

EPE CAPITAL PARTNERS LTD ("ETHOS CAPITAL" OR "THE COMPANY")
INCORPORATED IN THE REPUBLIC OF MAURITIUS
REGISTRATION NUMBER: C138883 C1/GBL
ISIN: MU0522S00005
SHARE CODE: EPE

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017,
AVAILABILITY OF AUDITED ANNUAL FINANCIAL STATEMENTS,
NOTICE OF ANNUAL GENERAL MEETING AND
AVAILABILITY OF BEE COMPLIANCE REPORT

INTRODUCTION

EPE Capital Partners Ltd is an investment holding company, registered and incorporated in Mauritius as a public company. It is listed on the Johannesburg Stock Exchange ("JSE") and offers shareholders long-term capital appreciation by making commitments and investments into Funds or Direct Investments that are managed by Ethos Private Equity (Pty) Limited ("Ethos"), providing the Company with indirect exposure to a diversified portfolio of unlisted private equity type investments ("Portfolio Companies").

A. RESULTS ANNOUNCEMENT

KEY HIGHLIGHTS

- Since listing, net asset value ("NAV") increased to R1.87 billion and NAV per share ("NAVPS") to R10.37; representing an annualised return of 7%
- Invested capital at 30 June 2017 of R334 million (18% of NAV), will increase to R746 million (40% of NAV) upon completion of transactions agreed post year-end
- Committed capital of R682 million at 30 June 2017, increased to R1.3 billion post year-end
- Growth in aggregate sales and EBITDA of underlying Portfolio Companies of 9% and 10% respectively over last 12 months
- Strong pipeline of new Funds and investment opportunities across all Funds

OVERVIEW

Ethos Capital was listed on the JSE in August 2016, raising R1.8 billion. As at 30 June 2017, the Company had committed R0.7 billion to Ethos Funds and invested 18% of the capital, providing access to nine underlying Portfolio Companies. As at 30 June 2017, Ethos Capital had a NAV of R1.87 billion and a NAVPS of R10.37.

Post year-end, Ethos Capital made further commitments to Ethos Funds and Direct Investments, increasing its commitments to R1.3 billion, and with three new Portfolio Company investments completed or agreed, its invested capital base will increase to R746 million (40% of the NAV). In addition, at the September 2017 Board meeting, the Board approved a further Direct Investment of R100 million and initial commitments to Ethos Fund VII (R1.25 billion), Ethos Mezzanine Partners Fund 3 (R250 million) and Ethos Healthcare Fund I (R250 million).

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

The Company's share price ended the financial year at R8.74, a discount of 15.7% to the NAVPS as at 30 June 2017. It is expected that increased investment activity and growth in the portfolio value should provide a positive catalyst to the share price; however, public market perceptions are difficult to predict.

PRESENTATION

Ethos Capital will host a conference call at 09h00 on Friday, 28 September 2017 to present and discuss the annual results. The presentation will be a dial-in format, and a copy of the presentation is available for download on the Company's website www.ethoscapital.mu; dial-in details are also available on the website.

B. REVIEW OF THE INVESTMENTS PORTFOLIO AND RETURNS

NAV

Ethos Capital raised R1.76 billion (net of expenses) through its JSE listing on 5 August 2016. In the eleven months since listing to 30 June 2017, NAV increased to R1.87 billion, representing a NAVPS of R10.37 and an annualised growth of 7%. At 30 June 2017, the Company's invested capital was 18% of the NAV, with the balance largely invested in Temporary Investments (equivalent to R8.66 per share, net of current liabilities).

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

	NAV R'million	NAVPS cent
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	4.6	0.03
Share buybacks	(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. Other legal and professional fees, largely relating to the establishment of the Company, are mainly of a non-recurring nature.

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 equates to 0.1% of NAV.

SHARE REPURCHASE PROGRAMME

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 as 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 USD 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:

Name	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

Post year-end, the Ethos Mid Market Fund I ("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.

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 and Ethos Capital's intended first and final commitments to this Fund are R250 million and R320 million respectively.

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

The Company's commitments to Funds and Direct Investments, updated for the post year-end activities, increased to R1.3 billion.

INVESTMENT PORTFOLIO

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

Investment	Cost R'000	Valuation R'000	% of NAV
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			
Ethos Fund 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 on-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. Ethos Capital acquired a USD 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 these transaction dates, further amounts were invested to fund new and follow-on investments.

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, 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 Proprietary Limited. 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.

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. As part of the equalisation, Ethos Capital received a return of prime + 2% on the proceeds, totalling R4.6 million. EMMF I concluded its pre-final 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.

