 June 2017, Ethos Capital and the shareholders had an indirect exposure to nine Portfolio Companies.

Any such indirect participation will generally form part of a much larger majority shareholding that Ethos will manage collectively on behalf of all its investors as they typically aim for a combined controlling stake in the investments, which enables them to have significant representation on the Board of Directors of these Portfolio Companies.

The investments represent a number of industries and sectors and were acquired in different vintage years, providing exposure to different economic cycles.

This sections provide individual details of these Portfolio Companies.



BUSINESS DESCRIPTION

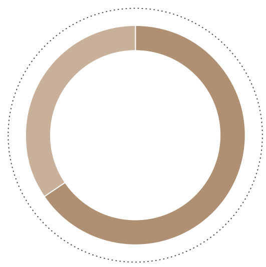
Autozone is the largest aftermarket retailer and wholesaler of automotive parts in Southern Africa. Autozone has a national footprint in South Africa and an extensive geographic presence, including a central distribution centre and head office, nine regional distribution centres servicing wholesale and retail customers, and 238 wholly owned retail branches and 29 member-owned franchises throughout Southern Africa.

Autozone was established in 1999 and has an estimated 22% market share and currently employs c. 2 400 people.

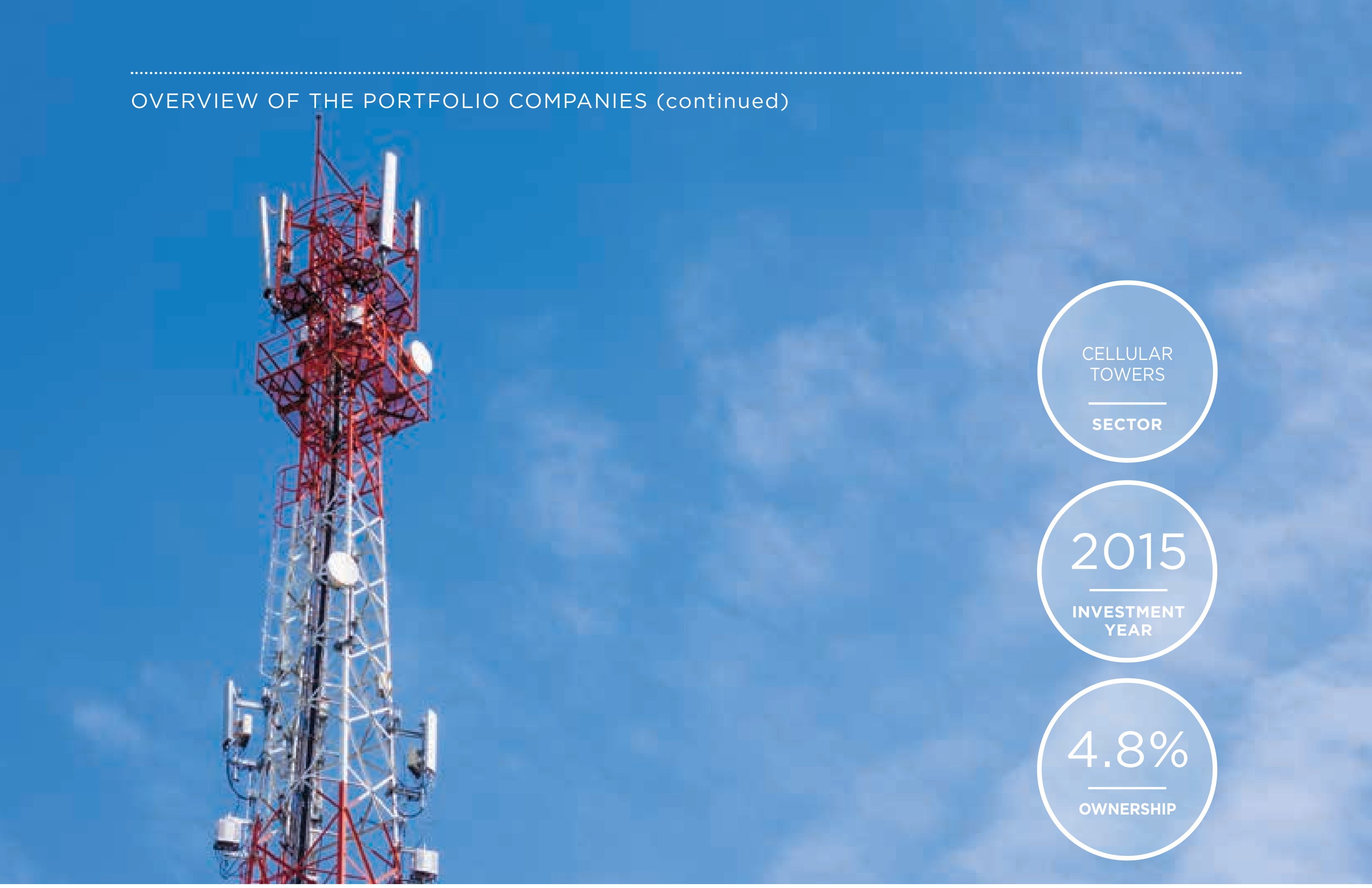
INVESTMENT THESIS

Autozone was acquired by Ethos in 2014, providing an attractive investment opportunity in the non-OEM automotive parts retail sector. The automotive parts distribution segment is a steady, "low beta", fragmented industry, which provides significant scope for consolidation. The business has leveraged its brand to expand its national retail footprint increasing from 112 to 238 wholly owned branches since Ethos acquired the business, resulting in profit growth through operational leverage. The business has a strong market position and brand and is well positioned to continue to grow both organically and through the acquisition of complementary businesses in South Africa and the rest of Southern Africa.

% REVENUE CONTRIBUTION BY DIVISION (FY17)



66% WHOLESALE
34% RETAIL



EatonTowers

BUSINESS DESCRIPTION

Eaton Towers is a leading pan-African independent tower company ("ITC") that owns and manages a geographically diversified tower portfolio on the African continent. Its customers comprise blue-chip GSM operators in the respective countries in which it operates, including Uganda, Kenya, Niger, Ghana and Burkina Faso. Eaton Towers employs c. 190 people across its operations.

The company has market-leading positions (#1 or #2) in each country, providing it with the ability to grow alongside its customers as mobile penetration and data utilisation continue to increase in Africa.

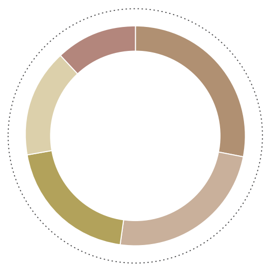
In 2015, Fund VI, together with its Limited Partners Hamilton Lane and HarbourVest (the "Ethos Consortium"), invested alongside management and a number of private equity investors including Standard Chartered Bank, DPI and Capital International. The Ethos Consortium owns 14.4% of the equity in Eaton Towers.

INVESTMENT THESIS

Eaton Towers was founded in 2008 and acquired 16 000 of Bharti Airtel's towers across five countries in 2015 and 2016. Whilst tower sharing is prevalent in Africa, the outsourcing of towers remains in its early stages with significant potential for growth. Growth is a function of the underlying market demand in each country and the ability to drive increased tenancy ratios and operating efficiencies across the portfolio.

The Bharti Airtel transaction provided Eaton Towers with significant scale, making it the third largest ITC on the continent. The Eaton Towers management team has a long track record of originating and executing acquisitions of tower portfolios and has deep experience in African telecoms companies and Indian ITCs. A key success factor is the ability to provide uniform systems and processes that are robust and scalable. Management has delivered substantial operating expense reductions across the operations through focus on energy, maintenance and security efficiencies and the introduction of industry best practice disciplines to generate capex efficiencies and centralised procurement.

% REVENUE CONTRIBUTION BY COUNTRY (2017 Q2)



28% UGANDA
24% GHANA
20% KENYA
16% BURKINA FASO
12% NIGER

INDUSTRIAL EQUIPMENT
SECTOR

2016
INVESTMENT YEAR

65.0%
OWNERSHIP

EAZI GROUP

BUSINESS DESCRIPTION

Eazi Access provides "work at height" solutions to various sectors across the economy, through the rental and distribution/sale of mobile, high-access equipment or mobile elevated work platforms.

Eazi Access is the market leader in this sector with the largest and most diverse fleet on the continent. The company's objective is to double the size of its current fleet of c. 2 000 machine units in South Africa.

The business services the construction, shipping, manufacturing, FMCG, transport, entertainment and mining sectors through its four divisions: South Africa Rental, South Africa Sales, Africa Rental and Africa Sales. Eazi Access employs c. 580 people.

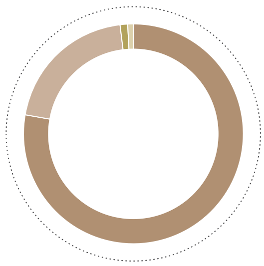
INVESTMENT THESIS

Eazi Access is the largest player in the local market by a significant margin with a c. 62% market share.

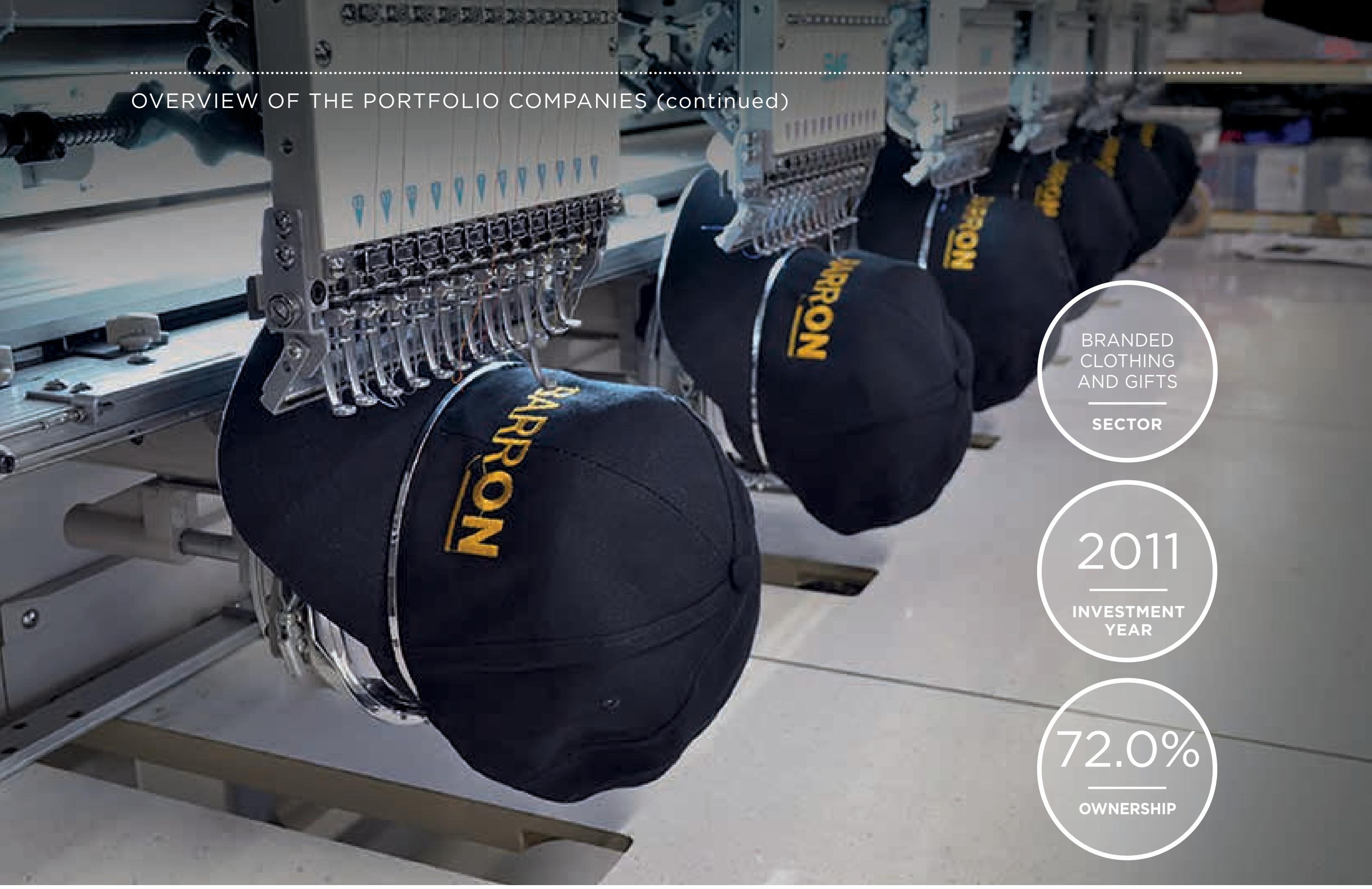
Given its differentiated offering, Eazi Access is well positioned to capture growth from increasing market penetration as its products can replace other "work at height" products. The business operates across the full spectrum of rental, sales and servicing of mobile high-access equipment, which remains relatively underpenetrated in South Africa.

Eazi Access' strategy is to drive the market penetration of aerial access equipment in the South African and select sub-Saharan African markets. The company is investing in fleet growth and leverages the Ethos Value Add programme to optimise and professionalise the business, enabling it to achieve scale through enhanced sales force efficiency and investment in "new horizon" growth initiatives, including sub-Saharan African expansion and other product adjacencies.

% REVENUE CONTRIBUTION (FY17)



77%	SA RENTAL
20%	SA SALES
2%	AFRICA RENTAL
1%	AFRICA SALES



KEVRO
PARTNERING YOUR SUCCESS®

BUSINESS DESCRIPTION

Kevro is the largest supplier of corporate-branded clothing and promotional products in South Africa. It offers the most comprehensive range of clothing in its market, using "blank" clothing products sourced mainly from Asia, onto which branding is added to create bespoke items.

The company operates from seven locations in South Africa (and one in Windhoek, Namibia) as a "trade only" supplier to more than 4 500 resellers. Products are also distributed through resellers in other African countries.

Kevro employs c. 760 people.

INVESTMENT THESIS

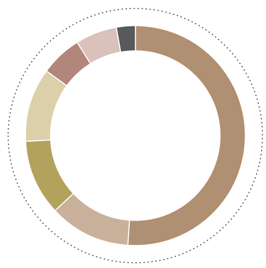
Kevro has a significant share of the corporate and promotional clothing market in South Africa and increasingly across other African countries. The industry is highly fragmented, including numerous smaller players who lack the scale and capital required to provide the service and quality that Kevro provides. Kevro has long-established supplier relationships as well as its own quality brand ("Barron").

The South African textile manufacturing sector has been severely weakened, which has resulted in a reduction in quality purchasing alternatives for resellers who deal through large wholesalers able to deliver sizeable orders in short time frames with consistent quality. Kevro has taken advantage of this opportunity to position itself as the leading supplier of high-quality products.

Kevro has established a national footprint with a broad product range and is leveraging this to expand into other African countries.

Kevro has grown significantly since Ethos acquired the business in 2011, with EBITDA growth of c. 10% per annum.

% REVENUE CONTRIBUTION BY PRODUCT (FY16)



51%	CORPORATE APPAREL
12%	GIFTING
11%	AFRICA
11%	WORKWEAR
6%	DISPLAY
6%	SPORTSWEAR
3%	HEADWEAR

FOOD AND BEVERAGES

SECTOR

2017

INVESTMENT YEAR

60.8%

OWNERSHIP

BUSINESS DESCRIPTION

The Beverage Company ("BevCo") is a South African beverage producer with headquarters in Johannesburg. BevCo owns 100% of Little Green Beverages (Pty) Ltd ("Little Green"), a company that produces carbonated soft drinks ("CSD") primarily in two-litre plastic pack sizes. Little Green sells its own branded CSD products called *Refreshhh!*, and is the largest private label CSD bottler to modern retailers in South Africa. Little Green also produces a range of mixers, energy drinks and water.

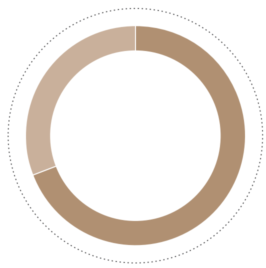
The business was founded in 2006 and has grown into a leading alternative beverages company over the past 10 years. Little Green's footprint is largely regional in terms of sales force presence and warehousing, with its primary bottling operating facilities located in Johannesburg and East London.

INVESTMENT THESIS

BevCo operates in a niche segment of the CSD market that remains relatively underpenetrated. It is one of the leading players amongst the alternative beverage producers and the largest private label bottler in South Africa. Many of the alternative beverage competitors are regional, subscale, independently owned businesses producing niche products. The ability to produce a high-quality product with a good value proposition for customers, attaining national coverage and exploiting the benefits of operational leverage, will provide significant growth opportunities for the business.

BevCo's strategy is to become the leading alternative beverage producer in South Africa by building a national business with a portfolio of local brands, diversified by product and packaging across the spectrum of consumer LSM bands. BevCo tends to do this through a combination of organic and acquisition-led growth, including transformative M&A with complementary beverage businesses.

% REVENUE CONTRIBUTION (FY17)



69% OWN BRAND

31% PRIVATE LABEL

neopak
packaging business intelligence

BUSINESS DESCRIPTION

Neopak is the second largest player (c. 18% market share) in the South African corrugated and converting market with a diversified customer base servicing the commercial and agricultural sectors.

The business was acquired by Ethos in 2015 from Nampak and rebranded as Neopak. The business is backward integrated (owning a recycled paper mill that supplies the majority of its paper requirements) and collects most of its waste fibre requirements through Neopak Recycling (jointly acquired with Twinsaver).

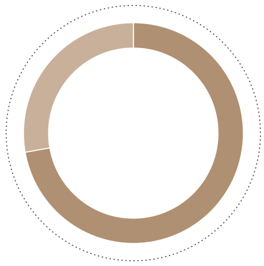
Neopak employs c. 1 000 people across its operations.

INVESTMENT THESIS

Neopak was identified as non-core in the Nampak Group. Since the acquisition, Ethos has conducted a thorough review of the operations and strategic direction of the business, which has resulted in a comprehensive transformation of operations and commercial practices of Neopak. New leadership was introduced to the business and, despite difficult macroeconomic headwinds, the business remains well positioned to exploit its standing in the market.

The sector has experienced a difficult trading environment, and volume growth is highly correlated with growth in the FMCG and export agricultural sectors. However, there are limited substitutes for corrugated packaging. The company continues to explore other product adjacencies and geographic expansion opportunities whilst focusing on optimising its cost base.

% REVENUE CONTRIBUTION BY SECTOR (FY17)



72% COMMERCIAL
28% AGRICULTURE

RTT INTELLIGENT LOGISTICS

BUSINESS DESCRIPTION

As Africa's largest privately owned parcel distribution company, RTT provides supply chain solutions, secure transportation, warehousing and distribution, and other value-added services on a fully integrated basis across sub-Saharan Africa. The business targets customers distributing high-value products requiring premium levels of service, security and real-time information.

RTT's footprint extends across sub-Saharan Africa, comprising over 128 800 m^2 of warehousing and cross-docking facilities. RTT has a fleet in excess of 1 200 vehicles and employs c. 5 900 people.

