

## COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

25 MAY 2023

### CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023 AND PROPOSED DIVIDEND

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the year ended 31 March 2023.

#### Key financial data

- **Reinet's net asset value of € 5.7 billion reflects a compound growth rate of 8.8 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 March 2023 reflects a decrease of € 170 million or 2.9 per cent from € 5 890 million at 31 March 2022**
- **Net asset value per share at 31 March 2023: € 31.46 (31 March 2022: € 31.99)**
- **Fifth share buyback programme completed with 2.5 million ordinary shares repurchased for a consideration of some € 49 million, plus transaction costs**
- **Commitments totalling € 332 million in respect of new and existing investments were made during the year including a new commitment of € 278 million in respect of Coatue funds**
- **Commitments of € 171 million were funded during the year, including € 63 million in respect of TruArc Partners and € 50 million in respect of Coatue funds**
- **Dividends from British American Tobacco during the year amounted to € 122 million**
- **Reinet dividend of some € 51 million, or € 0.28 per share (excluding treasury shares), paid during the year**
- **Proposed Reinet dividend of € 0.30 per share payable after the 2023 annual general meeting**

*Reinet Investments S.C.A. (the 'Company') is a partnership limited by shares incorporated in the Grand Duchy of Luxembourg and having its registered office at 35, boulevard Prince Henri, L-1724 Luxembourg. It is governed by the Luxembourg law on securitisation and in this capacity allows its shareholders to participate indirectly in the portfolio of assets held by its wholly-owned subsidiary Reinet Fund S.C.A., F.I.S. ('Reinet Fund'), a specialised investment fund also incorporated in Luxembourg. The Company's ordinary shares are listed on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange. The Company and Reinet Fund together with Reinet Fund's subsidiaries are referred to as 'Reinet'.*

#### Cautionary statement regarding forward-looking statements

*This document contains forward-looking statements which reflect the current views and beliefs of the Company, as well as assumptions made by the Company and information currently available. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek' and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Reinet's control. The Company does not undertake to update, nor does it have any obligation to provide updates or to revise, any forward-looking statements. Certain information included in the Management Report is text attributed to the management of investee entities. While no facts have come to our attention that lead us to conclude that any such information is inaccurate, we have not independently verified such information and do not assume any responsibility for the accuracy or completeness of such information.*

**Reinet Investments S.C.A.**

**R.C.S. Luxembourg B 16 576**

**Legal Entity Identifier : 222100830RQTFV22S80**

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## CHAIRMAN'S COMMENTARY

Dear Shareholder,

During the past year, the world has seen rapidly increasing interest rates and rising inflation followed by significant issues in the banking sector in both the United States and Europe. Combined with recessionary fears in some of the larger economies, and generally less capital available for investments, these events have resulted in creating further uncertainty in global financial markets, the extent and impact of which remains uncertain.

### Overview

During the year, Reinet completed its fifth share buyback programme with 2 325 979 ordinary shares being repurchased for some € 45 million during April and May 2022. Since November 2018, a total of 14 151 395 ordinary shares have been repurchased under five share buyback programmes. The cost of the ordinary shares repurchased amounts to € 222 million, plus transaction costs; an average cost of € 15.69 per share. With a net asset value of € 31.46 per share, the share buyback programmes have immediately created value for shareholders. At the annual general meeting in August 2022, shareholders renewed their approval for Reinet to buy back its own shares; future programmes will be considered taking into account cash resources, other commitments and market conditions.

Reinet was pleased to commit \$ 300 million to a new investment in tactical solutions funds managed by Coatue Management, a global investment firm focused on technology-related investment opportunities led by founder and portfolio manager Mr Philippe Laffont. Mr Laffont and Coatue have an outstanding reputation as investors in the technology space with Coatue managing some \$ 42 billion in assets. I look forward to working with the team at Coatue in the years to come.

Capital invested during the year amounted to some € 171 million, which was mostly in respect of funds managed by Trilantic Capital Partners, TruArc Partners and Coatue. Capital allocated to private equity partners over the last few years has resulted in the fair value of these funds, as a whole, now comprising some 20 per cent of Reinet's net asset value.

Reinet has cash resources of some € 288 million and access to the equivalent of £ 200 million in various currencies by way of additional borrowing facilities, to meet investment obligations and opportunities as they arise.

Since its inception in 2008, Reinet has invested some € 3.5 billion in new investments and generated an annual return of 7.7 per cent for its investors based on the Reinet share price, with the underlying net asset value reflecting an 8.8 per cent compounded increase since March 2009.