UNDERLYING PORTFOLIO COMPANIES

The Ethos Funds invest in a diversified pool of unquoted investments (Portfolio Companies) and provide Ethos Capital 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:

Name	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 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 benefitted 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 aggregate LTM EBITDA by 9.6%.

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. The EV/EBITDA multiple was at a value-weighted average discount of 23% (29% including post year-end transactions) 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 a Net Debt/EBITDA multiple of 2.3x.

C. AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for the year ended 30 June 2017, the Integrated Annual Report and the Notice of Annual General Meeting have been published on the Company's website and the document is available at www.ethoscapital.mu or can be obtained or requested from the Company's registered office.

The Integrated Annual Report, Annual Financial Statements and the Notice of the Annual General Meeting will be distributed on 13 October 2017.

D. NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ethos Capital shareholders will be held at the VOC Boardroom, 28th Floor Portside Building (report to the 8th Floor Reception), 5 Buitengracht Street, Cape Town on 13 November 2017 at 14h00 to transact the business as stated in the Annual General Meeting Notice forming part of the Annual Financial Statements.

Salient dates

	2017
Record date to determine which shareholders are entitled to receive the notice of annual general meeting	Friday, 6 October
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Tuesday, 31 October
Record date to determine which shareholders are entitled to attend and vote at the annual general meeting	Friday, 3 November
Forms of proxy for the Annual General Meeting to be lodged by 14h00 on*	Thursday, 9 November

* any proxies not lodged by this time must be handed to the chairperson of the Annual General Meeting immediately prior to such proxy exercising his/her right to vote at the Annual General Meeting.

E. AVAILABILITY OF BEE COMPLIANCE REPORT

Shareholders are advised that the annual compliance report in terms of Section 13G(2) of the Broad-Based Black Economic Empowerment Amendment Act No.46 of 2013, is available on the Company's website at www.ethoscapital.mu

F. SUMMARISED ANNUAL FINANCIAL STATEMENTS

RESPONSIBILITY

The Summarised Annual Financial Statements are extracted from audited Financial Statements but are themselves not audited. The Board of Directors take full responsibility for the preparation of the Summarised Annual Financial Statements and all financial information has been correctly extracted from the audited Financial Statements for the year ended 30 June 2017.

INDEPENDENT REPORT OF THE AUDITORS

The Summarised Annual Financial Statements for the year ended 30 June 2017 have not been audited, but have been extracted from the complete audited Financial Statements, on which the Auditors of the Company, Deloitte & Touche South Africa, have expressed an unqualified audit opinion.

The audit report on the full set of Financial Statements does not necessarily report on all the information contained in this announcement. In order to understand the nature of the auditor's engagement, please obtain the auditor's report which is available in the Annual Financial Statements at www.ethoscapital.mu or can be obtained or requested from the Company's registered office.

SUMMARISED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

These Summarised Annual Financial Statements comprise a summary of the complete audited Financial Statements for the year ended 30 June 2017 that were approved by the Board of Ethos Capital on 27 September 2017. The Summarised Annual Financial Statements do not contain sufficient information to allow for a complete understanding of the results of the Company, as would be provided in the complete audited Financial Statements.

The complete audited Financial Statements are available at www.ethoscapital.mu or can be obtained or requested from the Company's registered office.

The Summarised Annual Financial Statements comprise of:

- Summarised Statement of Financial Position
- Summarised Statement of Comprehensive Income
- Summarised Statement of Changes in Equity
- Summarised Statement of Cash Flows
- Notes to the Summarised Annual Financial Statements

SUMMARISED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017

	Notes	30 June 2017 R'000
ASSETS		
Non-current assets		
Unlisted investments at fair value	3	307 939
Total non-current assets		307 939
Current assets		
Other assets and receivables		26 758
Money market investments at fair value	4	1 529 281
Cash and cash equivalents		10 044
Total current assets		1 566 083
TOTAL ASSETS		1 874 022
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	5	1 765 012
Retained earnings		102 067
Total equity		1 867 079
Current liabilities		
Other liabilities and payables		3 775
Current tax liabilities		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)	9.2	10.37
Attributable shares in issue at end of period ('000)	9.2	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 12 of the Notes to the Summarised Annual Financial Statements.

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 R'000
Income		
Investment income	6	123 901
Net fair value gains	7	2 683
Total income		126 584
Expenses		

Management and administration fees	(4 820)
Legal and consultancy fees	(8 917)
Other operating expenses	(7 612)
Total expenses	(21 349)
Profit before tax	105 235
Income tax expense	(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	9.1
Basic and diluted earnings per share (Rand per share)	0.57

No comparative financial information as at 30 June 2016 has been presented as the Company didn't 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.