RTT provides services through the following divisions:

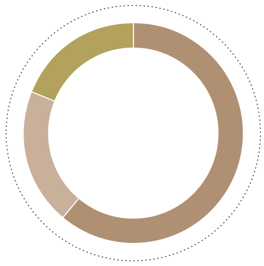
- **RTT:** A national distribution network for high-value goods.
- **RTT Style:** RTT's specialist fashion, apparel and footwear offering to shopping mall outlets.
- **CourierIT:** A specialised express parcel network for small to medium parcel sizes.
- **Contract logistics:** Dedicated warehousing and distribution facilities.

INVESTMENT THESIS

RTT is a market leader in the South African logistics market. Its business model is built around its extensive distribution network and differentiated approach to business development and customer segmentation. It operates in sectors with high complexity and has the ability to tailor its offering to suit specific customer needs. The market remains highly fragmented and RTT continues to explore an acquisitive strategy to bolster its core "last mile" distribution offering. RTT acquired CourierIT in 2015 to complement its offering and to exploit the operational synergies between the businesses.

Like its competitors in the market, RTT has felt the effects of the economic slowdown and its impact on its customer base. The business continues to assess strategies for growth and has rationalised its cost base.

% REVENUE CONTRIBUTION BY DIVISION (YTD May 17)



- 61% RTT
- 20% CourierIT
- 19% RTT STYLE

BUSINESS DESCRIPTION

Twinsaver is a leading manufacturer of consumer tissue in South Africa. The business is a market leader in the 1-ply segment and is the second largest player in the 2-ply segment. In addition to consumer tissue, the business manufactures "away from home" tissue and certain other disposable household products such as paper towels and serviettes.

Twinsaver owns 50% of Neopak Recycling (jointly acquired with Neopak), a national recycling business that primarily collects waste paper for Twinsaver and Neopak.

Most recently, Twinsaver acquired Validus Medical (a leading manufacturer of hygienic disposable products) and Sylko (a leading supplier of quality disposable and recyclable household products). These investments are part of Twinsaver's strategy to focus on establishing the business as a diversified FMCG company.

Twinsaver employs c. 700 people across its operations.

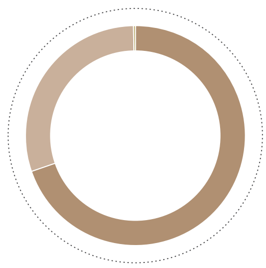
INVESTMENT THESIS

Twinsaver (together with Neopak) was acquired in 2015 from Nampak. Since the acquisition, the business has benefited from significant operational, financial and strategic input to reposition it as a FMCG business.

The consumer tissue segment of the market has continued to show solid volume growth despite the difficult consumer environment. Quality consumer tissue remains an aspirational product for South Africa's lower middle class, which supports the volume growth thesis. Twinsaver has increased its capacity with R76 million having been spent on the new 2-ply facility in Bellville, Cape Town. Furthermore, Twinsaver is also busy installing a new tissue mill in Kliprivier, Johannesburg, which will boost capacity by 27 000 tonnes per annum.

Additional strategic opportunities exist for acquisitive growth in the broader FMCG industry to extend the company's product offering and increase its "share of shelf". The two acquisitions recently concluded by the company are the first steps in this strategic journey.

% REVENUE CONTRIBUTION BY DIVISION (FY16)



BUSINESS DESCRIPTION

Waco is an industrial support services company that provides forming, shoring and scaffolding ("FSS"), portable and modular buildings ("RLMB"), and sanitation services to the construction, mining and industrial maintenance sectors in multiple geographic regions. Waco International comprises operations in Australia and the UK.

Waco employs c. 7 100 people across its operations.

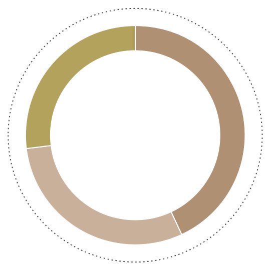
INVESTMENT THESIS

Waco is a market-leading industrial support company. EF VI acquired Waco in 2012 (together with Ethos Fund V). The business has grown significantly through the cycle, developing the scale and operational expertise to provide unique solutions to its client base in South Africa and across the world. The company's strong brand and focus on providing bespoke, one-stop solutions to its clients has resulted in high levels of customer loyalty.

Waco has developed a number of counter-cyclical revenue streams in the industrial maintenance space, underpinned by long-term contracts and annuity-like earnings. The company and its management team have a strong track record of developing innovative products and services, which have contributed to the success of the business.

Waco continues to perform strongly in spite of the macroeconomic headwinds, and its international operations have achieved the requisite scale to positively contribute to the company's profitability and growth. A number of opportunities exist to expand the product range and provide support for the medium-term growth outlook.

% REVENUE CONTRIBUTION BY DIVISION (FY16)



- 43% RLMB AND SANITATION
- 30% FSS
- 27% INTERNATIONAL

INVESTMENT GUIDELINES AND STRATEGY

OBJECTIVE

Ethos Capital's objective is to develop a diversified portfolio of investments that will provide its shareholders with superior long-term returns by leveraging Ethos' active management model to maximise investor returns.

The Ethos Capital investment proposition is based on:

1 | Unique access point:

The Company offers a unique opportunity to invest in and co-invest alongside Ethos Funds through a liquid and efficient vehicle listed on the JSE and governed by an independent Board of non-executive Directors with deep private equity experience.

2 | Demonstrated performance:

Ethos is the largest private equity firm in sub-Saharan Africa, with an established investment track record of investment returns delivering a gross realised IRR of 36.8% over more than 30 years.

3 | Diversification:

Ethos Capital provides public-market investors with a liquid vehicle to indirectly access a diversified pool of unlisted small- to mid-sized companies through equity or equity-like instruments, which will be actively sourced by Ethos to optimise investor returns.

4 | Alignment of interests:

Strong economic alignment exists between Ethos – the Investment Advisor – and Ethos Capital, as a result of significant investments by Ethos in Ethos Capital's A Ordinary Shares and in the Ethos Funds.

5 | Experienced private equity non-executive Directors:

The Board has an extensive understanding of and a significant track record in the private equity industry in order to make optimal investment decisions for Ethos Capital.

6 | Structural efficiency:

Ethos Capital conducts its business operations from Mauritius because of: the business-friendly environment; the spread of tax treaties Mauritius has with many of the jurisdictions Ethos Capital invests in; and the acceptance amongst global investors of Mauritius as an investment jurisdiction. This, combined with Ethos' fee structure (designed to ensure there are no "fees on fees") gives structural efficiency and fiscal transparency to Ethos Capital.

7 | Liquidity management:

Ethos Capital actively manages liquidity in the best interests of its shareholders. As part of its liquidity strategy, the Board is committed to enhancing the NAV per A Ordinary Share. As part of this strategy, the Board may utilise share repurchases to enhance shareholder value.

STRATEGY

Ethos Capital's investment objective will be achieved through the following strategies, which are the primary lines of business of Ethos Capital:

1 | Primary Investments:

Commitments to various Ethos Funds during their respective fundraising processes.

2 | Secondary Investments:

Acquisitions of existing Limited Partner interests in established Ethos Funds.

3 | Direct Investments:

Direct acquisitions of interests in underlying Portfolio Companies alongside Ethos Funds to the extent that the Ethos Funds require co-investors in the underlying Portfolio Companies.

4 | Temporary Investments:

Temporary Investments in a portfolio of low-risk, liquid debt instruments (including, *inter alia*, South African government bonds, NCDs and other similar, low-risk, liquid instruments) for cash management purposes, as appropriate.

SECTORS

Ethos Capital's investments will provide exposure to a broad range of sectors, allowing it to gain access to growth and businesses at an early stage of maturity in which management teams remain equity incentivised.

No investment is allowed in any start-up business or where a prospective investment's business activities or operations involve:

- a prohibited activity, as defined in the investment guidelines;
- the development of raw land; or
- the exploration or development of oil and gas and/or natural resources.

GEOGRAPHIES

Ethos Capital's primary focus for its investments will be companies headquartered in South Africa and other select countries in sub-Saharan Africa (whether directly or indirectly through an Ethos Fund). Ethos Capital may also invest in new fund strategies, the exposure to which will be governed and considered by the Ethos Capital Board.

GROWTH IN INVESTED NAV

Ethos Capital's objective is to maximise growth in invested NAV.

RELATIONSHIP WITH INVESTMENT ADVISOR

The JSE has granted a dispensation to the effect that transactions entered into by the Company in the ordinary course of business involving Ethos, Ethos Funds and their respective associates will not be regarded as related-party transactions for the purposes of the Listings Requirements. Shareholder approval will therefore not be required for such non-related-party transactions.

COMMUNICATION OF TRANSACTIONS

All transactions concluded in accordance with the investment strategy will be regarded as being in the ordinary course of business, unless circumstances dictate otherwise.

Subject to the applicable law and regulation, communication with institutional shareholders and investment analysts will be maintained through periodic presentations of financial results, one-on-one visits, trading statements and press announcements of interim and final results, as well as the proactive dissemination of any information considered material to investors and shareholders.

With respect to all related-party transactions, communications with shareholders will be made in accordance with the Listings Requirements, as applicable.

APPROVAL OF INVESTMENT STRATEGY

The investment strategy was approved by the shareholder on 11 July 2016 in compliance with section 15 of the Listings Requirements and by the Board on 11 July 2016. Any future material changes to (i) the investment strategy must be approved by shareholders by way of ordinary resolution, and (ii) the investment guidelines must be approved by the Board and the JSE to the extent required.

The Company's complete investment strategy and guidelines can be found at www.ethoscapital.mu.

INVESTMENT ADVISOR

INVESTMENT SERVICES AGREEMENT

Ethos Capital has an investment services agreement detailing the terms by which Ethos – as its Investment Advisor – will provide investment advice, including sourcing of investments, administration and back-office services to Ethos Capital.

DURATION AND TERMINATION

The investment services agreement became effective on the listing date, 5 August 2016. It can be terminated by Ethos Capital or Ethos by written notice given to the other party at any time after the date on which Ethos Capital no longer holds any Direct, Primary or Secondary Investments.

FEES

As payment for the above services, Ethos receives an investment services fee, management fee and administration fee, all calculated and paid quarterly in arrears.

The investment services fee is 1.5% of the average of the opening invested NAV and closing invested NAV attributable to Direct Investments. The management fee is 1.5% of the average of the opening invested NAV and closing invested NAV attributable to the Primary Investments within each Fund in which Ethos Capital invests.

In respect of any Secondary Investments acquired, the management fee payable will be the Company's proportionate share of any management fee charged by and payable to the manager of such Fund according to the partnership agreement governing that partnership.

Ethos receives an administration fee of 0.25%, based on the average balance of the Temporary Investments for providing administrative and back-office services. The administration fee paid to Ethos is reduced by any fees payable to the manager of the Temporary Investments.

PERFORMANCE PARTICIPATION

In addition to the above fees, Ethos is entitled to a performance-based participation if certain returns are achieved. The participation is to be settled through the release of encumbered shares and, subsequent to that, the payment of a cash dividend. The annual performance participation is based on 20% of the growth in NAV of invested assets and is triggered each year if the NAV growth exceeds a preferred hurdle of 10%. The performance is also measured over a cumulative three-year measurement period to ensure the average NAV growth over the period exceeds the preferred hurdle. To the extent that the aggregate of the three annual participations is more or less than the three-year average calculation, an adjustment to or provision for the performance participation will be made in the final year of the measurement period and adjusted in subsequent periods if necessary.

INVESTMENT EXPERIENCE

The experience of the Investment Advisor is set out in the Report by the Investment Advisor section, starting on the opposite page.

REPORT BY THE INVESTMENT ADVISOR

INTRODUCTION TO ETHOS

An alternative advantage

Founded in 1984, Ethos is an investment firm managing investments in private equity and credit strategies in South Africa and sub-Saharan Africa. The Firm targets control buyouts and selected expansion capital investments in companies with strong growth potential.

Ethos manages over c. R1.2 billion on behalf of public and corporate retirement funds, sovereign wealth funds, fund-of-funds, development financial institutions and, most recently, Ethos Capital. Investors are based in South Africa, Europe, North and South America and the Middle East and Asia.

The Firm has an unparalleled 33-year record of successful, sustainable investing across economic and political cycles. To date, Ethos has invested in 105 transactions, delivering 94 realised investments at a 36.8% gross IRR and a 3.0x multiple of cost.

Ethos embraces a bold and encompassing purpose to grow Africa's economy ethically, by:

"BEING A DIFFERENTIATED AND SCALED ALTERNATIVE ASSET MANAGER THAT UNLOCKS LATENT INVESTMENT POTENTIAL THROUGH THE SYNERGISTIC APPLICATION OF CAPITAL AND INSIGHT."

33 years	track record of successful investing
US$2.3bn	capital raised since inception in 1984
7	funds invested to date
105	transactions completed since inception
94	successful exits
66	Ethos staff employed
100%	South African owned
45	Limited Partners invested in current Ethos Funds

as at 30 June 2017

The team gives life to this ambition through ethical leadership that represents integrity, authenticity, respect, care, and a unity of vision underpinned by the strength of the Firm's diversity.

With growth as the central principle of Ethos' investing approach, the Firm actively seeks opportunities to connect the best capital solutions with the best business ideas. By partnering differentiated, in-house Value Add capabilities with executive management teams, Ethos aims to execute this growth strategy within an accelerated time frame.

This approach is borne out of a deep-rooted belief that, through the application of ethical leadership, strategy, execution, partnership and capital, Ethos can enable businesses and the people who work in them to unlock their full potential.

INVESTMENT STRATEGY

Over its 33-year history, Ethos has developed, refined and institutionalised a unique set of competencies with the goal of consistently generating superior investment returns. The result is a time-proven approach, tailored to investing within the sub-Saharan African market that is embedded within Ethos' philosophy and is key to driving sustainable returns.

Investment approach

Control, lead investor: Strong preference for control in buyout situations or significant influence and lead role in expansion capital investments

Focus on growth across portfolio: Investments in companies and industries benefiting from emerging market and strategic growth dynamics

Market-leading, small- to mid-sized companies: Investment in companies with clear competitive advantages and critical mass to sustain the business through economic cycles

Strong management teams: Managers with the experience, ability and drive to grow the business and assist Ethos in the implementation of its investment thesis

Disciplined portfolio construction

Theme-led approach: Continual evaluation of prevailing economic drivers to target a portfolio of differentiated companies with strong prospects underpinned by attractive medium-term market dynamics

Driving investment performance: the execution advantage

Differentiated sourcing and execution: Proactively targeted opportunities where Ethos believes it has generated an advantage, leveraging its networks and reputation of successful investing

Proven B-BBEE capability: Proven ability to introduce black ownership in South African deals to execute transactions and enhance operational performance

Significant active involvement: Engagement in the value creation process post investment and a disciplined approach to deploying its Value Add capability

Successful exit planning: Deep networks for generating local and international buyers to drive exit activity and a long history of successful divestment

INVESTMENT OFFERING (PRODUCTS)

Ethos currently comprises two primary investment offerings: private equity and mezzanine.

Large buyouts

EF VI (and the anticipated EF VII) focuses on larger private equity transactions and aims to invest between R450 million and R1 billion per investment, targeting companies with enterprise values ("EVs") of between R1.5 billion and R7.0 billion. The Fund's objective is to invest in private companies with: market-leading positions; an identifiable competitive advantage; strong cash flows; and significant growth potential.

In the execution of this Fund strategy, the Firm seeks to leverage its understanding of the South African and sub-Saharan African markets to target companies best positioned to benefit from the region's unique growth prospects. As an active investor, Ethos capitalises on its proven experience of owning businesses across a variety of investment, economic and political cycles to maximise value post investment and generate superior returns.

EF VI is currently 88% deployed, with investments in: Autozone, Eaton Towers, Eazi Access, Kevro, The Beverages Company, Neopak, RTT, Twinsaver, Waco and Primedia, the acquisition of which was signed post year-end and is subject to completion.

Mid market

In 2016, Ethos launched its inaugural mid-market private equity fund and completed the first close in December 2016. EMMF I seeks to make investments predominantly in mid-market leveraged buyouts, targeting transactions between R100 million and R350 million and with an EV of between R0.5 billion and R1.5 billion.

This Fund is actively looking at family-owned and/or entrepreneurial businesses, corporate spin-offs, and optimisation opportunities where it can accelerate growth. Together with management teams, EMMF I will develop and enable strategic objectives, provide a third-party perspective on performance, design appropriate incentive structures and implement high standards of governance and financial reporting.

Importantly, the EMMF I is B-BBEE majority owned and is able to participate in deals as the B-BBEE partner. In certain cases, EMMF I will also co-invest with other Ethos Funds as their B-BBEE shareholding partner, leveraging the existing knowledge and skill of the buyout investment teams.

Ethos believes that this combination of significant empowerment credentials and strong execution capabilities gives this Fund a distinct competitive advantage.

EMMF I is currently 40% deployed, with investments in: Autozone, Eazi Access, Twinsaver and the post-year-end acquisitions of Kevro (a joint-control transaction, via a consortium in partnership with RMB Corvest, RMB Ventures and management, which is awaiting completion) and MTN Zakhele Futhi awaiting completion.

Mezzanine

In July 2016, Ethos acquired Mezzanine Partners, a leading, independent South African provider of mezzanine capital established in 2005.

Renamed Ethos Mezzanine Partners, the team has recently commenced capital raising for EMP 3, its third successor closed-end mezzanine debt fund dedicated to providing mezzanine and quasi-equity growth or acquisition financing solutions to companies in southern and sub-Saharan Africa.

EMP 3 will invest in a broad spectrum of mezzanine financial instruments, each one tailored to meet the needs of a specific transaction or borrower. These instruments will include *inter alia* second lien loans, convertible loans, payment-in-kind notes and preference shares.

This Fund will aim to provide intermediate capital to market-leading companies with a sustainable competitive advantage and/or critical success factors, and a proven track record of delivering predictable/non-cyclical free cash flow to service debt. Moreover, EMP 3 will target investments in businesses with experienced management teams and shareholders of reference that meet its requirements.

EMP 3 is expected to reach a first close by the end of calendar year 2017.

Prospective products

Ethos continues to explore other investment offerings.

KEY STRENGTHS

Ethos' long-term success has been a result of institutionalising a set of core competencies, developed over decades, which underpin its investment approach. This approach has been refined to provide a flexible strategy, tailored to investing within the South African and sub-Saharan African markets. Through pioneering thought leadership, creativity and innovation, Ethos has developed a long track record of sustainable, superior investor returns.

The key strengths of Ethos' value proposition include:

- an established track record and excellence in investing;
- a commitment to, and alignment with, its investors;
- a unified, high-performance culture and commitment to transformation;
- a broad origination platform and business networks;
- a consistent and disciplined investment process;
- local presence, commitment to, and focus on sub-Saharan Africa;
- an ability to add value to and influence the strategy of Portfolio Companies; and
- an ability to drive value creation through the investment cycle and optimise exits.