### Results

At 31 March 2023, Reinet's net asset value amounted to € 5.7 billion, a decrease of € 170 million or 2.9 per cent from 31 March 2022. This primarily reflects the decrease in value of certain underlying investments; in particular the decrease in the share price of British American Tobacco over the year and the weakening of sterling against the euro; this was offset by dividend income from British American Tobacco, together with increases in the value of the fund investments in Trilantic Capital Partners and TruArc Partners.

### Business developments

During the year, Reinet committed to invest an additional € 332 million, with € 324 million being in respect of new funds launched by Coatue, Asia Partners and Prescient, € 6 million in Pension Corporation and € 2 million in other smaller investments.

Pension Corporation's adjusted own funds remained stable at £ 5.9 billion, premiums were lower than the previous year reflecting in part the impact of higher interest rates, however profits increased and the balance sheet and solvency position remained strong. In February 2023, Pension Corporation announced that it had concluded a buy-in with the Trustees of two schemes sponsored by RSA Group, insuring in total some £ 6.5 billion of liabilities and covering the pensions of 40 000 members. This is the largest ever UK bulk annuity transaction and paves the way for other large transactions. The Board of Pension Corporation proposed an inaugural dividend of 7.5 pence per ordinary share which was paid to shareholders in May 2023. Reinet's share of this dividend amounts to some £ 49.5 million.

The investment in British American Tobacco decreased in value in the year due to its share price decreasing from £ 31.94 at 31 March 2022 to £ 28.41 at 31 March 2023. At the British American Tobacco annual general meeting in April 2023, shareholders approved a dividend increase of 6 per cent to £ 2.31 per share, up from £ 2.18 per share in 2022. British American Tobacco delivered strong results in 2022 and continues to follow its strategic path to 'A Better Tomorrow'. With the appointment of Mr Tadeu Marroco as the new CEO in May 2023, British American Tobacco continues to build on its commitment to deliver long-term sustainable value for its shareholders.

The value of investments in Reinet's private equity partners increased by some 26 per cent in the year to € 1 138 million; capital invested amounted to some € 167 million, distributions to some € 56 million, realised gains to some € 25 million and fair value increases to some € 96 million. The underlying investments are mainly in the United States and Asia where financial markets have not performed well, however our partners have been successful at adding value in these challenging times.

**Dividend**

The Board of Directors of Reinet Investments Manager S.A. proposes a dividend of € 0.30 per share, payable in September 2023. This represents a 7 per cent increase from last year.

**Board of Overseers**

Mr Ian Whitecourt passed away in November 2022; Ian was a former Senior Partner at PricewaterhouseCoopers in Luxembourg and served on Reinet's Board of Overseers from September 2009 to December 2014. Ian brought his considerable experience of the financial world to Reinet, in particular in the Luxembourg banking and investment fund areas.

**Outlook**

With continued high interest rates, elevated inflation, the ongoing Ukraine crisis, and instability in the global financial system the world economic growth forecast is on the decline with greater volatility expected. The additional financial sector stresses are already causing a noticeable slowdown in growth with inflation not expected to reach central bank target levels for some time to come.

The global banking sector has faced considerable disruption in recent months; while neither Reinet nor its underlying investments have been significantly impacted, ongoing vigilance and reviews of banking relationships are essential. Similarly, Reinet continues to monitor the situation in Russia and Ukraine; and whilst there is no direct exposure, it considers any potential impacts on investment values.

Overall, Reinet holds resilient investments and is well positioned to deal with these challenges.

Environmental, Social and Corporate Governance and Corporate Social Responsibility will play an ever increasing part in our lives in the future, with enhanced ESG reporting on our door step, it continues to be an integral factor when considering new investments. Reinet considers it imperative for businesses to work responsibly, recognising that the world's resources are finite and that everyone has a role to play in their conservation.

As always, I am grateful to Reinet's Directors, Overseers, management and employees for their continued commitment to Reinet over the past year and going forward.

**Johann Rupert**

Chairman  
Reinet Investments Manager S.A.  
Luxembourg, 25 May 2023

## BUSINESS OVERVIEW

The Company has determined that it meets the definition of an investment entity in terms of International Financial Reporting Standards ('IFRS') 10. The net asset value, the income statement and the cash flow statement included in this business overview have however been presented in a more comprehensive format than required by IFRS in order to provide readers with detailed information relating to the underlying assets and liabilities.