SUMMARISED 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	5	1 800 075	-	1 800 075
Share issue costs	5	(34 716)	-	(34 716)
Buy-back of ordinary shares	5	(347)	-	(347)
Income for the year		-	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.

SUMMARISED 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		(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)
Net cash flow from current investments		(1 449 441)
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 12 of the Notes to the Summarised Annual Financial Statements.

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 General information

EPE Capital Partners Ltd was registered and incorporated in Mauritius as a private company on 26 May 2016 under the Mauritian Companies Act 2001, 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 Significant accounting policies

2.1 Basis of preparation

These Summarised Annual Financial Statements have been prepared in accordance with: framework concepts and the measurement and recognition requirements of IFRS; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; as a minimum, the information required by IAS 34; the Listings Requirements of the JSE; and the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licensed companies.

The accounting policies applied in the preparation of the Annual Financial Statements from which these Summarised Annual Financial Statements are derived were, where applicable to the prior financial year, consistent in all material respects with those used in the prior financial year (refer to note 12) and with IFRS. The full and detailed accounting policies can be obtained from the Annual Financial Statements which are available at www.ethoscapital.mu

The Summarised Annual Financial Statements have been prepared under the historical cost basis except for financial instruments and investments which are measured at fair value. Any critical judgements and accounting estimates made by the Board in applying the Company's accounting policies and to determine the fair value of the relevant investments as disclosed in the Summary Annual Financial Statements, were consistent to those applied and detailed in the Annual Financial Statements.

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

These Summarised Annual Financial Statements were compiled under the supervision of the Chief Financial Officer, Craig Dreyer, CA (SA), and were approved by the Board on 27 September 2017.

2.2 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.

3 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 and the first investment was made early in December 2016. The Company also acquired a USD 10 million (R132 million) commitment in Ethos Fund 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 Ethos Mid Market I Fund and similarly, Ethos Fund VI (Jersey), L.P. is one of the Ethos Fund VI Fund partnerships.

Reconciliation of movements:

Cost	Capital appreciation	Accrued income	Total
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	30 June 2017 R'000	30 June 2017 R'000	30 June 2017 R'000	30 June 2017 R'000
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

4 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.

Reconciliation of movements:

	Cost 30 June 2017 R'000	Capital appreciation 30 June 2017 R'000	Total 30 June 2017 R'000
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	25 206	-	25 206
Balance at 30 June 2017	1 528 622	659	1 529 281

5 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 shares 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 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 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 Shares, following the Notional Encumbrance Termination Date. The B shares therefore entitles 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 shares and, upon the

A Ordinary shares issued to the EPE Trust at R0.01 per share ceasing to be encumbered (refer note 9), 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 shares is provided in note 9.

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.

6 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	24 996
	24 996

123 901

7 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

8 Capital commitments and contingent liabilities

Capital commitments	Original R'000	Outstanding 30 June 2017 R'000
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

9 Earnings and net asset value per share

As set out in note 5, 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 notional performance participation), 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 net asset value attributable to the unrestricted A ordinary shareholders.

9.1 Earnings and headline earnings per share

	Year-ended 30 June 2017 R'000
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

9.2 Net Asset Value per share

	30 June 2017 R'000
Net assets	1 867 079
Number of shares in issue during the period	187 500
Less: Shares held in treasury	(40)
Less: Notionally encumbered shares	(7 500)
Number of attributable shares in issue during the period	179 960
Net Asset Value per share (Rand)	10.37

10 Financial risk factors and instruments

10.1 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 net asset value 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.

These risks are detailed in note 23 of the Notes to the Annual Financial Statements.

10.2 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 below sets out the different levels as well as the classification of the Company's assets and liabilities where appropriate.

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 data. 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 Summarised Statement of Financial Position can be summarised as follows within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	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 and 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	293 393
Realisations and equalisations at carrying value of acquisitions	(4 888)
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 in the Annual Financial Statements. The valuation techniques used and the inputs available to the Investment Advisor to determine the valuation of the underlying Portfolio Companies, from which the NAV of the Funds are derived, are mainly the maintainable earnings of the relevant companies and valuation multiples that are derived from the public markets. Further details are provided in the Annual Financial Statements.

11 Events after the reporting period

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

12 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 Summarised Annual Financial Statements have been presented to the nearest thousand Rand.

CORPORATE INFORMATION

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Yvonne Stillhart (Chairperson)

Derek Prout-Jones

Kevin Allagapen

Michael Pfaff

Yuvraj Juwaheer

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Craig Dreyer (CFO)

Peter Hayward-Butt (CEO)

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