VALUE ADD TEAM

Ethos is an active value manager. World-class value creation capabilities enable the Firm to support Portfolio Companies' management with major initiatives run by an in-house Value Add team. This Value Add depth has also facilitated a broadening of Ethos' origination range to include opportunities that have an optimisation thesis (i.e. businesses that achieve good profitability but would have substantial upside potential if they were operating efficiently).

Over a typical five- to seven-year holding period, Ethos aims to positively impact Portfolio Companies by partnering with management teams and actively driving outcomes through Board participation. Whilst not participating in day-to-day operations, Ethos does seek significant influence over all major business decisions that may impact a company's value and engages a combination of the team's investment and Value Add expertise to achieve this.

The objective of Ethos' Value Add model is to optimise growth across the Firm's portfolio of investments. With a core team of four professionals, Ethos focuses on building capacity within Portfolio Company management teams (i.e. hiring top talent to supplement existing executive capabilities) to enable them to own and sustain the required growth initiatives. Ethos also engages fit-for-purpose service providers to provide additional, specialist capacity that accelerates delivery of value.

PEOPLE

Ethos employs 66 people, including 18 partners, making it the largest private equity firm in sub-Saharan Africa. The team – the most experienced private equity team in South Africa – is Ethos' single greatest asset. It is the strength of this team that sets the Firm apart:

- Exceptional, multi-disciplinary expertise across the value chain (transactional, operational and analytical) exists in all levels of the team.
- Emphasis on professional development ensures ongoing organisational evolution to maintain market leadership.
- Team-based value system enables efficient processing of complex projects.
- c. 30 investment professionals are dedicated to Portfolio Company investments.
- The team is focused on establishing long-term, consultative relationships that enable deep understanding.

The Ethos investment team is supported by committed, professional support staff, dedicated to providing "best-in-class" finance, marketing and public relations, administration, compliance, operations and talent management.

CULTURE

Ethos embodies a high-performance team culture. It is committed to recruiting and developing talent and is steadfast in its dedication to optimising opportunities to all. Diversity in all its facets is embraced.

A key tenet of the Firm's culture is to relentlessly strive to continue the philosophy of transformation within black empowerment, both at the company, and at the underlying Portfolio Companies.

Above all, Ethos' culture expresses the core leadership values of purpose, execution, stewardship and vision.

TRANSFORMATION

Ethos is committed to supporting economic growth, meaningful B-BBEE in South Africa and the eradication of poverty and inequality.

The Firm believes this not only supports the South African economy, the government's economic development policies and their broader stakeholders, but makes sound business sense, resulting in improved returns to our investors.

Likewise, Ethos embraces the promotion and implementation of "best practice" methods in terms of B-BBEE and firmly believe that an effective transformation policy encourages social development and enhances economic value. Consequently, the Group strives to implement strategies that embrace the requirements and "spirit" of B-BBEE, namely employing members of the designated groups and incorporating training and development initiatives – specifically the implementation of learnerships and bursaries for

Black employees. Ethos has 66 members of staff, of whom 46% is Black, Indian or Coloured and 52% is White. The remaining 2% is foreign nationals and not classified per Department of Trade and Industry ("dti") definitions. Furthermore, of the 66 members, 54% is female.

Ethos is currently rated as a Level 2 contributor under the B-BBEE Codes of Good Practice.

SOCIAL IMPACT

While Ethos' primary objective is to maximise stakeholder value by generating superior returns, the Firm unequivocally recognises its role in the broader South African community. As such, Ethos is committed to supporting initiatives at the forefront of education and the upliftment and empowerment of disadvantaged people.

Ethos' Social Impact Programme is reviewed and evaluated on an annual basis to ensure our initiatives, time and financial contributions are best aligned with its stated purpose and strategic ambition.

Ethos is committed to supporting initiatives at the forefront of education and welfare for the upliftment and empowerment of disadvantaged people. Approximately 70% of the Firm's corporate social investment spend focuses on education-based initiatives.

SUSTAINABILITY/ESG

As custodians of policyholder, pensioner and shareholder capital, and forerunners in our field, Ethos must set an example of responsible investment best practice and uphold ethical leadership.

By living this philosophy, Ethos positions its Environmental, Social and Governance ("ESG") ambition and sets an example for others to follow. Moreover, the team holds the view that we have a responsibility to address societal and environmental issues – beyond legal requirements – through our activities.

Importantly, Ethos believes that the private equity model is perfectly aligned with this philosophy, especially in emerging markets where fund managers tend to focus on investing in growth strategies. This investment approach, correctly applied, enables the parallel achievement of commercial gains whilst addressing societal and environmental concerns.

From pre-acquisition due diligence to Portfolio Company exit, ESG parameters are assessed throughout Ethos' investment process. Over a typical five- to seven-year holding period, the Firm aims to positively impact Portfolio Companies by partnering with management teams and actively driving outcomes through Board participation.

ESG perspectives present some of the most material risks and opportunities for Portfolio Companies. Hence, Ethos has developed a robust Social and Environment Management System ("SEMS") to ensure ESG issues are effectively managed. SEMS is managed by a dedicated ESG team that ensures ESG issues are effectively identified, monitored and resolved, together with the investment and Value Add teams, ESG champions, external specialists (when required) and Portfolio Company executives.

In line with Ethos' long-term mission and typical 10-year investment horizon, the Firm seeks to ensure that Portfolio Companies respond strategically to ESG issues with an enduring value creation lens and avoid short-term fixes that may ultimately destroy long-term value.

Ethos' annual sustainability report documents the findings of an annual ESG Review and informs ESG-related decision-making. The report is compiled in consultation with Portfolio Companies and findings are shared enabling the co-creation, implementation and adaptation of sustainability planning.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

COMMITMENT

Ethos Capital is committed to the principles of sound governance and application of the highest ethical standards in the conduct of its business and affairs. The Board is committed to the values of responsibility, accountability, fairness and transparency of King III. The Directors accept full responsibility for the application of these principles to ensure that good corporate governance is effectively practised in Ethos Capital. Furthermore, the Board understands and accepts its responsibility to the shareholders of Ethos Capital and endeavours to make sure the Company conducts its business in the best interests of its shareholders.

The Board is responsible for ensuring compliance with all statutory obligations as specified in the Constitution of Ethos Capital, the Mauritius Companies Act, the Listings Requirements and all other applicable regulatory requirements.

The Directors endorse King III and recognise the need to conduct the affairs of Ethos Capital with integrity and in accordance with generally accepted corporate governance practices. In discharging this responsibility, the intention is to apply the principles of King III in both letter and spirit. The Directors recognise they are ultimately responsible for the financial performance of Ethos Capital. The Directors have proactively taken steps to ensure compliance with the Listings Requirements (save as exempted or where the JSE may provide dispensation) and the application of the principles of King III. It should be noted that Ethos Capital, as an investment entity, does not have, and will not conduct, traditional operations, and thus not all the traditional corporate governance structures envisaged by King III are appropriate to Ethos Capital and its business as an investment entity. The Company does not employ any staff.

APPLICATION OF KING III

A detailed register of the Company's application of King III is available at www.ethoscapital.mu. The Company intends to adopt the King Report on Corporate Governance™ for South Africa, 2016 ("King IV™") in the next reporting year.

BOARD OF DIRECTORS

Responsibilities

The Board is ultimately responsible for Ethos Capital's business, strategy and key policies, and for the approval of the financial objectives, targets and investment decisions. In addition, the Board is required to:

- define and implement the long-term strategic vision of Ethos Capital;
- define and implement Ethos Capital's investment strategy, evaluate and make commitments to Ethos Funds or Direct Investments;
- approve the annual business plan and budgets;
- perform required approvals per the Ethos Capital Approvals Framework from time to time;
- promote organisational integrity and monitor and oversee Ethos Capital's values and ethics;
- advise on director succession planning;
- monitor and review Ethos Capital's performance and delivery against strategy, business plans and budget;
- monitor and review the performance and delivery of services by Ethos in terms of the Investment Services Agreement;
- monitor, review and evaluate the performance of the Portfolio;
- represent Ethos Capital on the relevant Ethos Funds' Advisory Boards where appropriate;
- monitor and oversee Ethos Capital's recognition and management of risk via the Audit and Risk Committee;
- monitor and oversee the appropriateness of financial processes, systems and controls via the Audit and Risk Committee, protecting Ethos Capital's financial resources and position;
- monitor the appropriateness of business processes, systems and controls, effectiveness and competitiveness of Ethos Capital;

- approve the Annual Financial Statements and the Integrated Annual Report, after review and approval by the Audit and Risk Committee;
- monitor and oversee the appropriateness of regulatory compliance, processes and reporting via the Audit and Risk Committee, protecting Ethos Capital's regulatory reputation;
- monitor the policies and processes for open and honest communication with shareholders, staff and other stakeholders, protecting Ethos Capital's business reputation;
- review the remuneration of Directors via the Remuneration Committee;
- review the performance of the Company Secretary, as well as their competence, qualifications and experience, annually, and report on whether or not the Board is satisfied therewith, to the shareholders in the Integrated Annual Report;
- monitor and advise on the management of potential conflicts of interest of, and with, Board members, management, shareholders and wider stakeholders;
- monitor and appreciate stakeholders' perceptions affecting Ethos Capital's reputation; and
- review the performance of the Board, the Directors and Board Committees.

Composition

The Board currently consists of five independent non-executive Directors, the majority of whom are non-South African residents. The Board is satisfied that there is a clear division of responsibilities to ensure a clear balance of power and authority so that no one Director has unfettered powers of decision-making.

Directors retiring by rotation

Per the Company's Constitution, at least one-third of the non-executive Directors retire by rotation at each Annual General Meeting ("AGM"). Retiring Directors are eligible for re-election until they have completed nine years of service as a Director.

As per the Listings Requirements, all Directors are to retire at the Company's first AGM and all are eligible for re-election.

Conflict of interest

All Directors are required to sign an annual declaration stating they are not aware of any conflicts of interest that may exist as a result of their interest or association with any other company, except as disclosed, setting out for record-keeping purposes all business-related interests they have. As soon as a Director becomes aware of any conflict of interest, he or she must disclose such conflict immediately.

Board members

The Directors noted below served on the Board throughout the financial year and are retiring at the AGM. The Directors are eligible and offer themselves for re-election. Biographies of the Directors and their experience is as follows:

Yvonne Stillhart 49

BSC ZFH

Appointed 15 June 2016

Chairperson

Independent non-executive Director

Yvonne has over 25 years' experience in private equity investing and private equity investment management. She is also the independent non-executive Chairperson of the Board of Directors and the Finance Committee of Akina (Luxembourg) S.A., an alternative investment fund manager ("AIFM") registered with the CSSF, investing in Europe via direct investments, secondary and primary fund investments and the independent non-executive Chairperson of several Jersey Financial Services Commission registered private equity investment funds focusing on Europe.

Yvonne is a seasoned private equity specialist who successfully built a leading private equity organisation. She was a co-founding Senior Partner and member of the Investment Committee of Akina AG, a Swiss-based independent private equity organisation with some EUR2.5 billion assets under management. In addition to being instrumental in the build-up and successful leadership of a multinational investment team in an SEC-regulated organisation for more than 12 years, she led investments, developed portfolio and risk management governance and structured investment funds. She was a Board member in a number of corporations and private equity funds across various industries and countries.

Yvonne has extensive experience in leading, structuring, executing and managing private equity investments.

Earlier in her career, Yvonne spent 12 years at UBS Zurich, with stays in London and New York. She was responsible for a number of high-profile minority equity, buyout, mezzanine, infrastructure, structured debt and equity transactions in Western and Eastern Europe, Turkey and North Africa as well as M&A and capital markets transactions in Europe.

She holds a degree in economics and accounting from the University of Applied Sciences in Business Administration, Zurich. Yvonne speaks German, English, Spanish and French.

Yuvraj Juwaheer 58

LLB

Appointed 26 May 2016

Independent non-executive Director

Yuvraj is the managing partner of YKJ Legal, a law firm in Mauritius. He has considerable experience in corporate and commercial law and advises on corporate and finance transactions, collective investment schemes, trusts, funds structuring and administration, banking and regulatory issues.

He has over 20 years' experience in the global business sector and has previously served as an independent director for a number of Indian funds. Before founding YKJ Legal, he was a partner of Bedell Cristin (Mauritius) Partnership (subsequently changed to Ocorian (Mauritius) Limited) from November 2010 to November 2016, and prior to that, he was a partner at Citilaw Chambers. He was previously an executive director of a major licensed management company and a former partner of De Chazal du Mee.

He was a member of the steering committee set up by the Mauritian Government, in 2004, to consider the opening of the legal profession to international law firms in Mauritius. He also served as the Secretary of the Association of Offshore Management Companies of Mauritius in 2003.

He holds an LLB degree from the University of London and was called to the bar at the Middle Temple in London and at the Supreme Court of Mauritius. He is also an Associate of the Institute of Chartered Secretaries and Administrators and a member of the Society of Trusts and Estate Practitioners.

Derek Prout-Jones 54

BCom, BAcc, CA(SA)

Appointed 1 June 2016

Independent non-executive Director

After completing his articles at Deloitte & Touche, Derek joined RMB in 1989 in the special projects division. During his 21-year career with RMB, he spent five years in corporate finance, specialising in business valuation methodologies, and then joined RMB Private Equity as one of the founder members.

He served as Chief Financial Officer of RMB from 1999 to 2003 and was appointed as Chief Investment Officer in 2003 to oversee the various principal investment activities of RMB. He held this position until 2009 when he moved back to Private Equity to head the division, which included sitting on the Boards of Directors of Ethos and RMB Corvest Proprietary Limited.

During his tenure as Chief Investment Officer, he served on the RMB Divisional Board and chaired the RMB Proprietary Management Board, the RMB Investment Committee and the boards of RMB Australia Holdings and RMB International Dublin Limited. He was also a member of various Group Governance Committees.

He left RMB at the end of 2010 and joined Michael Pfaff in a private company, 4 Decades Capital, pursuing long-term investment opportunities that typically fall outside the scope of traditional private equity.

He holds Bachelor of Commerce and Accounting degrees from the University of the Witwatersrand and is a member of SAICA.

Kevin Allagapen 40
BCom (SA), Executive MBA (UK)
Appointed 26 May 2016
Independent non-executive Director

Kevin started his career at Deloitte Mauritius and has more than 17 years of experience in the financial services sector in Mauritius. He is the Managing Director at Ocorian (Mauritius) Limited (formerly known as Bedell Management Services (Mauritius) Ltd), a management company regulated by the Mauritius Financial Services Commission.

His areas of expertise span corporate and fund structuring, formation, management and administration services, private wealth, tax planning and compliance, accounting, regulatory and compliance matters. He also serves as a director on the boards of numerous global business companies and funds operating in diverse economic sectors such as agriculture, manufacturing, mining, infrastructure, commerce, engineering, logistics, aviation, shipping and financial services and in that capacity is involved in investment and disinvestment decisions, strategy development, statutory compliance and day-to-day operations.

Kevin was also acting as an independent non-executive director of Mauritius Housing Corporation, a public company whose principal activities are granting loans for the construction of houses and to engage in deposits taking and was the Chairman of the Audit Committee in the year 2014.

He holds a Bachelor of Commerce degree from the University of KwaZulu-Natal, Pietermaritzburg, South Africa and an Executive MBA degree from the University of Birmingham, United Kingdom.

Michael Pfaff 56
BCom, MBA
Appointed 1 June 2016
Independent non-executive Director

Michael began his career in corporate finance at Deloitte & Touche and Standard Merchant Bank after which he spent four years in the United States with NationsBanc Capital Markets (now Bank of America) as a director of structured capital markets.

In 1997, he joined RMB to help build its private equity business. He was instrumental in growing the bank's private equity business and led the bank's initiative to spin out Ethos (where he sat as a director for a number of years). He was a director of the bank's private equity business, RMB Ventures, responsible for initiating and leading various on-balance-sheet investments. He also sat on the bank's investment committee responsible for all private equity and principle investing decisions.

In 2000, he was appointed Chief Executive Officer at RMB and during his tenure (2000 to 2008) pre-tax profits grew eightfold. Throughout this period, he continued to be involved in large private equity decisions and served as Chairperson of RMB Corvest Proprietary Limited.

Post RMB, he has been involved in building a health and beauty business called CaviBrands Proprietary Limited, and a hedge fund incubation business called Kirkham Capital. Furthermore, he and Derek Prout-Jones invest through a private company, 4 Decades Capital, into long-term investment opportunities that typically fall outside the scope of traditional private equity.

He remained on the RMB and FNB divisional boards until 2017.

He holds a Bachelor of Commerce degree from the University of Cape Town and a MBA from Duke University (Duke Fuqua Scholar) and was a member of SAICA.

Report

A report by the Directors has been provided on page 54 of the Annual Financial Statements.

Board committees

As provided for in the Constitution, the Board is supported and assisted by three committees with clear mandates and oversight responsibility for various aspects of the business. The responsibilities delegated to each committee are formally documented in the terms of reference for that committee, and have been approved by the Board and are reviewed annually. The current composition and responsibilities of each of the three committees are set out on pages 43 to 44 of this Corporate Governance Report.

AUDIT AND RISK COMMITTEE

Responsibilities

The Committee has an independent role with accountability to the Board and shareholders for: external audit oversight; financial controls, assurance and reporting; and risk management oversight. Its key responsibilities are noted below.

External audit

Responsible for recommending the appointment of the external auditor and overseeing the external audit process, including:

- evaluating the performance and effectiveness of the external auditors and process, the independence of the external auditors, and considering and preapproving any material non-audit services;
- considering and making recommendations to the Board and shareholders on the appointment and retention of the external auditors and ensuring their appointment complies with the Mauritius Companies Act and the Listings Requirements;
- approving the terms of engagement and remuneration for the external audit engagement; and
- discussing, reviewing, considering and agreeing the external audit plan and reports.

Financial reporting

Responsible for examining and reviewing any financial reports, updates or announcements prior to the submission and approval by the Board for publication, focusing on:

- balanced and fair presentation;
- consistency of applicable accounting policies and standards;
- judgemental areas, significant adjustments and going concern; and
- risks relating to financial reporting, fraud risks and information technology risks.

Risk management

Responsible for ensuring that Ethos Capital has implemented an effective policy and plan for risk management to provide assurance and enhance Ethos Capital's ability to achieve its strategic and business objectives. To achieve that, the committee should:

- oversee the development, and review annually, a policy and plan for risk management; and
- monitor and oversee the implementation of the policy and plan to ensure it is integrated with the day-to-day activities of Ethos Capital and the activities in terms of the investment services agreement.

Internal audit

Responsible from time to time to consider the need for an internal audit function, or for similar assurance services on an as-needed basis.

Members

The Audit and Risk Committee is chaired by Kevin Allagapen and its other members are Yuvraj Juwaheer and Derek Prout-Jones. All members are independent non-executive Directors of Ethos Capital.

Report

A report by the Audit and Risk Committee has been provided on page 52 of the Annual Financial Statements.