<b>Net asset value</b>				
The net asset value ('NAV') at 31 March 2023 and 2022 comprised:				
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>€ m</b>	<b>%</b>	<b>€ m</b>	<b>%</b>
<b>Listed investments</b>				
British American Tobacco p.l.c.	1 561	27.3	1 832	31.1
Other listed investments	83	1.4	100	1.7
<b>Unlisted investments</b>				
Pension Insurance Corporation Group Limited	2 787	48.7	2 796	47.5
<b>Private equity and related partnerships</b>	<b>1 138</b>	<b>19.9</b>	<b>906</b>	<b>15.4</b>
<b>Trilantic Capital Partners</b>	<b>472</b>	<b>8.2</b>	<b>385</b>	<b>6.5</b>
Funds, related general partners and management companies				
<b>TruArc Partners</b>	<b>301</b>	<b>5.3</b>	<b>202</b>	<b>3.5</b>
Funds, co-investment opportunities and management company				
<b>Coatue funds</b>	<b>50</b>	<b>0.9</b>	<b>-</b>	<b>-</b>
<b>Asian private equity companies and portfolio funds</b>	<b>219</b>	<b>3.8</b>	<b>213</b>	<b>3.6</b>
Milestone China Opportunities funds and management company	44		50	
Prescient China funds and management company	143		143	
Asia Partners funds	32		20	
<b>Specialised investment funds</b>	<b>96</b>	<b>1.7</b>	<b>106</b>	<b>1.8</b>
NanoDimension funds and co-investment opportunities	94		98	
Other fund investments	2		8	
<b>United States land development and mortgages</b>	<b>26</b>	<b>0.5</b>	<b>32</b>	<b>0.5</b>
<b>Diamond interests</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>0.3</b>
<b>Other investments</b>	<b>58</b>	<b>1.0</b>	<b>81</b>	<b>1.4</b>
<b>Total investments</b>	<b>5 653</b>	<b>98.8</b>	<b>5 767</b>	<b>97.9</b>
<b>Cash and liquid funds</b>	<b>288</b>	<b>5.1</b>	<b>415</b>	<b>7.0</b>
<b>Bank borrowings and derivatives</b>				
Borrowings	(217)	(3.8)	(233)	(3.9)
Derivative assets	-	-	1	-
<b>Other liabilities</b>				
Minority interest, fees payable and other liabilities, net of other assets	(4)	(0.1)	(60)	(1.0)
<b>Net asset value</b>	<b>5 720</b>	<b>100.0</b>	<b>5 890</b>	<b>100.0</b>

All investments are held, either directly or indirectly, by Reinet Fund.

# INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 31 MARCH 2023

		Committed amount <sup>(1)</sup> in millions	Remaining committed amount <sup>(1)</sup> in millions	Invested amount <sup>(2)</sup> in millions	Realised amount <sup>(2)</sup> in millions	Current fair value <sup>(1)</sup> in millions	Total realised and unrealised value <sup>(3)</sup> in millions
<b>Listed investments</b>							
British American Tobacco p.l.c.	EUR	-	-	1 739	3 285	1 561	4 846
	GBP	-	-	1 418	2 754	1 372	4 126
<b>Other listed investments</b>							
	EUR	-	-	127	68	83	151
	USD	-	-	146	78	91	169
<b>Unlisted investments</b>							
<b>Pension Insurance Corporation Group Limited</b>							
	EUR	-	-	1 315	-	2 787	2 787
	GBP	-	-	1 112	-	2 450	2 450
<b>Trilantic Capital Partners</b>							
Euro investment	EUR	631	123	494	535	472	1 007
US dollar investment <sup>(4)</sup>	USD	85	19	66	146	36	182
	USD	591	112	489	460	474	934
<b>TruArc Partners</b>							
	EUR	443	148	284	224	301	525
	USD	480	161	319	252	326	578
<b>Coatue funds</b>							
	EUR	276	228	50	-	50	50
	USD	300	247	53	-	54	54
<b>Asian private equity companies and portfolio funds</b>							
<b>Milestone China Opportunities funds and management company</b>							
	EUR	-	-	130	153	44	197
	USD	-	-	169	173	47	220
<b>Prescient China funds and management company</b>							
	EUR	-	-	79	4	143	147
	USD	-	-	94	4	155	159
<b>Asia Partners funds</b>							
	EUR	56	32	24	-	32	32
	USD	62	34	28	-	35	35
<b>Specialised investment funds</b>							
<b>NanoDimension funds and co-investment opportunities</b>							
	EUR	176	65	110	46	94	140
Euro investment	EUR	4	-	4	1	2	3
US dollar investment	USD	187	65	122	51	100	151
<b>United States land development and mortgages</b>							
	EUR	197	5	160	64	26	90
	USD	214	5	209	71	28	99
<p>(1) Calculated using year-end foreign exchange rates.</p> <p>(2) Calculated using actual foreign exchange rates at transaction date.</p> <p>(3) Total of realised proceeds and current fair value.</p> <p>(4) The invested amount for Trilantic Capital Partners includes an initial payment of \$ 10 million.</p>							

## PERFORMANCE

### NET ASSET VALUE

The NAV comprises total assets less total liabilities, and equates to total equity under International Financial Reporting Standards. The decrease in the NAV of € 170 million during the year reflects decreases in the fair value of British American Tobacco p.l.c. ('BAT'), Pension Insurance Corporation Group Limited, and other listed investments, offset by dividends received from BAT together with realised gains and increases in the estimated fair value of certain investments including, Trilantic Capital Partners and TruArc Partners.

The Company funded the purchase of 2.3 million of its own ordinary shares through an approved buyback programme, the amount of which was already accrued at 31 March 2022. Details of the Company's NAV and details of movements in key investments can be found on pages 4 and 5 of this report.

Reinet records its assets and liabilities in euro; the weakening of sterling against the euro, offset by the strengthening of the US dollar against the euro has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying current year-end exchange rates to the March 2022 assets and liabilities would have resulted in a decrease in the March 2022 NAV of some € 174 million.

### SHARE BUYBACK PROGRAMME

The fifth share buyback programme commenced in March 2022 and concluded on 23 May 2022, with 2 500 000 ordinary shares repurchased for € 49 million, plus transaction costs.

During the year under review, 2 325 979 ordinary shares were repurchased for some € 45 million, plus transaction costs.

As at 31 March 2023, there was no share buyback programme in progress.

The Company repurchased 14 151 395 ordinary shares between November 2018 and May 2022 under five share buyback programmes. The cost of the ordinary shares repurchased amounted to € 222 million, plus transaction costs.

Details of each completed share buyback programme to date can be found in note 8 to the consolidated financial statements.

All ordinary shares repurchased are held as treasury shares.

### NET ASSET VALUE PER SHARE

The NAV per share and the adjusted NAV per share of the Company are calculated by dividing the NAV and adjusted NAV by the number of shares outstanding (excluding treasury shares) of 181 790 891 (31 March 2022: 184 116 870). The adjusted NAV as at 31 March 2022 was calculated by reversing the liability in respect of future repurchases of shares of € 46 million. The adjusted NAV is considered relevant as it eliminates the timing difference between the additional liability recorded for future share repurchases and the actual number of shares repurchased as at 31 March 2022. No adjustment was made as at 31 March 2023 as there was no share buyback programme in progress at that date.

	31 March 2023	31 March 2022
<b>Shares in issue</b>	<b>195 942 286</b>	195 942 286
Treasury shares	(14 151 395)	(11 825 416)
<b>Net shares</b>	<b>181 790 891</b>	184 116 870
	<b>€ m</b>	<b>€ m</b>
<b>NAV (see page 4)</b>	<b>5 720</b>	5 890
Reversal of future share buyback liability	-	46
<b>Adjusted NAV</b>	<b>5 720</b>	5 936
	<b>€ per share</b>	<b>€ per share</b>
<b>NAV per share</b>	<b>31.46</b>	31.99
<b>Adjusted NAV per share</b>	<b>31.46</b>	32.24

### SHARE PRICE

The Company's indicative share price as quoted on the Luxembourg Stock Exchange decreased by 6.0 per cent in the year from € 20.00 at 31 March 2022 to € 18.80 at 31 March 2023, with the highest trade being at € 19.80 during the year. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 7.7 per cent per annum. The growth in NAV, including dividends paid, reflects an 8.8 per cent compounded increase since March 2009. The Company's ordinary shares are listed on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange; the listing on the Johannesburg Stock Exchange is a secondary listing.

Share prices as at 31 March 2023 and 31 March 2022 were as follows:

	31 March 2023		31 March 2022	
	ZAR	EUR	ZAR	EUR
Luxembourg	-	18.80	-	20.00
Amsterdam	-	19.00	-	20.00
Johannesburg	365.06	-	327.76	-

## GLOBAL MARKETS BACKDROP

During the year, global markets continued to be impacted by the effects of the ongoing Ukraine crisis, increasing interest rates and rising inflation. Whilst the world has made significant progress in its recovery from the impacts of COVID-19, general economic and geopolitical concerns remain elevated. The first quarter of 2023 saw increased market volatility as the collapse of US lender Silicon Valley Bank triggered concerns over the strength of the global financial sector; this was followed by UBS stepping in to take over Credit Suisse to prevent its collapse and JPMorgan Chase acquiring a substantial majority of assets and assuming the deposits and certain liabilities of First Republic Bank. These events resulted in creating further uncertainty in global financial markets. Rising inflation has resulted in significant pressure on households and consumers as many central banks continue to increase interest rates to mitigate the inflation concerns. The extent and impact of these factors remain uncertain.