REMUNERATION COMMITTEE

Responsibilities

The Committee is responsible for fair and responsible remuneration of employees, executives and Directors as well as the disclosure and reporting of relevant remuneration matters in the Integrated Annual Report. Its duties include:

- recommending the remuneration policy of the Company;
- proposing the non-executive director remuneration annually to the Board;
- reviewing the terms of consultancy agreements entered into with the non-executive Directors; and
- ensuring relevant, complete and transparent disclosure and reporting on remuneration matters.

Members

The Remuneration Committee is chaired by Yuvraj Juwaheer and its other members are Kevin Allagapen and Michael Pfaff. All members are independent non-executive Directors of Ethos Capital.

Remuneration

The remuneration of the Directors is set out in note 16 of the Notes to the Annual Financial Statements.

INVESTMENT COMMITTEE

Responsibilities

The Committee is responsible for the investment guidelines and strategy, evaluating and making decisions about investment opportunities on behalf of the Committee and monitoring investment performance. Its duties include:

- considering and proposing any changes to the investment guidelines and strategy;
- overseeing the implementation and adherence to the investment guidelines and strategy;
- analysing and evaluating proposed investments, including Primary Investments, Secondary, Investments, Direct Investments and Temporary Investments;
- interacting regularly with the senior advisors regarding the investment portfolio, investment pipeline and Ethos Capital's liquidity profile;
- participating and being a member of the advisory boards of the Ethos Funds in which Ethos Capital is invested in;
- monitoring, reviewing and advising on the performance of the investment portfolio; and
- engaging with shareholders where required.

The Committee has no capacity to conclude or bind the Company to any investments but can only recommend proposed investments to the Board for approval.

Members

The Investment Committee is chaired by Derek Prout-Jones and the other member is Michael Pfaff. Both members are independent non-executive Directors of Ethos Capital.

OTHER COMMITTEES

The Board has given consideration to the need for the Company to have a Nomination Committee, which was not deemed necessary at this stage. This will be considered on an annual basis. Board succession management and the appointment of Directors are considered to be matters for the Board as a whole. Appointments will be made via a formal and transparent procedure in terms of Ethos Capital's Constitution. Directors will be nominated based on their calibre, credibility, knowledge, experience, impact they are expected to have and the time and attention they can devote to the role.

The Company does not currently have a Social and Ethics Committee as the function of this committee is currently fulfilled by the Board as a whole. The Board, however, will consider the establishment of a Social and Ethics Committee at an appropriate time in the near future.

DIRECTORS' EMOLUMENTS

The emoluments paid to the Directors during the year for their services to the Board and the Board committees are disclosed in note 16 of the Notes to the Annual Financial Statements.

GENDER DIVERSITY AT BOARD LEVEL

As stated above, when new or replacement Directors are considered, the Board assesses the skills of the Board as a whole to identify any areas that need strengthening.

The Board believes, as a whole, it currently represents an appropriate balance of skills, outlook, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is of great importance. It is the Board's policy to give careful consideration to issues of Board balance and diversity when making new appointments but to do so on merit. The Board currently does not have any gender diversity targets.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Attendance by the Directors at the Board meetings and Board Committee meetings during the financial year is set out below:

	Board	Audit and Risk Committee	Investment Committee
Number of meetings held	**3**	**3**	**3**
Derek Prout-Jones	3	3	3
Kevin Allagapen	3	3	N/A
Michael Pfaff	3	N/A	3
Yuvraj Juwaheer	3	3	N/A
Yvonne Stillhart	3	N/A	N/A

The Remuneration Committee met for the first time after the end of the financial year in September 2017.

SENIOR ADVISORS

In order to facilitate Ethos' rendering of services in terms of the investment services agreement and to support the Board, Ethos has provided senior advisors to fulfil the roles of Ethos Capital's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The senior advisors support the Board in managing Ethos Capital's business, in particular the following aspects thereof:

- investment analysis and proposing investment decisions, including Primary Investments, Secondary Investments, Direct Investments and Temporary Investments, to the Investment Committee;
- active involvement in the Portfolio Companies of Direct Investments, including through representation on the Board of Directors of the Portfolio Companies;
- shareholder engagement, including investor roadshows; and
- reporting to shareholders, including quarterly NAV reporting and shareholder feedback.

The senior advisors listed below (with their biographies and experience) supported the Board during the financial year. At the September 2017 Board meeting, the Directors approved the appointment of Jean-Pierre van Onselen as CFO (effective 1 October 2017), replacing Craig Dreyer.

Peter Hayward-Butt 45

BSc, MSc

Chief Executive Officer

Peter joined Ethos in 2016. Prior to joining Ethos, he was the co-head of Investment Banking at RMB between 2006 and 2014, during which time the profit before tax of the Investment Banking division grew from R1.3 billion to R4.1 billion. Peter was responsible for the conceptualisation and establishment of RMB Morgan Stanley (and was the Chairperson of that company), which has become the leading stock-broking business in South Africa.

Peter was the lead advisor on many of South Africa's largest mergers and acquisitions and equity capital markets transactions and has advised most of the large private equity firms in South Africa. He was a member of the executive management board at RMB and was a member of the bank's Investment Committee, which was responsible for the bank's private equity and principal investing.

Before RMB, Peter was head of Mergers and Acquisitions Advisory for ABN AMRO Asia based in Hong Kong, prior to which he worked in corporate finance for ABN AMRO and Baring Brothers in London.

Peter holds a Bachelor of Science degree in Agricultural Economics from the University of Natal and a Master of Science in Development and Agricultural Economics from Oxford University.

Craig Dreyer 59

BCom, BAcc, CA(SA)

Chief Financial Officer

Craig joined Ethos in 1998 as Chief Financial Officer. In his capacity as Chief Financial Officer of Ethos, Craig is a member of the Investment Committee, the Executive Committee, the Finance Forum, the Risk and Controls Committee and the Operations Committee of Ethos.

Prior to joining Ethos, he was a partner and member of the executive committee of the Johannesburg office of the international auditing firm BDO.

He has served as a committee member of the South African Venture Capital and Private Equity Association since 1999 and is a founding committee member.

Craig holds a Bachelor of Commerce degree in accounting and a postgraduate Bachelor of Accounting degree from the University of the Witwatersrand and is a member of SAICA.

Jean-Pierre van Onselen 45

BAcc, BAcc (Hons), CA(SA)

Chief Financial Officer (from 1 October 2017)

Jean-Pierre joined Ethos in August 2016 to assist with the establishment and management of all compliance, financial, operational and reporting aspects of Ethos Capital.

Prior to joining Ethos, he was Head of Finance at HgCapital, a direct private equity fund manager, headquartered in London, UK. Over a period of more than 12 years, he gained extensive experience in private equity related matters, including working on HgCapital Trust plc, an investment holding company listed on the London Stock Exchange.

He qualified at Ernst & Young (South Africa) before moving to the UK where he worked at various investment management firms before joining HgCapital.

Jean-Pierre holds Bachelor of Accounting and Bachelor of Accounting (Honours) degrees from the University Stellenbosch and is a member of SAICA.

COMPANY SECRETARY

Ocorian (Mauritius) Ltd ("Ocorian", previously Bedell Management Services Mauritius) was appointed as Company Secretary on 26 May 2016. Ocorian is a management company, licensed by the Financial Services Commission of Mauritius and has suitably qualified, competent and experienced staff to discharge its role as Company Secretary and is appropriately empowered to fulfil duties with regard to assistance to the Board, in particular, in relation to applicable Mauritian law and regulation. The Company Secretary is not a Director of Ethos Capital.

The Board has considered the individuals at Ocorian who perform the company secretarial functions, as well as the directors and shareholders of Ocorian, and is satisfied that there is an arm's-length relationship between the Company Secretary and the Board, who can remove the Company Secretary from office.

For the year under review, the Board assessed Ocorian's competence, qualifications, experience, independence, suitability and performance and found Ocorian to be competent and suitably qualified to act as Company Secretary for the current and next financial year.

The Company Secretary of Ethos Capital is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers. The Company Secretary is also required to ensure the Directors are aware of all law and regulations relevant to, or affecting, Ethos Capital and to report to any meetings of the shareholders of Ethos Capital or the Directors any failure on the part of Ethos Capital or a Director to comply with the Constitution or rules of Ethos Capital or the Mauritius Companies Act.

The Company Secretary acts as an advisor to the Board and plays a pivotal role in ensuring compliance with statutory regulations and the King Code. The Company Secretary is also responsible for the induction of new Directors, the tabling of information on relevant regulatory and legislative changes, and support to the Directors regarding their duties and responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible and accountable for the implementation of an effective policy and framework for the recognition and management of risk. In addition, it is responsible for the monitoring and oversight of the appropriateness of financial and business processes, systems and controls. The Board is supported by the Audit and Risk Committee in the fulfilment of these responsibilities.

A detailed risk framework and register has been implemented to identify, assess, monitor and manage Ethos Capital's risk. The Board and the Audit and Risk Committee are of the opinion that the internal controls and risk policies in place during the year were effective.

As an investment holding company, Ethos Capital has no employees and relies on certain services provided by the Investment Advisor. The Company is therefore largely dependent on the internal control systems of the Investment Advisor. The security of the Company's assets and accounting records as well as its compliance with regulatory and legal requirements depend on the effective operation of these systems. The Audit and Risk Committee monitors and discusses the effectiveness of these processes with representatives of the advisors and has access to internal control reports.

In addition, the governance of information technology ("IT") is largely dependent on the IT-related controls of the Investment Advisor. These controls are reviewed and discussed with the appropriate management levels, largely focusing on business continuity, and the Board is satisfied that the Company's controls and monitoring of IT governance are appropriate.

The Board and the Audit and Risk Committee are satisfied that, given the nature and size of the Company's operations and the extent of and reliance placed on the service providers, the Company does not currently need an internal audit function. This decision will be reviewed on an annual basis.

The key risks facing the Company are set out below:

Financial risks

The main financial risks that Ethos Capital are exposed to and that could result in changes to the NAV or its performance are: capital risk; valuation risk; market risk (comprising currency risk, interest rate risk and price risk); credit risk; and liquidity risk. These risks are fully detailed in note 23 of the Notes to the Annual Financial Statements.

Macroeconomic risks

The Company's investments, which ultimately consist of underlying Portfolio Companies operating in different industries, jurisdictions and sectors, are directly exposed to the macroeconomic risks that can adversely impact the South African economy. The current risks associated with the political turmoil and concerns surrounding the ratings downgrade,could have a significant impact on the ultimate NAV of the Company. Whilst the Funds the Company invests in have a mandate to invest up to 25% in sub-Saharan Africa, which could mitigate some of the above, the Company currently has limited exposure outside South Africa.

Regulatory and reporting risks

Compliance with legislation of the jurisdictions where the Company operates, adherence to financial reporting and the Listings Requirements, and the exercise of good governance are all factors critical to the sustainability of the Company.

Investments risks

Some of the key investment risks the Company faces are: non-compliance with the Company's investment guidelines and strategy; lack of diligence and process in investment decision-making by the Board and Investment Committee; lack of investment opportunities and activity; concentration risk; and conflicts of interest.

Operational and IT risks

The Company has no employees and therefore largely relies on the services provided by the Investment Advisor, under the terms of the investment services agreement, and other service providers and advisors. The lack of business continuity of the above entities/individuals, failure of IT systems and non-performance are key risks created by these external relationships and dependency.

SUSTAINABILITY AND SOCIAL AND ETHICS REPORT

The Company is an investment holding company, governed and directed by a non-executive Board. It has an investment services agreement with the Investment Advisor that sets out the day-to-day responsibilities of the latter, supporting the Board. The Investment Advisor has seconded certain advisors to fulfil the roles of CEO and CFO. The Company has no employees and has a limited direct impact on the environment.

The Company can drive sustainability and its social and ethics footprint indirectly through the activities of its Investment Advisor and the investment in Portfolio Companies. The selection of an Investment Advisor able to demonstrate adherence to sound sustainability and ethical principles is a critical decision of the Board. The Board has endorsed Ethos' policy of sustainability and responsible investing and monitors its investment activity and management of the Portfolio Companies to ensure they are compatible with these policies to benefit the Company's shareholders and the society at large.

ETHOS' SUSTAINABILITY REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PHILOSOPHY

For the past three years, Ethos has produced a sustainability report documenting the findings of an annual ESG Review. The report is compiled in consultation with Portfolio Companies with whom Ethos shares its findings to co-create, implement and adapt sustainability planning and inform ESG-related decision-making.

Whilst Ethos' primary objective is to maximise stakeholder value by generating superior returns, Ethos unequivocally recognises its role in the broader South African and sub-Saharan African community. Moreover, Ethos holds the view that it has a responsibility to address societal and environmental issues – beyond legal requirements – through its activities. As custodians of policyholder, pensioner and shareholder capital, Ethos strives to positively influence and effect change and recognises that its actions today enable the reality of tomorrow.

As forerunners in the private equity field, Ethos has set an example of responsible investment best practice and upholds the principles of ethical leadership. Therefore, from pre-acquisition due diligence through to Portfolio Company exit, ESG parameters are assessed throughout Ethos' investment process.

ESG perspectives present some of the most material risks and opportunities for Portfolio Companies. In acknowledgement of this, Ethos has a dedicated ESG team, supported by investment and Value Add teams, ESG champions, external specialists (when required) and Portfolio Company executives. Together, they ensure ESG issues are effectively managed by deploying Ethos' Social and Environment Management System.

In line with its long-term mission and typical 10-year fund horizon, Ethos seeks to ensure that Portfolio Companies respond strategically to ESG issues with an enduring value creation lens and avoid short-term fixes that may ultimately destroy long-term value.

Further information is provided in the Report by the Investment Advisor section of this Integrated Annual Report.

The Company has made a commitment to the EMMF I, a Black-managed, mid-market-focused fund in South Africa. Ethos believes the combination of significant empowerment credentials and strong execution capabilities will give this Fund a distinct competitive advantage.

The EMMF I heralds a new generation in South African private equity investing, representing a unique combination of proven institutional investing and value-adding insights, coupled with sustainable Black economic empowerment solutions and transformational impact.

The Investment Advisor issues an annual report on sustainability. Further information on its social impact and transformation policies can be found at www.ethos.co.za/our-ethos/.

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL

The Directors are responsible for the maintenance of adequate accounting records and for the preparation, integrity and objectivity of the Company's Annual Financial Statements and the other information contained in this Integrated Annual Report.

The Directors are also responsible for the Company's systems of internal financial controls and accounting and information systems to provide reasonable, but not absolute, assurance regarding the safeguarding of assets and to reduce the risk of error, fraud or loss.

The Audit and Risk Committee meets with the external auditor to consider internal controls, the audit process and financial reporting. The external auditor has unrestricted access to all records, related information, senior advisors and the Audit and Risk Committee.

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE and the requirements of the Mauritius Companies Act, Act No. 15 of 2001 ("Mauritius Companies Act"), in so far as they are applicable to Category 1 Global Business Licensed companies.

The Directors believe the Company has adequate resources to settle its obligations as and when they become due; therefore, the Annual Financial Statements have been prepared on the going concern basis.

These Annual Financial Statements were compiled under the supervision of the Chief Financial Officer, Craig Dreyer, CA(SA). The Directors are satisfied that the information included in the Annual Financial Statements fairly presents the Company's results and financial position at the year-end.

The Annual Financial Statements were audited by the independent auditor, Deloitte & Touche. The independent auditor's unmodified report is presented on page 56.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Directors' report on pages 54 to 55 and the Annual Financial Statements set out on pages 60 to 87, were approved by the Board and are signed on its behalf by:

Yvonne Stillhart
Chairperson

Kevin Allagapen
Independent non-executive Director

27 September 2017

REPORT FROM THE COMPANY SECRETARY

In accordance with section 166(d) of the Mauritius Companies Act, the Company Secretary certifies, to the best of its knowledge and belief, that the Company has lodged with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act for the year ended 30 June 2017.

Ocorian (Mauritius) Ltd
Company Secretary

27 September 2017

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") submits below its report for the financial year ended 30 June 2017.

RESPONSIBILITIES OF THE AUDIT AND RISK COMMITTEE

The responsibilities of the ARC are detailed on page 43 of the Corporate Governance Report. In discharging its responsibilities, the ARC, amongst other functions:

- examined and reviewed the Annual Financial Statements to ensure balance and fair presentation consistent with the application of appropriate accounting policies and standards;
- reviewed and considered the appropriateness of the going concern basis in preparing the Annual Financial Statements; and
- considered material risks and internal controls to the financial reporting and fraud.

INTERNAL CONTROL AND ACCOUNTING SYSTEMS

The ARC is responsible for assessing the systems of internal controls relating to financial and business processes and accounting systems of the Company. The Investment Advisor provides certain administrative and back-office services to Ethos Capital and hence the Company is largely reliant on its systems and controls. The Committee had discussions with representatives of the Investment Advisor and held discussions with the external auditor on the results of their audit of the Company. The ARC is of the opinion that the systems of internal financial and business controls are effective and form a basis for the preparation of reliable financial statements.

RISK MANAGEMENT

The Committee assists the Board to ensure a coordinated approach is applied to provide assurance on the recognition and management of significant risks facing the Company. The Committee is responsible for the development and periodic review and updating of a policy and framework for risk management and integration of the framework into the day-to-day activities of the Company and the activities provided by the Investment Advisor. The Committee believes the Company's systems and risk management processes are sufficiently effective to manage the risks of the Company. The Committee considered the key audit matters that are noted in the independent auditor's report on page 57 of the Annual Financial Statements.

INTERNAL AUDIT

The Committee considered the need for an internal audit function and concluded that, given the nature of the Company's business and operations and the services provided by the Investment Advisor, an internal audit function is currently not required. This will be considered again in the next financial year.

MEMBERSHIP AND MEETINGS

The members of the ARC who served during the year are all independent non-executive Directors and are noted on page 43 of the Corporate Governance Report. The ARC met three times during the year. The CEO, CFO and representatives of the external auditors attended the Committee meetings by invitation.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

The ARC has considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Craig Dreyer CA(SA), as well as the adequacy of the resources of Ethos that are involved with the finance function to the extent that it relates to Ethos Capital.

INDEPENDENT AUDITOR AND ITS REPORT

The ARC considered and approved the audit fees and engagement of the independent auditor, reviewed the audit plan and subsequent report on the Annual Financial Statements and determined and approved the terms of any non-audit services. There were no non-audit services during the financial year. In addition, the ARC discussed the matter of its independence with the external auditors and satisfied itself regarding the independence of Deloitte & Touche South Africa and Deloitte & Touche Mauritius, respectively.

RECOMMENDATION TO THE BOARD

The Committee has reviewed and considered the Integrated Annual Report and the Annual Financial Statements and has recommended it for approval by the Board.

Kevin Allagapen
Chairman of the Audit and Risk Committee

27 September 2017

DIRECTORS' REPORT

The Board has pleasure in presenting its report to shareholders, together with the audited Annual Financial Statements for the year ended 30 June 2017.

NATURE OF BUSINESS

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") is registered and incorporated in Mauritius as a public company under the Mauritius Companies Act. As an investment holding company, it offers shareholders long-term capital appreciation by indirectly investing in a diversified portfolio of unlisted private equity type investments managed by Ethos Private Equity (Pty) Limited ("Ethos").