Reinet has no direct exposure to Russia or Ukraine through its underlying investments or banking relationships and has not experienced any significant direct impacts in respect of interest rate increases or rising inflation. Reinet has various banking relationships with highly rated institutions, and a well-diversified approach to cash and liquidity management.

Reinet continues to value its investments in line with the International Private Equity and Venture Capital Valuation ('IPEV') guidelines and its approved valuation procedures and methodologies. All investment valuations have been prepared using latest available data, including exchange rates and listed share prices as at 31 March 2023. Discussions have taken place with fund managers and investee companies to determine any significant changes in value and any impacts related to the Ukraine crisis, volatility in stock and currency markets, interest rates, inflation and exposure to certain financial institutions. Future valuations will take into account any new impacts of the above, which could affect the valuation of underlying investments.

## INVESTMENTS

Reinet seeks, through a range of investment structures, to build partnerships with other investors, specialised fund managers and entrepreneurs to find and develop opportunities for long-term value creation for its shareholders.

Since its formation in 2008, Reinet has invested some € 3.5 billion and at 31 March 2023 committed to provide further funding of € 627 million to its current investments. Details of the funding commitments outstanding are given in the table on page 16 of this report. New commitments during the year under review amounted to € 332 million, and a total of € 171 million was funded during the year.

## LISTED INVESTMENTS

### BRITISH AMERICAN TOBACCO P.L.C.

The investment in BAT remains one of Reinet's largest investments and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity.

*Luc Jobin, Chairman, and Jack Bowles, Chief Executive, writing in the BAT annual report for 2022 commented:*

*Luc Jobin: '2022 marks a year of great progress against the strategy at BAT, given the backdrop of an increasingly complex external environment. I am proud of the delivery of the business in 2022. Navigating a new economic cycle characterised by rising inflation, higher interest rates and a tight labour market, has required the business to be more adaptable than ever. Such complexities have been exacerbated by international conflict, political instability and supply chain constraints. In response, BAT has increased its focus on driving both a step change in New Categories and value from the combustibles business. Sustainability and ESG have long been an intrinsic part of BAT's DNA. As part of our commitment to the UN-backed Race to Zero campaign, BAT published its Low-Carbon Transition Plan in 2022. This is the latest milestone in BAT's journey to tackle climate change and to build 'A Better Tomorrow'.*

*Jack Bowles: 'During 2022, the business demonstrated once again that it can transform while also delivering strong results. Revenue was up 7.7 per cent on 2021. New Categories have become a significant contributor to this, delivering £2 894 million in 2022 (up 40.9 per cent). We remain on track to meet our New Category revenue target of £5 billion by 2025, and now expect profitability by 2024, one year ahead of plan. At the centre of our strategy is our corporate purpose to build 'A Better Tomorrow'. This means offering a greater choice of enjoyable and less risky products for our customers. 2022 shows that our strategy is working. We have strong, global New Category brands, targeted geographic expansion plans and an unwavering commitment to innovation that means we are delivering for the consumer.*

*We have also made great progress on our existing ESG commitments this year and I was delighted with the appointment of our first Chief Sustainability Officer in August 2022 further embedding our decades-long commitment to sustainability.'*

During the year under review, dividend income recorded from BAT amounted to € 122 million (£ 107 million), being BAT's second, third and fourth 2022 quarterly dividends, together with the first 2023 quarterly dividend of some € 31 million (£ 28 million) with a record date of 24 March 2023. The first 2023 quarterly dividend was paid on 3 May 2023 and has been included as a receivable in the NAV as at 31 March 2023, due to the record date falling within the financial year.

Reinet holds 48.3 million shares in BAT (31 March 2022: 48.3 million), representing some 2.16 per cent of BAT's issued share capital.

The value of Reinet's investment in BAT amounted to € 1 561 million at 31 March 2023 (31 March 2022: € 1 832 million), being some 27.3 per cent of Reinet's NAV. The decrease in value reflects the decrease in the BAT share price on the London Stock Exchange from £ 31.94 at 31 March 2022 to £ 28.41 at 31 March 2023 together with the weakening of sterling against the euro during the year.