FINANCIAL OVERVIEW

A review of the operational and financial results of Ethos Capital is included in the Report by the Chairperson and CEO's Report on pages 7 and 9 of the Integrated Annual Report.

Ethos Capital started its operations on 5 August 2016, when its share capital was restructured and its A Ordinary Shares were listed on the JSE.

The Company ended its first operating financial year with a net asset value ("NAV") of R1.867 billion, which equates to a net asset value per share ("NAVPS") of R10.37. The Company achieved comprehensive profit over the financial year of R102.1 million.

TRADING STATEMENTS

Due to the nature of the business conducted by the Company, the Board has decided to adopt the NAVPS as the relevant measure for trading statement and short-form announcement purposes.

The sustainability of the NAVPS and growth thereon over a longer period of time is considered a more appropriate measurement of financial performance, in comparison to headline earnings per share and earnings per share. This approach has been approved by the JSE.

DIVIDEND

No dividend has been declared for the year under review.

SHARE CAPITAL

The Company restructured its share capital on 5 August 2016, and listed its A Ordinary Shares on the JSE. The issued share capital of the Company as at 30 June 2017 is set out in note 9 of the Notes to the Annual Financial Statements.

As at 30 June 2017, there were 187 459 898 A Ordinary Shares in issue (net of 40 102 treasury shares) and 10 000 B Ordinary Shares in issue.

SHARE PRICE AND DISCOUNT TO NAV

Ethos Capital's shares trade on the JSE at prices that are independent of the Company's NAV and hence the prices will not necessarily track the net asset value performance. The prices reflect the market and shareholders' sentiment towards the net asset value and future changes in it. During the year, the Company's shares predominantly traded at a discount to NAV.

The Board is committed to a policy of enhancing long-term shareholder value. As part of this strategy, the Board announced its intention to repurchase the Company's shares should the volume-weighted average price per share trade at a greater than 10% discount to the prevailing total NAV per share for a reasonably sustained period of time. In June 2017, the Board approved and commenced a buy-back programme of the Company's shares. Any shares acquired by the Company will be held in treasury to enable the Company to reissue these shares should the Board elect to do so.

REPURCHASE OF SHARES AND AUTHORITY

During the year, Ethos Capital repurchased 40 102 of its A Ordinary Shares, which were held in treasury at 30 June 2017.

The Company has a general authority to repurchase up to 20% of its A Ordinary Shares, in compliance with the applicable provisions of the JSE Listings Requirements and the Mauritius Companies Act. This authority will expire at the Annual General Meeting ("AGM") on 13 November 2017. At this AGM, shareholders will be requested to renew this authority until the conclusion of the next AGM. This authority also includes the authority for the Company to issue any treasury shares to the JSE, which will also expire at the next AGM.

CORPORATE GOVERNANCE

Details regarding the Company's compliance and commitment to corporate governance practices are provided in the Corporate Governance Report on page 39 and a specific register on the application of King III is available at www.ethoscapital.mu.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board believes the Company's systems and risk management processes are sufficiently effective to manage Ethos Capital's risks and the systems of internal financial and business controls are effective and form a basis for the preparation of reliable financial statements. Further information is provided on page 47 of the Integrated Annual Report.

BOARD OF DIRECTORS

The Board of Directors consists of five members who are all independent non-executive Directors. Further details are provided on page 40 of the Corporate Governance Report.

DIRECTORS' EMOLUMENTS

The Remuneration Committee is responsible for the emoluments of the non-executive Directors. Details of the emoluments are provided in note 16 of the Notes to the Annual Financial Statements.

BOARD EVALUATION

The Board reviewed the performance during the reporting year of the Directors, the Board as a whole and the Board Committees and deemed the performances satisfactory.

COMPANY SECRETARY

On 15 November 2016, the Company Secretary changed its name from Bedell Management Services (Mauritius) Ltd to Ocorian (Mauritius) Ltd ("Ocorian").

The Board assessed Ocorian's competence, qualifications, experience, independence, suitability and performance and found Ocorian to be competent and suitably qualified to act as Company Secretary.

AUDITOR

The Directors recommend the auditor, Deloitte & Touche, who has expressed willingness to continue in office, be reappointed at the forthcoming AGM.

GOING CONCERN STATEMENT

The Board of Directors has a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and be able to meet its outstanding commitments. Accordingly, the Board adopted the going concern basis in preparing the Annual Financial Statements.

DIRECTORS' INTERESTS IN THE COMPANY

The Directors' interests in the share capital of the Company at 30 June 2017 are disclosed in note 26 of the Notes to the Annual Financial Statements.

SPREAD OF SHAREHOLDERS

The shareholder spread and analysis of public and non-public shareholdings in the Company at 30 June 2017 are detailed in note 27 of the Notes to the Annual Financial Statements.

Signed on behalf of the Board of Directors:

Yvonne Stillhart
Chairperson

Kevin Allagapen
Independent non-executive Director

27 September 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPE CAPITAL PARTNERS LTD

Report on the audit of the financial statements

OPINION

We have audited the financial statements of EPE Capital Partners Ltd set out on pages 60 to 87, which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of EPE Capital Partners Ltd as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* ("IRBA Code") and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of Unlisted Investments	
The Company has indirect interests in a diversified pool of unlisted investments ("Portfolio Companies") by investing into Fund Limited Partnerships ("Funds") managed by Ethos Private Equity (Pty) Limited ("Ethos"). The fair value of these investments are determined using IFRS 13 "Fair Value Measurement" and International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. These investments are disclosed in note 5 "*Unlisted Investments at Fair Value*" of the Notes to the financial statements with a total value of R308 million. The directors receive year-end Net Asset Value ("NAV") statements of the Funds from Ethos. The NAV amounts are primarily calculated based on the individual fair values of each Fund's underlying Portfolio Companies, which are valued by Ethos. The "Earnings Multiple" methodology employed by Ethos, and described in note 4 "*Critical Judgements and Accounting Estimates*" of the notes to the financial statements, to value the underlying Portfolio Companies is subject to significant judgements. In determining a reasonable valuation multiple, Ethos develops a benchmark multiple with reference to the multiples of comparable companies. The benchmark multiple is adjusted for points of difference between the Company and the comparable companies relating to risk profile (geographic, operational, financial and liquidity factors, and growth prospects). We have identified the significant judgements, namely the selection of comparable companies and adjustments made to the earnings multiple, to be a key audit matter due to the sensitivity of the adjustments and the degree of subjectivity involved.	We assessed the valuation methodologies to ensure that they are appropriately applied in terms of IFRS 13 "*Fair Value Measurement*" and the IPEV Guidelines and challenged the assumptions used in the valuations as follows: • assessed the design and implementation and tested the operating effectiveness of the relevant key controls found within the Company and Ethos, with a specific focus on those controls mitigating the fair value risk. • reviewed the appropriateness and consistency of the comparable companies used in determining the earnings multiples applied in determining the fair value of the unlisted-investments. • critically assessed all discounts or premiums applied to the comparable companies' weighted average multiples to confirm these adjustments were fully supported, of sound business logic and fell within a range of acceptable industry norms. • selected data inputs used in the valuation model investments' valuation including the market capital and elements of earnings to ensure the accuracy, reliability and completeness of these inputs. • independently recalculated the NAV for each Fund and compared this to the NAV recorded by the directors to ensure no material differences were identified. • reviewed the disclosure of the unlisted investments in the financial statements to ensure the requirements of IFRS were met. The completion of our audit procedures listed above led us to conclude that the valuation of the unlisted investments and the disclosure of these investments were appropriate.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Report of the Audit and Risk Committee, the Report from the Company Secretary and the Integrated Annual Report, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of EPE Capital Partners Ltd for two years.

Deloitte & Touche
Registered Auditor
Per: Dinesh Munu
Partner

27 September 2017

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017

	Notes	30 June 2017 R'000
ASSETS		
Non-current assets		
Unlisted investments at fair value	5	307 939
Total non-current assets		**307 939**
Current assets		
Other assets and receivables	6	26 758
Money market investments at fair value	7	1 529 281
Cash and cash equivalents	8	10 044
Total current assets		**1 566 083**
TOTAL ASSETS		**1 874 022**
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	9	1 765 012
Retained earnings	10	102 067
Total equity		**1 867 079**
Current liabilities		
Other liabilities and payables	11	3 775
Current tax liabilities	12	3 168
Total current liabilities		**6 943**
TOTAL EQUITY AND LIABILITIES		**1 874 022**
NET ASSET VALUE		**1 867 079**
Net asset value per share (Rand)	20.2	**10.37**
Attributable shares in issue at end of period ('000)	20.2	**179 960**

No comparative financial information as at 30 June 2016 has been presented as the rounded amounts are insignificant, given the current presentation format which has been rounded to the nearest thousand – refer to note 25 of the Notes to the Annual Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 R'000
Income		
Investment income	13	123 901
Net fair value gains	14	2 683
Total income		**126 584**
Expenses		
Management and administration fees	15.1	(4 820)
Legal and consultancy fees	15.2	(8 917)
Other operating expenses	15.3	(7 612)
Total expenses		**(21 349)**
Profit before tax		**105 235**
Income tax expense	17	(3 168)
Profit for the year		**102 067**
Other comprehensive income for the year		–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**102 067**
Earnings per share		
Basic and diluted earnings per share (Rand per share)	20.1	0.57

No comparative financial information as at 30 June 2016 has been presented as the Company did not have any trading results in the prior financial period.
The above relate to continuing operations as no operations were acquired or discontinued during the year.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 Share capital R'000	Retained earnings R'000	Total equity R'000
Balance at 1 July 2016		**–**	**–**	**–**
Issue of Ordinary Shares	**9**	1 800 075	–	**1 800 075**
Share issue costs	**9**	(34 716)	–	**(34 716)**
Buy-back of Ordinary Shares	**9**	(347)	–	**(347)**
Income for the year	**10**	–	102 067	**102 067**
Balance at 30 June 2017		**1 765 012**	**102 067**	**1 867 079**

No comparative financial information as at 30 June 2016 has been presented as no Statement of Changes in Equity was presented in the 30 June 2016 Annual Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 R'000
Cash flows from operating activities		
Cash used in operations	19	(18 255)
Interest income from cash and bank balances		1 486
Net cash used in operating activities before investment activities		**(16 769)**
Cash flows from investing activities		
Net cash flow from non-current investments		**(283 256)**
Payments to acquire non-current investments		(293 393)
Proceeds on disposal of non-current investments		4 888
Interest received from non-current investments		4 634
Dividends received from non-current investments		615
Net cash flow from current investments		**(1 449 441)**
Payments to acquire money market investments		(3 277 616)
Proceeds on disposal of money market investments		1 774 211
Interest received from money market investments		53 964
Net cash used in investing activities		**(1 732 697)**
Cash used in operating and investing activities		**(1 749 466)**
Cash flows from financing activities		
Proceeds from issue of Ordinary Shares		1 800 075
Payment for share issue costs		(34 716)
Payment for buy-back of shares		(347)
Net cash generated by financing activities		**1 765 012**
Net increase in cash and cash equivalents		**15 546**
Cash and cash equivalents at the beginning of the year		–
Effects of exchange rate changes on the balance of cash held in foreign currencies		(5 502)
Total cash and cash equivalents at the end of the year		**10 044**

No comparative financial information as at 30 June 2016 has been presented as the rounded amounts are insignificant, given the current presentation format which has been rounded to the nearest thousand – refer to note 25 of the Notes to the Annual Financial Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 GENERAL INFORMATION

EPE Capital Partners Ltd ("Ethos Capital" or "the Company") was registered and incorporated in Mauritius as a private company on 26 May 2016 under the Mauritius Companies Act, and was converted to a public company on 15 July 2016. The Company is licensed as a Category One Global Business Company by the Financial Services Commission of Mauritius and is designed to offer shareholders long-term capital appreciation by investing in a diversified portfolio of unlisted private equity type investments.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The following new and revised standards and interpretations are relevant to the Company and have been adopted in these Annual Financial Statements. Their adoption has not had any significant impact on the amounts reported in these Annual Financial Statements, but may have affected the accounting and disclosure of transactions and arrangements.

These standards are effective for the companies with financial year-ends beginning on or after the effective date as noted for each standard.

Standard	Description/name of standard	Effective date
IFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
IFRS 7	*Financial Instruments: Disclosures*	1 January 2016
IFRS 14	*Regulatory Deferral Accounts*	1 January 2016
IAS 1	*Presentation of Financial Statements*	1 January 2016
IAS 27	*Separate Financial Statements*	1 January 2016
IAS 34	*Interim Financial Reporting*	1 January 2016

The standards issued but not yet effective for the financial year ended on 30 June 2017 that are relevant to the Company and not implemented early, are the following:

Standard	Description/name of standard	Effective date
IAS 7	*Statement of Cash Flows*	1 January 2017
IFRS 2	*Share-Based Payments*	1 January 2017
IFRS 4	*Insurance Contracts*	1 January 2017
IAS 12	*Income Taxes*	1 January 2017
IFRS 12	*Disclosure of Interest in Other Entities*	1 January 2017
IFRS 15	*Revenue from Contracts with customers*	1 January 2018
IFRS 9	*Financial Instruments*	1 January 2018
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRS 16	*Leases*	1 January 2019

The Directors anticipate that these amendments will be applied in the Annual Financial Statements for the annual periods beginning on or after the respective dates as indicated above. The Directors have not yet assessed the potential impact of the adoption of these amendments.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These Annual Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE; and the requirements of the Mauritius Companies Act, in so far as applicable to Category 1 Global Business Licensed companies.

The accounting policies applied in the preparation of these Annual Financial Statements are, where applicable to the prior financial year, consistent in all material respects with those used in the prior financial year (see note 25) and with IFRS.

The Annual Financial Statements have been prepared under the historical cost basis except for financial instruments and investments which are measured at fair value.

The Directors believe the Company has adequate resources to settle its obligations as and when they become due, therefore these Annual Financial Statements have been prepared on the going concern basis.

These Annual Financial Statements were compiled under the supervision of the Chief Financial Officer, Craig Dreyer, CA(SA), and were audited by the Company's independent auditor, Deloitte & Touche. They were approved by the Board on 27 September 2017.

3.2 Financial assets

Financial assets relevant to the Company are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"); and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised on the Statement of Financial Position when the Company becomes party to the contractual terms of the instruments. The Company's financial assets that are categorised as FVTPL include unlisted investments at fair value and money-market investments at fair value. Cash and bank balances, other assets and receivables are categorised as loans and receivables.

3.2.1 Financial assets at FVTPL

The Company obtains exposure to and has indirect interests in a diversified pool of unquoted investments ("Portfolio Companies") by investing in Fund Limited Partnerships ("Funds"), managed by Ethos Private Equity (Pty) Limited ("Ethos"), that typically have a 10-year life cycle. The Company becomes a Limited Partner of the Fund and the investments are made through commitments into the Funds. The investments are categorised as follows:

Primary: initial commitments made into Funds during a fundraising process.

Secondary: subsequent acquisitions of existing commitments from another Limited Partner.

Direct: acquisition of interests in underlying Portfolio Companies alongside the relevant Funds where the Funds require co-investors. These will be in addition to the Funds' participation via the Limited Partners' commitments and the Company's participation is structured via either a commitment into a separate Fund, which will then invest directly into the Portfolio Company, or a direct investment into the Portfolio Company.

In addition to the investment strategy, cash that is surplus to investments and working capital needs, is invested in a portfolio of low-risk and liquid debt instruments, categorised as Temporary Investments. These Temporary Investments are held at fair value and any discount/premium to the par value is amortised over the residual hold period of the investment and included as interest income in the Statement of Comprehensive Income.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Financial assets (continued)

3.2.1 Financial assets at FVTPL (continued)

As noted on the previous page, the Company's core unlisted investments are made via commitments into Funds. This commitment is not funded upfront when the commitment is made, but is drawn down via cash funding request ("capital calls") over the life of the Fund as required. The Fund has an investment period which typically expires five years after the final Fund closing date. The purpose of the capital calls during the investment period is to fund new and follow-on investments into Portfolio Companies, and to cover any operating expenses of the Fund. After the investment period ("realisation period"), capital calls will be requested to fund follow-on investments into existing Portfolio Companies, operating expenses of the Fund, and any other potential obligations of the Fund. Portfolio Companies could be realised, partially or in full, during either of the above periods, which will result in cash receipts by the Company. Depending on the nature of the realisation proceeds, the receipts will be classified as capital distributions and/or income distributions.

As per note 4 on page 70, the Company determines the fair value of the Funds, based on the net asset value ("NAV") of each fund, and will recognise the unrealised appreciation or depreciation in the Annual Financial Statements. The NAV is derived from the fair value assessment of the Portfolio Companies, cash resources and income (accrued or undistributed) and expenditure (incurred or accrued) of the Fund.

The Company's policies in respect of the treatment of the investment in the Funds through capital calls, the fair value movements on the Funds' NAV and the distributions are as follows:

Investment capital calls:	the amount is included in the cost of unlisted investments at fair value.
Expenses capital calls:	the amount is included within expenses and allocated to the specific expense category.
Capital distributions:	the amount relating to a return of cost of investment is credited to the cost of unlisted investments at fair value and the amount relating to gains or losses is recognised as such in the Statement of Comprehensive Income.
Income distributions:	the amount is recognised as investment income in the Statement of Comprehensive Income, per the revenue recognition policy.
Unrealised fair value appreciation/ depreciation:	any amount that relates to income or expenses of the Fund will be treated as such in the Statement of Comprehensive Income and any such income or expenses not yet received or paid, will be recognised as accrued income (see revenue recognition policy) or accrued expenses on the Statement of Financial Position; any other amount will be treated as a capital unrealised fair value adjustment in the Statement of Comprehensive Income and included within unlisted investments at fair value on the Statement of Financial Position.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Financial assets (continued)

3.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include other assets and receivables and cash and bank balances. These are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the effect of discounting is immaterial.

The carrying amounts of loans and receivables are assessed at the end of each reporting period for indicators of impairment. Impairment is relevant when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the asset have been affected. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

3.2.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Comprehensive Income.

3.3 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.3.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs. The Company's equity consists of A and B Ordinary Shares.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial liabilities and equity instruments (continued)

3.3.2 Treasury shares

Ordinary Shares that were repurchased by the Company are classified as treasury shares. The cost of treasury shares is deducted from equity in the Statement of Financial Position and shown as such on the Statement of Changes in Equity. The number of treasury shares is deducted from the issued and weighted average number of shares in issue. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3.3 Financial liabilities

The Company's financial liabilities, classified as other financial liabilities, consist of trade and other payables. The liabilities are measured at amortised cost using the effective interest method.

3.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Comprehensive Income.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

3.4.1 Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, net of any anticipated impairments. Interest income is included as investment income in the Statement of Comprehensive Income. Any discount to par achieved on money market instruments is amortised to cost over the maturity period of the investment and recognised as interest income, whereas any premium paid to par on such investments is amortised against the cost of the investment over its residual hold period and recognised as a charge against interest income.

3.4.2 Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measure reliably. Dividend income is included as investment income in the Statement of Comprehensive Income.