*Further information on BAT is available at [www.bat.com/annualreport](http://www.bat.com/annualreport)*

## OTHER LISTED INVESTMENTS

Other listed investments comprised:

	31 March 2023 € m	31 March 2022 € m
Grab Holdings Limited	29	33
Selecta Biosciences, Inc.	2	2
Soho China Limited	7	8
SPDR Gold shares	39	37
Twist Bioscience Corporation	6	20
	83	100

## GRAB HOLDINGS LIMITED

Grab Holdings Limited ('Grab') is a leading superapp platform in Southeast Asia, providing everyday services that matter to consumers, including food deliveries, mobility and the e-wallet segment of financial services. Grab offers a wide range of on-demand services across 480 cities in eight countries.

Reinet holds 10 573 666 shares in Grab with a market value of € 29 million (31 March 2022: € 33 million). The decrease in value reflects the decrease in the share price during the year, offset by the strengthening of the US dollar against the euro during the year.

*Further information on Grab is available at [www.grab.com](http://www.grab.com).*

## SELECTA BIOSCIENCES, INC.

Selecta Biosciences, Inc. ('Selecta'), is a clinical-stage biopharmaceutical company using proprietary synthetic vaccine particle technology to discover and develop targeted therapies that are designed to modulate the immune system to effectively and safely treat rare and serious diseases.

Selecta is also a portfolio company of NanoDimension funds, pre and post the initial public offering.

Reinet holds 1 395 460 shares with a market value of € 2 million as at 31 March 2023 (31 March 2022: € 2 million).

*Further information on Selecta is available at [www.selectabio.com](http://www.selectabio.com).*

## SOHO CHINA LIMITED

Soho China Limited ('Soho') is a Chinese office developer focused on developing and leasing properties in the central business districts of Beijing and Shanghai. Soho developments are known for their modern architecture, with designs from architects such as Zaha Hadid and Japanese architect Kengo Kuma.

Reinet holds 47 million shares with a market value of € 7 million as at 31 March 2023 (31 March 2022: € 8 million). The decrease in value reflects the decrease in the share price during the year, offset by the strengthening of the US dollar against the euro during the year.

*Further information on Soho is available at [www.sohochina.com](http://www.sohochina.com).*

## SPDR GOLD SHARES

SPDR Gold shares ('GLD') is the largest physically backed gold exchange traded fund in the world. Over the long term, gold can provide a hedge against inflation and offer some protection against value changes in turbulent economic and political times.

Reinet holds 230 000 shares with a market value of € 39 million as at 31 March 2023 (31 March 2022: € 37 million). The increase in value reflects the increase in the value of gold together with the strengthening of the US dollar against the euro during the year.

*Further information on GLD is available at [www.spdrgoldshares.com/usa](http://www.spdrgoldshares.com/usa).*



## TWIST BIOSCIENCE CORPORATION

Twist Bioscience Corporation ('Twist') is involved in the fields of medicine, agriculture, industrial chemicals and data storage, by using synthetic DNA tools, and has created a revolutionary silicon-based DNA synthesis platform that offers precision at a scale otherwise unavailable.

Reinet holds 444 497 shares in Twist with a market value of € 6 million (31 March 2022: € 20 million). The decrease in value reflects the decrease in the share price during the year offset by the strengthening of the US dollar against the euro during the year.

Further information on Twist is available at [www.twistbioscience.com](http://www.twistbioscience.com).

## UNLISTED INVESTMENTS

Unlisted investments are carried at their estimated fair value. In determining fair value, Reinet Fund Manager S.A. (the 'Fund Manager') relies on audited and unaudited financial statements of investee companies, management reports and valuations provided by third-party experts. Valuation methodologies applied include the NAV of investment funds, discounted cash flow models and comparable valuation multiples, as appropriate. The third-party valuation reports and key assumptions used within these reports are reviewed by the external auditors.

## PENSION INSURANCE CORPORATION GROUP LIMITED

Pension Insurance Corporation Group Limited's ('Pension Corporation') wholly-owned subsidiary, Pension Insurance Corporation plc ('Pension Insurance Corporation'), is a leading provider in the UK pension risk transfer market.

During 2022, Pension Insurance Corporation concluded new business with premiums of £ 4.1 billion (2021: £ 4.7 billion) including for long-term clients IMI and British American Tobacco. The reduction in premium levels reflecting in part the impact of higher interest rates.