3.4.3 Investment gains or losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as fair value gains or losses in the Statement of Comprehensive Income.

3.5 Foreign currency transactions

3.5.1 Functional and presentation currency

Items included in the Annual Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Annual Financial Statements are presented in South African Rand ("ZAR"), the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Foreign currency transactions (continued)

3.5.2 Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities outstanding at reporting period are recognised in profit or loss.

Monetary assets and liabilities expressed in foreign currencies at the end of the reporting period are translated into ZAR at the closing rate ruling at that date. At 30 June 2017, the applicable rate used to translate foreign currency balances was USD1:ZAR13.1673.

3.6 Taxation

Taxation consists of Mauritius income tax and withholding taxes on foreign investment income earned.

Current income tax is the expected tax payable on the taxable profit for the current financial year, based on rates that have been enacted or substantively enacted by the end of the reporting year. To the extent that the Company incurred withholding taxes on foreign investment income, such income is recorded as a gross amount in the Statement of Comprehensive Income and withholding taxes are included in the taxation expense in the Statement of Comprehensive Income.

The Company has no deferred tax.

3.7 Segmental reporting

Since the Company has only one business segment, and all its investments are managed as one segment investing in private equity-type investments, segmental reporting is not applicable.

4 CRITICAL JUDGEMENT AND ACCOUNTING ESTIMATES: VALUATION OF INVESTMENTS

The basis of valuation of all investments is fair value. Fair value is determined as of the end of each quarter. All investments are valued in accordance with IFRS and the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines.

As stated above, the Company's investments mainly comprise drawn commitments into Funds, which in turn invest in Portfolio Companies in which the Company has an indirect interest.

The General Partners of these Funds provide quarterly NAV statements as calculated from the Investment Advisor's valuations, which the Directors of the Company use to determine the fair value of a Fund. The Investment Advisor's valuations as prepared in December are audited annually by its auditor, and its valuations as prepared in June are audited by the Company's auditor.

The Investment Advisor determines the individual fair value of each Fund's underlying Portfolio Companies and the Fund's NAV at the end of each quarter, and the June and December valuations and NAV are approved by its Board of Advisors. The policy of the Investment Advisor to determine the fair value of the Portfolio Companies, which is in accordance with the IPEV Valuation Guidelines, is noted below.

Initially, and for a limited period after the acquisition date of an investment, the "price of recent investment" method is generally used. At each reporting date after the initial acquisition date, an assessment is made as to whether subsequent changes or events necessitate a change in the fair value of the investment. If so, an "earnings multiple" methodology is generally applied.

4 CRITICAL JUDGEMENT AND ACCOUNTING ESTIMATES: VALUATION OF INVESTMENTS (continued)

In terms of the "earnings multiple" method, an appropriate and reasonable valuation multiple is applied to the maintainable earnings of the investment. For each investment, an "earnings before interest tax depreciation amortisation" ("EBITDA") or an "earnings before interest after tax" ("EBIAT") multiple is generally considered appropriate to determine the enterprise value for the investment. In deriving a reasonable valuation multiple, the Investment Manager develops a benchmark multiple, generally with reference to the multiples of comparable publicly traded companies adjusted for finance costs (i.e. multiples have been de-geared). The benchmark multiple is further adjusted for points of difference relating to risk profile (geographic, operational, financial, liquidity factors, and growth prospects).

Maintainable earnings are typically based on historical earnings figures that are considered to be appropriate and relevant. Once an enterprise value has been determined, it is adjusted for surplus assets, excess liabilities, and financial instruments ranking ahead of the Fund's investments. The resultant attributable enterprise value is then apportioned to all investors, included in the Fund's investments, based on their respective participation in each underlying security of the Portfolio Company (capital structure) and the relevant priority ranking of each underlying security and, where applicable, preferred income accrued on any security. All these variables are entered in very complex valuation models that calculate the fair value for each Portfolio Company, which are managed and maintained by the Investment Advisor.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations and subjective views in any valuation technique involving securities of the type in which the Funds invests (also see note 23.3.2). Therefore, the fair values presented herein may not be indicative of the amount the Funds could realise in a current transaction.

5 UNLISTED INVESTMENTS AT FAIR VALUE

	30 June 2017 R'000
Investments held at fair value through profit and loss:	
Unlisted investment in Ethos Mid Market Fund I (B) Partnership	247 412
Unlisted investment in Ethos Fund VI (Jersey), L.P.	60 527
	307 939
Consisting of:	
Cost	288 505
Unrealised capital appreciation at 30 June 2017	7 515
Accrued income	11 919
	307 939

On 17 November 2016, the Company made a R550 million commitment to the Ethos Mid Market Fund I ("EMMF I") and the first investment was made early in December 2016. The Company also acquired a US$10 million (R132 million) commitment in Ethos Fund VI ("EF VI") on 21 November 2016 through a secondary transaction. Ethos Mid Market Fund I (B) Partnership is one of the partnerships that collectively make up the EMMF I and similarly, Ethos Fund VI (Jersey), L.P. is one of the EF VI partnerships. Both these investments relate to the general private equity sector. At 30 June 2017, the Company's commitments to EMMF I and EF VI represent 60.6% and 1.6% respectively of the overall commitments to these Funds.

5 UNLISTED INVESTMENTS AT FAIR VALUE (continued)

At 30 June 2017, the underlying investments (Portfolio Companies) of the Funds constituting 16.5% of the Company's NAV, consisted of the following nine unlisted companies and other surplus cash and current assets held at the Fund level:

Name	Fund	Business description/sector	% of NAV 30 June 2017
Autozone	EF VI/EMMF I	Automotive parts retailer and wholesaler	6.7
Eazi Access	EF VI/EMMF I	Industrial equipment	3.9
Twinsaver	EF VI/EMMF I	Industrials FMCG	3.2
Waco	EF VI	Industrial support services	0.6
Kevro	EF VI	Branded clothing and corporate gifting	0.6
Eaton	EF VI	Cellphone tower business	0.6
BevCo*	EF VI	Bottling and distribution	0.3
RTT	EF VI	Industrial transportation services	0.2
Neopak	EF VI	Paper and packaging	0.1
Other	EF VI/EMMF I	Cash and current assets	0.3
			16.5

* *Holding company of Little Green Beverages.*

Further details on the unlisted investments and the underlying Portfolio Companies are provided in the Review of the Investment Portfolio and Returns section on page 13 of the Integrated Annual Report.

	Cost R'000	Capital appreciation R'000	Accrued income R'000	Total R'000
Reconciliation of movements:				
Balance at 1 July 2016	**–**	**–**	**–**	**–**
Acquisitions (net of equalisations)	293 393	–	–	293 393
Proceeds on disposal	(4 888)	–	–	(4 888)
Revaluation increase	–	7 515	11 919	19 434
Balance at 30 June 2017	**288 505**	**7 515**	**11 919**	**307 939**

6 OTHER ASSETS AND RECEIVABLES

	30 June 2017 R'000
Accrued income on money market investments	26 077
Prepayments	681
	26 758

The carrying amount of other assets and receivables approximates its fair value.

7 MONEY MARKET INVESTMENTS AT FAIR VALUE

	30 June 2017 R'000
Investments held at fair value through profit and loss:	
Floating rate notes	637 091
Negotiable certificates of deposit	577 473
Treasury bills	179 185
Cash and call accounts	135 532
	1 529 281
Consisting of:	
Cost	1 528 622
Unrealised appreciation at 30 June 2017	659
	1 529 281

The money market investments, or Temporary Investments as noted above, are managed by Ashburton Fund Managers Proprietary Limited ("Ashburton") under a discretionary investment management agreement dated 28 July 2016. These investments are currently invested in money market instruments that consist of a combination of floating rate notes, negotiable certificates of deposit ("NCD") and treasury bills.

At 30 June 2017, the following ranges of interest rates were applicable to the respective categories of money market instruments, from which the accrued income at 30 June 2017 was derived:

	30 June 2017	
	Low %	High %
Floating rate notes	8.142	8.317
NCD	7.675	8.400
Treasury bills	7.555	7.595

	Cost R'000	Capital appreciation R'000	Total R'000
Reconciliation of movements:			
Balance at 1 July 2016	**–**	**–**	**–**
Acquisitions	3 277 616	–	3 277 616
Disposals and maturities	(1 774 200)	–	(1 774 200)
Proceeds on disposals and maturities	(1 774 211)	–	(1 774 211)
Gain on disposals	11	–	11
Revaluation increase	–	659	659
Amortisation of net discount (refer to note 3.4.1)	25 206	–	25 206
Balance at 30 June 2017	**1 528 622**	**659**	**1 529 281**

8 CASH AND CASH EQUIVALENTS

	30 June 2017 R'000
Cash and bank balances:	
Call account	4 879
Bank balances	5 165
	10 044

9 ISSUED CAPITAL

	30 June 2017 Number	30 June 2017 R'000
Issued:		
A Ordinary Shares issued at R10.00 per share	180 000 000	1 800 000
A Ordinary Shares issued at R0.01 per share	7 500 000	75
B Ordinary Shares issued at R0.01 per share	10 000	–
Less: Share issue costs		(34 716)
Total issued at time of listing	**187 510 000**	**1 765 359**
A Ordinary Shares purchased	(40 102)	(347)
Total issued share capital	**187 469 898**	**1 765 012**

On 5 August 2016, 180 000 000 and 7 500 000 A Ordinary Shares, ranking *pari passu*, were issued at an issue price per share of R10.00 and R0.01 respectively. The A Ordinary Shares were admitted to listing and trading on the JSE at that date. Each A Ordinary Share entitles the holder to, including other rights as stated in the Company's Constitution, participate proportionately in any distribution made by the Company in respect of the A Ordinary Shares and to receive a proportion of the total net assets of the Company remaining upon its liquidation.

Costs that are directly attributable to the issue of all shares, amounting to R34 716 000, were capitalised and recognised as a deduction from share capital.

At the same time, 10 000 B Ordinary Shares were issued to the Trustees of the Ethos Private Equity Allocation Trust ("the EPE Trust"), at an issue price of R0.01 per share; these shares were not admitted to the JSE for listing and trading. The B Ordinary Shares are a mechanism to effect payment of the annual performance participation to the EPE Trust in the form of a cash dividend on the B Ordinary Shares, following the notional encumbrance termination date. The B Ordinary Shares therefore entitle the holders to, including other rights as stated in the Company's Constitution, participate proportionately in any distribution made by the Company in respect of the B Ordinary Shares and, upon the A Ordinary Shares issued to the EPE Trust at R0.01 per share ceasing to be encumbered (refer to note 20), to receive out of the profits of the Company an annual dividend that collectively represents the annual performance participation.

Further information on the A and B Ordinary Shares is provided in note 20.

During the year the Company purchased 40 102 of its A Ordinary Shares at an average price of R8.64 per share. These shares are currently held in treasury.

10 RESERVES

	30 June 2017 R'000
Retained earnings:	
Balance at 1 July 2016	**–**
Income during the year	102 067
Balance at 30 June 2017	**102 067**

11 OTHER LIABILITIES AND PAYABLES

	30 June 2017 R'000
Administration fee payable	575
Other payables	3 200
	3 775

The carrying amount of other liabilities and payables approximates its fair value.

12 INCOME TAX PAYABLE

	30 June 2017 R'000
Provision for current year income tax	3 168
	3 168

The carrying amount of income tax payable approximates its fair value.

13 INVESTMENT INCOME

	Year ended 30 June 2017 R'000
Interest from unlisted investments	15 854
Dividends from unlisted investments	1 314
Interest from money market investments	80 251
Interest from bank and call deposits	1 486
	98 905
Amortisation of net discount (refer to note 3.4.1)	24 996
	24 996
	123 901
Analysis of investment income by category of asset:	
Interest earned from fair value through profit and loss assets	121 101
Dividend earned from fair value through profit and loss assets	1 314
Loans and receivables (including cash and bank balances)	1 486
	123 901
Analysis of investment income by type:	
Mauritius interest	90
Foreign interest*	122 497
Foreign dividends*	1 314
	123 901

** South African sourced.*

14 NET FAIR VALUE GAINS/(LOSSES)

	Year ended 30 June 2017 R'000
Unrealised:	
Net gain arising on changes in the fair value of unlisted investments	7 515
Net gain arising on changes in the fair value of money market instruments	659
Net foreign exchange loss on conversion of cash and cash equivalents	(282)
	7 892
Realised:	
Gain on disposal of money market instruments	11
Net foreign exchange loss on conversion of cash and cash equivalents	(5 220)
	(5 209)
Net fair value gains	**2 683**

15 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Recurring fees Year ended 30 June 2017 R'000
15.1 Management and administration fees	
Management fees*	1 286
Administration fee – Ethos	1 482
Administration fee – Ashburton	2 052
	4 820

* *Payable to the Investment Manager of Ethos Fund VI (Jersey), L.P.*

Refer to note 21 for information on how the fees are calculated.

	Non-recurring fees Year ended 30 June 2017 R'000	Recurring fees Year ended 30 June 2017 R'000	Total Year ended 30 June 2017 R'000
15.2 Legal and consultancy fees			
Legal and consultancy fees	4 262	892	5 154
Fund formation fees	1 809	–	1 809
Expenses relating to the acquisition of investments	–	1 954	1 954
	6 071	**2 846**	**8 917**

15 PROFIT BEFORE TAX (continued)

	Non-recurring expenses Year ended 30 June 2017 R'000	Recurring expenses Year ended 30 June 2017 R'000	Total Year ended 30 June 2017 R'000
15.3 Other operating expenses			
Company secretarial and other administration fees	344	1 173	1 517
Directors' emoluments (refer to note 16)	–	3 353	3 353
Auditor's remuneration			
– Audit services – current year	–	852	852
Insurance costs	–	431	431
Sponsor fees	–	205	205
Other expenses	–	1 254	1 254
	344	**7 268**	**7 612**

16 DIRECTORS' EMOLUMENTS

The following emoluments were paid to the Directors during the year:

	Fees for services Year ended 30 June 2017 R'000	Total Year ended 30 June 2017 R'000
Emoluments:		
Derek Prout-Jones	1 267	1 267
Kevin Allagapen	278	278
Michael Pfaff	995	995
Yuvraj Juwaheer	310	310
Yvonne Stillhart	503	503
	3 353	**3 353**

17 INCOME TAX EXPENSE

	Year ended 30 June 2017 R'000
Current tax:	
In respect of the current year	3 168
Total income tax expense	**3 168**

The Company is liable for income tax at a rate of 15%. However, the Company is entitled to a tax credit equivalent to the higher of the actual foreign tax withheld and 80% of the Mauritius tax on its foreign source income, thus leaving an effective tax rate of 3%. The tax credit amount is limited to 80% of the net income tax payable before the tax credit.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 30 June 2017 R'000
Profit before tax:	**105 235**
Income tax calculated at 15%	**15 785**
Adjustments for the effect of:	
Mauritius interest income exempt from taxation	(14)
Expenses that are not deductible in determining taxable profit	1 256
– Legal and consultancy fees in respect of the formation of the Company	639
– Other expenses in respect of the formation of the Company	53
– Expenses relating to fund partnership formations	271
– Expenses relating to investment transactions	293
Realised fair value gains not deductible	(2)
Unrealised fair value gains not taxable	(1 184)
80% tax credit on foreign investment income	(12 673)
Total adjustments	**(12 617)**
Income tax expense recognised in current year	**3 168**

18 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	Original R'000	Outstanding 30 June 2017 R'000
Capital commitment:		
Unlisted investment in Ethos Mid Market Fund I (B) Partnership	550 000	319 205
Unlisted investment in Ethos Fund VI (Jersey), L.P.	131 673	55 874
	681 673	**375 079**
Contingent liabilities:		
Rand Merchant Bank ("RMB")		113 424
		113 424
Total commitments and contingent liabilities		**488 503**

On 17 November 2016, the first closing date of the Ethos Mid Market Fund, the Company made a R550 million commitment to the above Fund. The Fund has a term of 10 years from the final close date, which is expected to be in mid-2017, and its investment period will expire on the fifth anniversary of such final closing date.

The Company acquired a US$10 million (R132 million) commitment in Ethos Fund VI on 21 November 2016 through a secondary transaction in the above Fund. This Fund has an end date of December 2022 and its investment period is due to expire in December 2017. The outstanding commitments include unfunded guarantees provided by Ethos Fund VI (Jersey), L.P. on behalf of the Company, totalling R25.7 million, which have been included in contingent liabilities.

The Company has guaranteed against a R105 million five-year non-recourse loan facility (plus any outstanding interest thereon) issued by RMB to Black Hawk Private Equity Proprietary Limited ("Black Hawk"), expiring on 29 July 2021. The proceeds of the facility, signed on 28 July 2016, were used by Black Hawk to subscribe to R105 million of A Ordinary Shares on behalf of the two non-executive Directors who are members of the Company's investment committee. The above amount represents the current outstanding balance on the facility, including any accrued interest charges to 30 June 2017. Interest currently accrues at a rate that is based on JIBAR plus a 1% margin, and the interest is intended to be rolled up and settled with the capital amount outstanding upon the maturity of the loan or an earlier repayment event.

19 NOTES TO THE STATEMENT OF CASH FLOWS

	Year ended 30 June 2017 R'000
Cash flows from operating activities before investment transactions:	
Profit for the year	**102 067**
Adjustments for:	
Investment income recognised in profit	(123 901)
Loss from fair value adjustments	(8 174)
Net foreign exchange loss	5 502
Gain on disposal of investments	(11)
Income tax expense recognised in profit	3 168
	(21 349)
Movements in working capital	**3 094**
Increase in trade and other receivables	(681)
Increase in trade and other payables	3 775
Cash used in operations	**(18 255)**

20 EARNINGS AND NET ASSET VALUE PER SHARE

As set out in note 9, the Company issued 187 500 000 A Ordinary Shares, 7 500 000 of which were issued to the EPE Trust and are currently notionally encumbered. Until these shares are released from their encumbrance (through the national performance participation (refer to note 21)), the Company has an irrevocable right and option to acquire the notionally encumbered A Ordinary Shares at a repurchase price of R0.01 per share, being each share's fair value, and then to apply for the delisting of such shares acquired. The holders of these shares are therefore restricted from selling the shares to any party other than the Company and obtaining or sharing in any economic benefit derived from the shares, until they are released from their encumbrance.

Given the restrictions the encumbered shares place on the holder and the probability of the shares being delisted unless certain contingent conditions are met, they are excluded from the calculations to determine the earnings, headline earnings and net asset value per share respectively. The calculations below therefore reflect the earnings, headline earnings and NAV attributable to the unrestricted A ordinary shareholders.

	Year ended 30 June 2017 R'000
20.1 Earnings and headline earnings per share	
Total comprehensive profit attributable to ordinary shareholders	**102 067**
Reconciliation of basic earnings to headline earnings:	
Total comprehensive profit attributable to ordinary shareholders	102 067
Items attributable to headline earnings	–
Headline earnings for the year	**102 067**

	'000
Number of shares in issue during the year	187 500
Less: Treasury shares	(40)
Less: Notionally encumbered shares	(7 500)
Number of attributable shares in issue at the end of the year	**179 960**
Weighted average number of Ordinary Shares for the purpose of earnings per share	**180 000**
Basic and diluted earnings per share (Rand)	**0.57**
Basic and diluted headline earnings per share (Rand)	**0.57**

	30 June 2017 R'000
20.2 NAV per share	
Net assets	**1 867 079**
NAV per share (Rand)	**10.37**

21 KEY AGREEMENTS

The Company has entered into an investment services agreement with Ethos, the terms of which stipulate that the latter, as investment advisor, will provide investment advice (including sourcing investments), administrative and back-office services to the Company. As payment for these services, Ethos receives investment services, management and administration fees that are calculated and paid quarterly.

The investment services fee is 1.5% of the average of the opening invested NAV and closing invested NAV for Direct Investments; and the management fee is 1.5% of the average of the opening invested NAV and closing invested NAV for Primary Investments. In no event shall any of the above fees be less than zero and both fees are only effective from 1 July 2017. In respect of any Secondary Investments acquired, the management fee payable thereon will be the Company's proportionate share of any management fee charged by and payable to the manager of such Fund.

Ethos receives a fee of 0.25% of the average balance of the Temporary Investments as an administration fee for providing the administrative and back-office services. As noted above, the Company has an investment management agreement with Ashburton to manage its Temporary Investments. The administration fee paid to Ethos is reduced by any fees payable to Ashburton, changed at 0.15%.

The Company has also entered into a subscription agreement with the EPE Trust that sets out and manages the terms of the A and B Ordinary Shares the EPE Trust subscribed for, as well as the annual performance participation to which EPE Trust is entitled. The annual notional performance participation, and annual performance participation thereafter, is based on 20% of the growth in NAV of invested assets and is triggered each year if the NAV growth exceeds a preferred hurdle of 10%. The performance is also measured over a cumulative three-year measurement period to ensure the average NAV growth over such period exceeds the preferred hurdle; to the extent that the aggregate of the three annual participations is more or less than the three-year average calculation, an adjustment to or provision for the performance participation will be made in the final year of the measurement period and adjusted in subsequent periods if necessary.

22 RELATED PARTIES

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including Directors) of the Company. The Board of Directors considered the key agreements, transactions and relationships between the Company and other entities and have classified the entities listed below as a related party. Where applicable, any transaction with a related party is disclosed below.

Key management personnel (including Directors)
Non-executive Directors
Senior Advisors
Entity is a provider of key management personnel to the Company
Ethos
Entity controlled or jointly controlled by an identified related party of the Company
Enoha GmbH
Black Hawk

22 RELATED PARTIES (continued)

22.1 Investment-related fees

The fees, as described in note 21, that were payable to the Ethos Group during the year and any outstanding balances at 30 June 2017, are listed below:

	Year ended 30 June 2017 R'000
Fees payable:	
Management fees	1 286
Administration fees	1 482
	2 768

	30 June 2017 R'000
Outstanding balances:	
Administration fees	384
	384

22.2 Remuneration of Directors

The individual remuneration of the Directors, who are classified as "key management personnel", and therefore as related parties of the Company, are disclosed in note 16.

Included in the above remuneration is an amount of R503 000 paid to Enoha GmbH in respect of the Director's remuneration of Yvonne Stillhart.

There was no outstanding remuneration due at 30 June 2017.

22.3 Other

As set out in note 18, the Company provided a guarantee on a R105 million loan facility (including any accrued interest) in favour of Black Hawk. Black Hawk subscribed to the A Ordinary Shares of the Company (see notes 26 and 27) for the benefit of the two Directors and/or their associates.

23 FINANCIAL RISK FACTORS AND INSTRUMENTS

23.1 Overview

This note presents information about the Company's exposure to each of the below-mentioned risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products offered.

Through the Company's activities, it is exposed to a variety of risks that could result in changes to the net asset value or its performance.

The main risks the Company is exposed to which could result in changes to the NAV or its performance are: capital risk; valuation risk; market risk (comprising currency risk, interest rate risk and equity price risk); credit risk; and liquidity risk.

23 FINANCIAL RISK FACTORS AND INSTRUMENTS (continued)

23.2 Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of its balance sheet.

The capital structure of the Company consists of equity attributable to ordinary shareholders, comprising share capital, and retained earnings. The Company currently does not have a committed bank facility, but the intention is to put a facility in place to fund its core unlisted investments (if needed) in addition to the available Temporary Investments.

The Company's liquidity profile, current and forecast, is monitored on a continuous basis by the Board and is considered before investments are approved.

23.3 Valuation risk

23.3.1 Risk, policies and procedures

The Company's exposure to valuation risk arises from movements in its unquoted investments into the Funds, whose valuations of their NAV in turn are derived from the valuations of the Portfolio Companies in which they invest. The Portfolio Companies are valued in accordance with the IPEV Valuation Guidelines and their valuations are largely derived from observable inputs. In addition, movements in the money market investments of the Company are valued by using observable inputs other than quoted prices, also provide valuation risk exposure.

As noted earlier, the General Partners of the Funds provide quarterly NAV statements as calculated from the Investment Advisors' valuations, which the Directors of the Company use to determine the fair value of a Fund. The financial year-end directors' valuation at 30 June has been audited by the Company's auditor. As noted below, by being a limited partner in the Funds and, where applicable, having a representative on the Advisory Committee of the Funds, the Board of Directors has indirect access to quarterly reports that summarise the performance and valuation outcomes of the underlying Portfolio Companies to gain an understanding of the Funds' fair value and the underlying drivers of the NAV. Representatives of the investment advisor are also available upon request to provide further and timely access to information and address any concerns the Board might have or provide any additional information requests. The Board will also regularly review and assess the appropriateness of its own valuation policy and the Investment Advisor's valuation policy and processes.

The Investment Advisor determines the individual fair value of each Fund's underlying Portfolio Companies at the end of each quarter. The individual valuations, as prepared by Ethos' investment executives, are independently reviewed by senior executives/partners of Ethos. These executives then submit and present the valuations to the Ethos valuation committee, which consists of a number of senior executives/partners of Ethos. Once the committee has approved the valuations, the valuations are submitted to the General Partner, who will issue the quarterly NAV statements and information on the valuations to each Fund's Advisory Committee and its limited partners. In addition, the December valuations are reviewed and audited by the Fund's auditor, before being issued to the General Partner, and the June valuations are audited by the Company's auditor.

23.3.2 Fair value classification of investments

Financial assets and liabilities carried at fair value need to be classified within the appropriate level of hierarchy on which their fair values are based. The information overleaf sets out the different levels as well as the classification of the Company's assets and liabilities where appropriate.

23 FINANCIAL RISK FACTORS AND INSTRUMENTS (continued)

23.3 Valuation risk (continued)

23.3.2 Fair value classification of investments (continued)

Investments trading in active markets and deriving their fair value from quoted market prices of identical assets are classified within level 1. These prices provide the most reliable fair value classification and the Company does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Company is the current bid price.

Investments trading in markets not considered to be active and deriving their fair value from observable inputs other than quoted prices included within level 1 are classified within level 2. These inputs need to be directly or indirectly observable for the investment and can include: quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived or corroborated by observable market date. The Company's money market investments will typically be classified within level 2.

Level 3 classification applies to investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments in fund limited partnerships are within this level.

The financial assets and liabilities measured at fair value in the Statement of Financial Position can be summarised as follows within the fair value hierarchy:

30 June 2017	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets:				
Unlisted investments	–	–	307 939	307 939
Money market investments	–	1 529 281	–	1 529 281
Accrued income on money market investments	–	26 077	–	26 077
	–	**1 555 358**	**307 939**	**1 863 297**

During the period, there were no transfers of assets from level 1 to level 2 or 3, level 2 to level 1 or 3, or level 3 to level 1 or 2.

The following table presents the movement in level 3 assets during the period by class of financial instrument:

	Unlisted investments 30 June 2017 R'000
Non-current assets	
Acquisitions	371 216
Realisations and equalisations at carrying value of acquisitions	(82 711)
Net gains included in the Statement of Comprehensive Income	19 434
	307 939

The Board of Directors has approved the valuation method for level 3 investments as set out in the accounting policies. The valuation techniques used, and the inputs available to determine the fair value of each investment, are detailed in note 4. The inputs that are available to the Board of Directors to determine fair value of each investments is the NAV of each Fund partnership as provided by the Fund's General Partner, based on the valuation information prepared by the Investment Advisor.

23 FINANCIAL RISK FACTORS AND INSTRUMENTS (continued)

23.3 Valuation risk (continued)

23.3.2 Fair value classification of investments (continued)

The main inputs available to the Investment Advisor to determine the valuation on a case-by-case basis for each of the underlying Portfolio Companies, from which the NAV of the Funds are derived, are: maintainable earnings, trading multiples, third-party debt and capital structures. Earnings, for instance EBITDA, are based on either the most recent or historic reported EBITDA on a last-twelve-months basis, adjusted to a sustainable earnings level.

Trading multiples are determined by identifying comparable public companies based on, for instance, their industry, size, growth stage, revenue generation, and strategy. Once a public company's trading multiple is obtained, it is firstly de-geared, and the Investment Advisor then adjusts the multiple for considerations such as country discount, operational risk, financial risk, growth prospects, liquidity discount and other differences between the public company and the Portfolio Company, based on company-specific facts and differences. The Investment Advisor can also, in addition to the original transaction multiples, consider recent private transactions in similar securities as the Portfolio Company or third-party transactions, and adjust the trading multiples as deemed appropriate.

The capital structure of each Portfolio Company determines the ranking or distribution waterfall of how the fair value is, firstly, allocated to each type of security and, secondly, to each holder of such securities, for example taking into consideration preferred rights or incentive schemes upon an exit scenario.

All these numerical and subjective inputs are recorded and maintained, for each Portfolio Company, in a valuation model designed and updated by the Investment Advisor. The Board of Directors has no direct access to or input into these valuation models or the subjective assessments that were considered in deriving the fair value and are not reasonably available to the Board. All these inputs and considerations are largely interdependent and subjective, and the models are complex for an outside party to manage. Therefore, it is not reasonable, and potentially misleading, for the Board to determine and present to the shareholders of the Company a sensitivity analysis of the potential impact on changes to one or more of the underlying inputs to fair value.

23.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Board agrees and reviews the Company's policies for managing these risks.

23.4.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's unlisted investments are currently all held in ZAR-denominated Funds, as are the Funds' underlying investments in Portfolio Companies. The Portfolio Companies might operate in multi-currency jurisdictions and will manage their own currency risk, which could be through funding their debt in multiple currencies that match their operations or foreign exchange hedging policies. The Board actively monitors the Company's currency exposure and will consider hedging strategies if required and as appropriate. In addition, relatively small amounts of cash and cash equivalents are held in US$ to fund operating expenses, which will not be materially impacted by changes in foreign exchange rates.

23 FINANCIAL RISK FACTORS AND INSTRUMENTS (continued)

23.4 Market risk (continued)

23.4.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate based on changes in market interest rates. The Company has exposure to interest rate risk through its Temporary Investments (money market investments) that are largely invested in fixed-rate instruments and floating rate notes with a relatively short re-pricing period. The fair value of the money market instruments is largely dependent on the market interest rates and could fluctuate with changes in the latter.

The performance, maturity profile and sensitivity analysis of Temporary Investments are reviewed regularly and Ashburton aims to match the liquidity profile with the Company's liquidity requirements to optimise the returns. The Temporary Investments are managed by Ashburton under an investment management agreement that sets certain permitted securities and limits within which they have to manage the portfolio to provide a balance of risk and returns that the Board is comfortable with.

The table below demonstrates the sensitivity in the fair value at 30 June 2017 of the Temporary Investments held at 30 June 2017 based on assumed changes to the market interest rates (measured in basis points ("bp") at different intervals and taking into account the maturity dates of the securities.

	Fair value adjustment 30 June 2017 R'000
Change in market interest rates assumed:	
-75 bp	2 022
-50 bp	1 348
-25 bp	674
+25 bp	(674)
+50 bp	(1 348)
+75 bp	(2 022)

23.4.3 Equity price risk

Whilst the Company does not currently hold any direct equity securities, it is indirectly exposed to equity price risk through the valuation of the underlying portfolio investments held by its investments in Funds. The fair value of these companies is largely derived from comparable market ratings, which are derived from public companies' quoted market prices and earnings. The underlying Portfolio Companies are valued quarterly and the Board has access to the valuation information to monitor and review the fair value of the investments and consider any impairments where appropriate.

The table below illustrates the sensitivity in the fair value of the unlisted investments held at 30 June 2016 based on fluctuations in the price of its unlisted investments.

	Fair value adjustment 30 June 2017 R'000
Change in equity prices assumed:	
+5%	15 397
-5%	(15 397)

23 FINANCIAL RISK FACTORS AND INSTRUMENTS (continued)

23.5 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount of financial assets at the reporting date. The Company believes that, through investing in Funds managed by an experienced Investment Advisor with a proven track record, given the diverse number of Portfolio Companies each Fund invests in and by managing concentration risk in its portfolio, the risk is reduced. In addition the Company has an Investment Committee with experienced members who enforce a rigorous assessment, review and due diligence with each investment decision. The Board receives regular updates from the Investment Advisor to enable it to monitor the performance of the underlying investments.

Furthermore, the Company's Temporary Investments are managed by Ashburton, which is mandated to invest in treasury bills issued by the government of the Republic of South Africa as well as short-term paper issued by the big four South African banks and the investment management agreement has certain restrictions and limits, set by the Board, to manage the Company's credit risk exposure. Cash and cash equivalents are held with FirstRand Bank Ltd (South Africa) and Investec Bank (Mauritius) Ltd. The carrying amount of the financial assets in the Annual Financial Statements represents the Company's maximum exposure to credit risk.

23.6 Liquidity risk

This risk occurs when the Company is unable to meet its short-term obligations, largely due to its inability to convert its financial assets into cash and cash equivalents. The Company's strategy is to make long-term commitments into fund limited partnerships that invest in unlisted Portfolio Companies, which are not as readily realisable as quoted investments. The Company might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of Temporary Investments that are tradeable on short notice in active markets and cash and cash equivalents. The maturity profile of Temporary Investments is reviewed regularly and Ashburton aims to match the liquidity profile with the Company's liquidity requirements to ensure the availability of resources when required. The Company currently has a significant proportion of its net assets invested in such liquid resources.

24 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date that would require disclosure or adjustment to the Annual Financial Statements for the year ended 30 June 2017.

25 COMPARATIVE FINANCIAL INFORMATION

The comparative financial information as at 30 June 2016 that consisted of cash and share capital of R1 each has not been presented as the Annual Financial Statements have been presented to the nearest thousand Rand.

26 DIRECTORS' INTERESTS

The table below sets out the interests in the share capital of the Company held by Directors at 30 June 2017:

	A Ordinary Shares 30 June 2017 Number	A Ordinary Shares 30 June 2017 %
Derek Prout-Jones[1]	6 750 000	3.60
Michael Pfaff[1]	6 750 000	3.60
Yvonne Stillhart	610 000	0.33
	14 110 000	**7.53**

[1] *Held through Black Hawk.*

There were no changes to the above interests since 30 June 2017 up to 27 September 2017. No comparative interests exist at the end of 30 June 2016, since the Company only listed its A Ordinary Shares on 5 August 2016.

27 SPREAD OF SHAREHOLDERS

The shareholder spread and analysis of public and non-public shareholdings in the Company at 30 June 2017 are as follows:

	Number of shareholders 30 June 2017	% of shareholders 30 June 2017	Number of A Ordinary Shares 30 June 2017	% of total A Ordinary Shares 30 June 2017
Shareholder spread:				
1 – 50 000 shares	1 913	85.83	19 272 533	10.28
50 001 – 500 000 shares	251	11.26	42 055 643	22.43
500 001 – 1 000 000 shares	28	1.26	20 431 316	10.90
1 000 001 – 5 000 000 shares	31	1.39	59 328 149	31.65
5 000 001 – 10 000 000 shares	5	0.22	32 872 257	17.54
More than 10 000 000 shares	1	0.04	13 500 000	7.20
	2 229	**100.00**	**187 459 898**	**100.00**

	Number of A Ordinary Shares 30 June 2017	% of total A Ordinary Shares 30 June 2017
Public shareholders	**163 640 000**	**87.20**
Non-public shareholders	**23 819 898**	**12.71**
Directors	14 110 000	7.53
Ethos and associates	9 709 898	5.18
	187 459 898	**100.00**

There is only one shareholder, Black Hawk, with a shareholding of more than 5%. This shareholding is on behalf of two non-executive Directors as set out in note 26.

ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of shareholders of EPE Capital Partners Ltd ("Ethos Capital" or "the Company") will be held in the VOC Boardroom, 28th Floor Portside Building, 5 Buitengracht Street, Cape Town, South Africa at 14:00 on Monday, 13 November 2017.

PURPOSE

The purpose of the AGM is to pass the ordinary and special resolutions, if approved, with or without amendment, as noted below:

AGENDA

Presentation of the audited Annual Financial Statements of the Company, including the Directors' Report, the Report of the Audit and Risk Committee and the Independent Auditor's Report for the financial year ended 30 June 2017. The Integrated Annual Report, of which this notice forms part, contains the Company's Annual Financial Statements and the above-mentioned reports. The Annual Financial Statements, including the unmodified opinion of the auditor, are available on the Company's website at www.ethoscapital.mu, or may be requested and obtained in person, at no charge, at the registered office of the Company during office hours.

To consider and, if deemed fit, approve with or without modification, the following ordinary and special resolutions:

1 CONSIDERATION AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND CONSIDERATION OF THE INTEGRATED ANNUAL REPORT

Ordinary resolution number 1

"**Resolved that** the audited Annual Financial Statements of the Company, including the Directors' Report the Report of the Audit and Risk Committee and the Independent Auditor's Report for the financial year ended 30 June 2017, be considered and approved and the Integrated Annual Report be considered."

Reason for and effect of ordinary resolution number 1

The reason for the passing of this resolution is that sections 5.4.1 – 5.4.3 of schedule 2 of the Company's Constitution provide that at each AGM the Company's Annual Financial Statements be considered and approved, the Independent Auditor's Report be received and the Integrated Annual Report be considered.

The effect of each of these resolutions is to receive the Annual Financial Statements, including the Independent Auditor's Report, and the Integrated Annual Report, both for the year ended 30 June 2017, as provided for by the Constitution.

2 APPOINTMENT OF THE SOUTH AFRICAN AUDITOR

Ordinary resolution number 2

"**Resolved that** the auditor, Deloitte & Touche South Africa, as the independent registered auditor of the Company, with Dinesh Munu, as the individual registered auditor and partner of the firm who will undertake the audit of the Company in relation to its South African matters, be reappointed upon the recommendation of the Audit and Risk Committee and the Board of Directors."

Reason for and effect of ordinary resolution number 2

The reason for the passing of this resolution is that section 2.5.1 of the Company's Constitution provides that at each AGM the Company must appoint an auditor.