At 31 December 2022, Pension Insurance Corporation reported it held £ 41.0 billion in assets (31 December 2021: £ 51.1 billion). The decrease in value is due to rising yields which lead to lower asset values and also to lower liability values. As at 31 December 2022, insurance liabilities declined to £ 33.0 billion (FY2021: £47.0 billion). To date, Pension Insurance Corporation has insured 302 200 pension fund members (31 December 2021: 282 900). Clients include FTSE 100 companies, multinationals and the public sector.

Pension Insurance Corporation has a total of £ 1.6 billion Tier 2 subordinated notes and £ 450 million Tier 1 restricted notes outstanding. In March 2023, Fitch affirmed its Insurer Financial Strength rating at A+ (Strong) and Long-Term Issuer Default rating at A. The reported Solvency II capital ratio as at 31 December 2022 was 225 per cent (31 December 2021: 168 per cent).

The Board of Pension Corporation proposed an inaugural dividend for 2022 of 7.50 pence per ordinary share (2021: nil). The dividend was paid on 10 May 2023. Reinet has not recorded a receivable as at 31 March 2023, as the approval date falls outside this financial year.

Reinet's shareholding in Pension Corporation increased from 49.4 per cent at 31 March 2022 to 49.5 per cent at 31 March 2023 as a result of a secondary share purchase transaction in the amount of some £ 4.8 million.

*Tracy Blackwell, Chief Executive Officer and Dom Veney, Chief Financial Officer of Pension Insurance Corporation, commented:*

*Tracy Blackwell: 'We ended the year with a robust balance sheet, very high customer satisfaction levels, and a huge market opportunity before us. Our purpose, which is to pay the pensions of our current and future policyholders, ensures that we always protect our balance sheet and prioritise risk management, as well as helping us evolve our investment strategy as we seek cash flows to match future pension payments, which stretch decades into the future. As a business with a very long-term outlook, we seek to develop ongoing relationships with our clients and investment partners, a theme which is noticeable in this year's results. The scale of our investments mean that we are increasingly being recognised for our growing impact across the country, and the social value these investments generate.'*

*In February 2023 we announced the largest bulk annuity transaction to date. The deal was driven by the rise in gilt yields during 2022. During the first half of the year this meant that defined benefit pension schemes were becoming better funded and closer to being able to buy out even before the Liability Driven Investment crisis.*

*However, the rapid increase in yields following the 'mini-budget', even where they fell back somewhat in the following weeks, had the overall effect of significantly reducing scheme deficits, bringing forward by several years trustees' de-risking plans. This has resulted in an exciting pipeline of new business for 2023 and beyond.'*

*Dom Veney: 'IFRS profit before tax of £ 1 240 million (2021: £ 393 million) benefitted from favourable investment variances. Our hedging strategy is primarily calibrated to stabilise our solvency position rather than the IFRS balance sheet. This better reflects how we manage the business but can cause short-term volatility within the IFRS results. Operating profit remained strong at £ 388 million (2021: £ 533 million). Underlying profit grew by 44 per cent to £ 654 million (2021: £ 455 million) from higher returns on surplus assets and new business profits, but this was more than offset by £ 315 million of favourable assumption changes which increased AOPBT in 2021 but which were not repeated in 2022.'*

*Looking ahead, while the volatile market conditions and evolving regulatory environment are expected to persist in the short-term, our disciplined approach to underwriting, prudent investment strategy and robust financial position mean that we are well positioned for the upcoming market opportunities. We have made a strong start to 2023, having recently completed the UK's single largest pension risk transfer deal to date for estimated premiums of £ 6.5 billion. Following full implementation of the transaction, PIC's long-term solvency ratio would remain above 200 per cent, based on economic conditions at 31 December 2022.'*

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 2 787 million at 31 March 2023 (31 March 2022: € 2 796 million). This value takes into account Pension Corporation's audited adjusted equity own funds value at 31 December 2022 of £ 5.9 billion (31 December 2021: £ 5.9 billion), corresponding valuation multiples drawn from industry data for a selected UK insurance peer group as at 31 March 2023, and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The decrease in Reinet's estimated fair value of Pension Corporation over the year is mainly due to the weakening of sterling against the euro in the year, most of which was offset by an increase in comparable company multiples derived from public information of listed peer group companies in the UK insurance sector.

The investment in Pension Corporation represents some 48.7 per cent of Reinet's NAV at 31 March 2023, compared to 47.5 per cent at 31 March 2022.