The firm Deloitte & Touche South Africa is an accredited auditor appearing as such on the list of accredited auditors of the JSE in South Africa.

The independence of Deloitte & Touche South Africa was confirmed to be untainted.

Dinesh Munu is a registered auditor and partner with Deloitte & Touche South Africa and is, *inter alia*, registered with the South African Institute of Chartered Accountants. In terms of the prescribed auditor rotation requirements, he is eligible to serve as the individual auditor to lead the audit of the Company.

Deloitte & Touche South Africa and Dinesh Munu qualify for appointment as the Company's external auditor in terms of prescribed legislation and applicable ethical codes.

The effect of this resolution is that the appointment of Deloitte & Touche South Africa as the auditing firm of the Company, and Dinesh Munu as the individual designated auditor responsible for leading any audit in respect of the Company, is confirmed and endorsed by the shareholders.

3 APPOINTMENT OF THE MAURITIAN AUDITOR

Ordinary resolution number 3

"**Resolved that** the auditor, Deloitte & Touche Mauritius, as the independent registered auditor of the Company, with Twaleb Butonkee, as the individual registered auditor and partner of the firm who will undertake the audit of the Company in relation to its Mauritian matters, be reappointed upon the recommendation of the Audit and Risk Committee and the Board of Directors."

Reason for and effect of ordinary resolution number 3

The reason for the passing of this resolution is that section 2.5.1 of the Company's Constitution provides that at each AGM the Company must appoint an auditor.

The independence of Deloitte & Touche Mauritius was confirmed to be untainted.

Deloitte & Touche Mauritius and Twaleb Butonkee qualify for appointment as the Company's external auditor in terms of prescribed legislation and applicable ethical codes.

The effect of this resolution is that the appointment of Deloitte & Touche Mauritius as the auditing firm of the Company, and Twaleb Butonkee as the individual designated auditor responsible for leading any audit in respect of the Company, is confirmed and endorsed by the shareholders.

4 RE-ELECTION OF DIRECTORS

4.1 Ordinary resolution number 4

"**Resolved that** Mr Derek Prout-Jones, who retires at the first AGM and is eligible, and who has made himself available for re-election, be re-elected as a Director of the Company."

4.2 Ordinary resolution number 5

"**Resolved that** Mr Kevin Allagapen, who retires at the first AGM and is eligible, and who has made himself available for re-election, be re-elected as a Director of the Company."

4.3 Ordinary resolution number 6

"**Resolved that** Mr Michael Pfaff, who retires at the first AGM and is eligible, and who has made himself available for re-election, be re-elected as a Director of the Company."

4.4 Ordinary resolution number 7

"**Resolved that** Mr Yuvraj Juwaheer, who retires at the first AGM and is eligible, and who has made himself available for re-election, be re-elected as a Director of the Company."

4.5 Ordinary resolution number 8

"**Resolved that** Ms Yvonne Stillhart, who retires at the first AGM and is eligible, and who has made herself available for re-election, be re-elected as a Director of the Company."

Reason for and effect of ordinary resolutions numbers 4 – 8

The reason for the passing of this resolution is that section 18.3.1 of the Company's Constitution provides that the first Directors' term ends at the first AGM and they may stand for re-election.

The reason for each of these resolutions is to authorise the appointment of the above-stated persons to the Board of Directors as allowed by the Constitution.

An abbreviated curriculum vitae of each person standing for re-election is set out on pages 40 to 46 of the Integrated Annual Report and, for purposes of these resolutions, is regarded as forming an integral part of these resolutions.

The effect of each of these resolutions is to authorise the appointment of the above-stated persons to the Board of Directors as allowed by the Constitution.

5 RE-ELECTION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

5.1 Ordinary resolution number 9

"**Resolved that** Mr Derek Prout-Jones, who retires at the AGM and has made himself available for re-election, be re-elected as a member of the Audit and Risk Committee, subject to the approval of ordinary resolution 4 above."

5.2 Ordinary resolution number 10

"**Resolved that** Mr Kevin Allagapen, who retires at the AGM and has made himself available for re-election, be re-elected as a Chairperson of the Audit and Risk Committee, subject to the approval of ordinary resolution 5 above."

5.3 Ordinary resolution number 11

"**Resolved that** Mr Yuvraj Juwaheer, who retires at the AGM and has made himself available for re-election, be re-elected as a member of the Audit and Risk Committee, subject to the approval of ordinary resolution 7 above."

Reason for and effect of ordinary resolution numbers 9 – 11

The reason for the passing of these resolutions is that section 2.6.2 of the Company's Constitution provides that at each AGM the Company must elect the members of the Audit and Risk Committee.

The reason for each of these resolutions is to authorise the appointment of the above-stated persons to the Audit and Risk Committee as allowed by the Constitution.

The Board is satisfied that the above-mentioned persons possess the appropriate qualifications, skills and experience to fulfil their Audit and Risk Committee obligations allowed by the Constitution.

An abbreviated curriculum vitae of each person standing for re-election is set out on pages 40 to 42 of the Integrated Annual Report and, for purposes of these resolutions, is regarded as forming an integral part of these resolutions.

The effect of each of these resolutions is to authorise the appointment of the above-stated persons to the Audit and Risk Committee as allowed by the Constitution.

6 APPROVAL OF DIRECTORS' REMUNERATION

Ordinary resolution number 12

"**Resolved that** the all-inclusive gross remuneration to be paid to the non-executive Directors for their services as Directors for the year 1 July 2017 to 30 June 2018, and for the year 1 July 2016 to 30 June 2017 for Yvonne Stillhart, as set out below, is hereby approved."

Directors' remuneration	Year to 30 June 2018 Rand
Derek Prout-Jones	1 500 000
Kevin Allagapen	320 000
Michael Pfaff	1 180 000
Yuvraj Juwaheer	320 000
Yvonne Stillhart	600 000

Directors' remuneration	Year to 30 June 2017 Rand
Yvonne Stillhart	556 000

Reason for and effect of ordinary resolution number 12

The reason for the passing of the resolution is that section 18.5.1 of the Company's Constitution provides that, notwithstanding anything to the contrary contained in the Constitution or any agreement, understanding or arrangement with a Director, the Company shall not be obliged or entitled or required to pay any remuneration to a Director for their services as Directors (which shall exclude salaries of executive Directors) except such remuneration has been approved by and is in terms of an ordinary resolution.

Accordingly, the reason for this resolution is, *inter alia*, to approve the remuneration and basis for compensation of the non-executive Directors for the ensuing year and in respect of the current financial year for Yvonne Stillhart. The shareholder of the Company increased Yvonne Stillhart's remuneration for the current financial year after the last shareholders' meeting and thus the increase needs to be ratified at the AGM.

The effect of this resolution is that the non-executive Directors' remuneration and basis for compensation will be authorised for the period 1 July 2017 until 30 June 2018 and for 1 July 2016 and 30 June 2017 in respect of Yvonne Stillhart.

7 APPROVAL OF GENERAL AUTHORITY TO ACQUIRE OR REPURCHASE THE A ORDINARY SHARES IN THE COMPANY

Special resolution number 1

"**Resolved that** the general authority of the Company to repurchase its A Ordinary Shares, upon such terms and conditions and in such amounts as the Directors may from time to time decide in their discretion, but subject to the Company's Constitution, the provisions of the Mauritius Companies Act and the JSE Listings Requirements, is hereby approved, provided that:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Ethos Capital and the counterparty (reported trades are prohibited);
- authorisation for the repurchase is given by the Company's Constitution;
- at any point in time, Ethos Capital may only appoint one agent to effect any repurchase(s) on Ethos Capital's behalf;
- this general authority will be valid until Ethos Capital's next AGM or 15 months from the date of passing this resolution, whichever is earlier;
- an announcement will be published on SENS as soon as Ethos Capital has acquired any of its securities of a relevant class constituting, on a cumulative basis, 3% of the number of securities of that relevant class in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such repurchases, such announcement to be published as soon as possible and not later than 08:30 (South African standard time) on the business day in South Africa and Mauritius following the day on which the relevant threshold is reached or exceeded, and the announcement shall comply with the requirements of the JSE Listings Requirements in this regard;
- repurchases by Ethos Capital of its securities may not, in aggregate in any one financial year, exceed 20% of Ethos Capital's issued share capital of that class in the relevant financial year;
- in determining the price at which securities issued by Ethos Capital are acquired by it in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% of the weighted average of the market value at which such securities are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such securities by Ethos Capital. The JSE should be consulted for a ruling if such securities have not been traded during the course of such five-business-day period;
- Ethos Capital may not repurchase any of its securities in terms of this authority during a "prohibited period" (as such term is defined in the JSE Listings Requirements), unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing. Ethos Capital must instruct an independent third party, which makes its investment decisions in relation to Ethos Capital's securities independently of, and uninfluenced by, Ethos Capital, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- Ethos Capital may not enter the market to proceed with the repurchase of its securities until Ethos Capital's sponsor has confirmed in writing to the JSE that it has discharged its responsibility in terms of schedule 12 of the JSE Listings Requirements;
- any such repurchase may be subject to Exchange Control Regulations and approval at that time; and
- a resolution has been passed by the Board authorising the repurchase and confirming that Ethos Capital passed the solvency test in terms of the Mauritius Companies Act and that from the time the test was done there have been no material changes to the financial position of the Company."

Reason for and effect of special resolution number 1

The reason for the passing of this resolution is to grant the Company a general authority in terms of the JSE Listings Requirements for the acquisition by the Company of its securities, which authority shall be valid until the next AGM, provided that the general authority shall not extend beyond 15 months from the date of this special resolution number 1.

The effect of special resolution number 1 is to enable Ethos Capital, by way of a general authority, to acquire its securities from the holders of such securities.

Information in respect of major shareholders, share capital and material changes is contained in the Notes to the Annual Financial Statements, which information is required by the JSE Listings Requirements with regard to the resolution granting a general authority to Ethos Capital to repurchase its securities.

The Directors collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution, to the extent required by law, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all relevant information required by the JSE Listings Requirements.

Statement by the Directors

The Directors will not commence a general repurchase of securities, as allowed for in this resolution, unless the following can be met:

- Ethos Capital will be able, in the ordinary course of business, to pay its debts for a period of 12 months following the date of the general repurchase;
- Ethos Capital's assets will be in excess of the liabilities of Ethos Capital for a period of 12 months following the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited Annual Financial Statements, which comply with the Mauritius Companies Act;
- Ethos Capital will have adequate capital and reserves for ordinary business purposes for a period of 12 months following the date of the general repurchase;
- the working capital of Ethos Capital, from time to time, will be adequate for ordinary business purposes for a period of 12 months following the date of the general repurchase. Ethos Capital will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements prior to the commencement of any purchase of Ethos Capital's securities on the open market;
- the Board will pass a resolution authorising the repurchase, confirming that Ethos Capital has passed the solvency test in terms of the Mauritius Companies Act and further confirming that, since the test was performed, there have been no material changes to the financial position of Ethos Capital and its subsidiaries; and
- in the event that the repurchase was made during a prohibited period through a repurchase programme pursuant to paragraph 5.69(h) and/or 14.9(e) of schedule 14 of the JSE Listings Requirements, a statement will be issued confirming that the repurchase was put in place pursuant to a repurchase programme prior to a prohibited period in accordance with the JSE Listings Requirements.

8 APPROVAL OF GENERAL AUTHORITY TO THE BOARD TO ISSUE A ORDINARY SHARES OF THE COMPANY AND/OR CONVERTIBLE SECURITIES FOR CASH

Special resolution number 2

"**Resolved that** the Directors of the Company be and are hereby authorised by way of a general authority to issue A Ordinary Shares and/or any options/convertible securities that are convertible into A Ordinary Shares of the Company for cash, as and when they in their discretion deem fit, subject to the Company's Constitution, the provisions of the Mauritius Companies Act, the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- the equity securities that are the subject of the issue for cash must be of a class already in issue , or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;

- any such issue will only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties unless the JSE otherwise agrees;
- in respect of securities that are the subject of the general issue of shares for cash, it may not exceed 15% (27 855 000) of the number of listed equity securities as at the date of the notice of AGM, provided that:
  - any equity securities issued under this authority during the period must be deducted from the number above;
  - in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
  - the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of AGM, excluding treasury shares.
- the authority is valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- any such general issues are subject to exchange control regulations and approval at that point in time;
- an announcement giving full details will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% (five per cent) or more of the number of shares in issue prior to the issue, in accordance with section 11.22 of the JSE Listings Requirements;
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the applicant's securities have not traded in such 30-business-day period; and
- approval of the general issue for cash resolution achieving 75% majority of the votes cast in favour of such resolutions by all equity securities present or represented by proxy at the general meeting convened to approve such resolution."

Reason and effect of special resolution number 2

The reason for this resolution is to authorise the Board to issue A Ordinary Shares and/or any options/convertible securities that are convertible into A Ordinary Shares, up to a maximum of 27 855 000 A Ordinary Shares of the Company, for cash.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolutions numbers 1 to 12 contained in this Notice of AGM require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM convened to approve these resolutions, subject to the provisions of the Company's Constitution, the Mauritius Companies Act and the JSE Listings Requirements.

Special resolutions numbers 1 to 2 contained in this Notice of AGM require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM convened to approve these resolutions, subject to the provisions of the Company's Constitution, the Mauritius Companies Act and the JSE Listings Requirements.

PROOF OF IDENTIFICATION REQUIRED

Any shareholder or proxy who intends to attend or participate at the AGM must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the AGM. A green barcoded identification document or identification card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the AGM as sufficient identification.

RECORD DATES

The record date for shareholders to be recorded on the securities register of the Company in order to receive this Notice of the AGM is 6 October 2017.

The record date for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is 3 November 2017, and the last date to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is 31 October 2017.

FORM OF PROXY

EPE Capital Partners Ltd
("The Company" or "Ethos Capital")
(Incorporated in the Republic of Mauritius)
(Registration number: C138883 C1/GBL)
JSE share code: EPE ISIN: MU0522S00005

For use by certificated shareholders or "own name" dematerialised shareholders at the Annual General Meeting of Ethos Capital to be held in the VOC Boardroom, 28th Floor Portside Building, 5 Buitengracht Street, Cape Town, South Africa at 14:00 on Monday, 13 November 2017.

Dear Sir/Madam

I/We ____ (please print)

of____(address),

being a shareholder of EPE Capital Partners Ltd and holder of _______________ A Ordinary Shares, hereby appoint:

1. ________________ of ________________ or failing him/her, ______________ of __________________

2. _________________________________ of __________________________________ or failing him/her

3. the Chairperson of the Annual Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 14:00 on 13 November 2017 and at any adjournment thereof in the manner indicated below.

I/We desire my/our vote/s to be cast on the resolutions as follows:	FOR	AGAINST	ABSTAIN
Ordinary resolutions			
1. RESOLVED THAT the audited Annual Financial Statements of the Company, including the Auditor's Report for the year ended 30 June 2017, be hereby considered and approved and the Integrated Annual Report for the year ended 30 June 2017 be considered.			
2. RESOLVED THAT Deloitte & Touche South Africa be reappointed as independent auditor of the Company and Mr Dinesh Munu as the designated auditor partner, to hold office until the conclusion of the next Annual Meeting.			
3. RESOLVED THAT Deloitte & Touche Mauritius be reappointed as independent auditor of the Company and Mr Twaleb Butonkee as the designated auditor partner, to hold office until the conclusion of the next Annual Meeting.			
4. RESOLVED TO re-elect Mr Derek Prout-Jones as Director.			
5. RESOLVED TO re-elect Mr Kevin Allagapen as Director.			
6. RESOLVED TO re-elect Mr Michael Pfaff as Director.			
7. RESOLVED TO re-elect Mr Yuvraj Juwaheer as Director.			
8. RESOLVED TO re-elect Ms Yvonne Stillhart as Director.			
9. RESOLVED TO re-elect Mr Derek Prout-Jones as a member of the Audit and Risk Committee, subject to the approval of resolution 4 above.			
10. RESOLVED TO re-elect Mr Kevin Allagapen as a member and Chairperson of the Audit and Risk Committee, subject to the approval of resolution 5 above.			
11. RESOLVED TO re-elect Mr Yuvraj Juwaheer as a member of the Audit and Risk Committee, subject to the approval of resolution 7 above.			
12. RESOLVED THAT the Directors' remuneration for the year ending 30 June 2018 and Yvonne Stillhart's remuneration for the year ended 30 June 2017 be hereby approved.			
Special resolutions			
1. RESOLVED THAT the general authority of the Company to acquire or repurchase the A Ordinary Shares in the Company be hereby approved.			
2. RESOLVED THAT the general authority of the Company to issue A Ordinary Shares of the Company and/or other convertible securities for cash be hereby approved.			

Dated this __________________________________ day of __________________________________ 2017.

Name: ____

Designation: ____

For and on behalf of: ____

NOTES TO FORM OF PROXY

1. Shareholders who have not dematerialised their shares, or who have dematerialised their shares with "own name" registration, are entitled to attend and vote at this meeting, and are entitled to appoint a proxy or proxies to attend, speak and vote on their behalf.
2. Every person entitled to vote who is present at the AGM shall be entitled to:
   a. one vote on a show of hands irrespective of the number of shares such person holds or represents, provided that a proxy shall, irrespective of the number of shareholders she/he represents, have only one vote; or
   b. that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by the shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company in respect of every matter that may be decided by polling.
3. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or Computershare Investor Services (Pty) Ltd or waived by the Chairperson of the AGM.
5. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services (Pty) Ltd.
6. This form of proxy may be used at any adjournment or postponement of the AGM, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
7. Forms of proxy must be lodged at or posted to Computershare Investor Services (Pty) Ltd or Ocorian (Mauritius) Ltd, to be received not later than 48 hours before the time fixed for the AGM.
8. Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person to the exclusion of any appointed proxy.
9. If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the AGM, either in person or by proxy, the person whose name first appears in the register will be entitled to vote.
10. Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, must contact their CSDP or broker in the manner and time stipulated in their agreement to furnish them with their voting instructions and, in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

CORPORATE INFORMATION

Directors

Yvonne Stillhart (Chairperson)
Derek Prout-Jones
Kevin Allagapen
Michael Pfaff
Yuvraj Juwaheer

Senior Advisors (Officers)

Craig Dreyer (CFO)
Peter Hayward-Butt (CEO)

Investment Advisor

Ethos Private Equity (Pty) Limited
35 Fricker Road
Illovo
Johannesburg, 2196

Company Secretary and registered office

Ocorian (Mauritius) Ltd
Level 12, Standard Chartered Tower
19 Cybercity
Ebene
Mauritius

Auditors

Deloitte & Touche
Level 7, Standard Chartered Tower
19 Cybercity
Ebene
Mauritius

Deloitte & Touche
20 Woodlands Drive
Woodmead
Sandton
Johannesburg, 2196

Listing

JSE Ltd
Abbreviated name: ETHOSCAP
JSE code: EPE
Sector: Financials – Speciality Finance

Transfer Secretary

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Ave
Rosebank, 2196

Sponsor

Rand Merchant Bank
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton
Johannesburg, 2196

GREYMATTER & FINCH # 11620

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