On 27 February 2023, Pension Corporation announced that it had concluded a buy-in with the Trustees of two schemes sponsored by RSA Group, insuring in total some £ 6.5 billion of liabilities and covering the pensions of 40 000 members. RSA Group is a wholly owned subsidiary of Intact Financial Corporation. This is the largest ever UK bulk annuity transaction and paves the way for other large transactions as part of the anticipated increase in volumes of new business coming to market.

*Further information on Pension Corporation is available at [www.pensioncorporation.com](http://www.pensioncorporation.com).*

## **PRIVATE EQUITY AND RELATED PARTNERSHIPS**

Where Reinet invests in funds managed by third parties its philosophy is to partner with the managers of such funds and to share in fees generated by funds under management. This is the case with funds managed by Trilantic Capital Partners, TruArc Partners, Milestone Capital and Prescient Investment Management China. Under the terms of the investment advisory agreement (the 'Investment Advisory Agreement'), entered into by the Fund Manager and Reinet Investment Advisors Limited (the 'Investment Advisor'), Reinet pays no management fee to the Investment Advisor on such investments except in the case where no fee or a reduced fee below 1 per cent is paid to the third-party manager. In such cases, the aggregate fee payable to the Investment Advisor and the third-party manager is capped at 1 per cent.

## **TRILANTIC CAPITAL PARTNERS**

Trilantic Capital Partners ('Trilantic') is composed of Trilantic North America and Trilantic Europe, two separate and independent private equity investment advisors focused on making controlling and significant minority interest investments in companies in their respective geographies. Trilantic North America currently targets investments in the business services and consumer sectors, and currently manages five fund families. Trilantic Europe primarily targets investments in the industrials, consumer and leisure, telecommunication, media and technology, business services and healthcare sectors, and currently manages three fund families.

Reinet and its minority partner invest in certain of the Trilantic general partnerships and management companies (together 'Trilantic Management'). Reinet and its minority partner, through Reinet TCP Holdings Limited, invest in two of the current funds under Trilantic's management. Reinet also directly invests in four additional funds under Trilantic's management. The terms of investment applicable to Reinet's investment in the Trilantic funds provide that Reinet will not pay any management fees or carried interest. In addition, Reinet receives a share of the carried interest payable on the realisation of investments held in the funds, once a hurdle rate has been achieved.

Reinet TCP Holdings Limited invests in Trilantic Capital Partners IV L.P. ('Fund IV') and Trilantic Capital Partners IV (Europe) L.P.; these funds are in the process of realising the remaining underlying investments.

In 2012, Reinet invested in Trilantic Capital Partners V (North America) L.P. ('Fund V') and in 2014, in Trilantic Energy Partners (North America) L.P. ('TEP I'). These US-based funds are focused on North American opportunities with TEP I being especially focused on the energy industry sector. Both funds are in the process of realising the remaining underlying investments.

In 2017, Reinet invested in Trilantic Capital Partners VI Parallel (North America) L.P. (collectively with its parallel vehicles, 'Fund VI') and Trilantic Energy Partners II Parallel (North America) L.P. (collectively with its parallel vehicles 'TEP II'). These US-based funds are focused on North American opportunities with TEP II being especially focused on the energy industry sector.

Charlie Ayres, Chairman of Trilantic North America and the Executive Committee of Trilantic Capital Partners, commented:

*'2022 was a difficult year for financial assets, with 'worst performance since 2008' pervasive in describing performance. Many (former) technology darlings lost significant value. The Nasdaq fell 33 per cent on the year, outpacing losses in the S&P 500 Index and Dow Jones Industrial Average, down 19 per cent and 9 per cent, respectively.*

*Risk appetite has not completely dried up in the face of uncertainty and volatility. Trends in earnings and future guidance, as well as messaging from the Fed, will likely shape public market performance over the coming months. Despite significant losses in public markets in 2022, many private equity valuations have not yet experienced significant markdowns. Our active companies remain under-levered with healthy balance sheets and we continue to focus on finding asymmetric risk / reward opportunities to deploy capital.*

*Key highlights from the past year include:*

- *Completed 5 significant realisations with total proceeds of \$ 762 million,*
- *Fund VI North America deployed \$ 212 million into 2 new platform investments,*
- *Experienced aggregate portfolio accretion of \$ 878 million during 2022,*
- *Continued to source attractive add-on investments for our platform companies.*

*We are on track to publish our 3rd Annual ESG Report in May 2023; this report will provide an update on our progress both within the Firm and within our portfolio, where we have focused on key KPIs, influenced by ILPA's ESG Convergence project; we are proud to be signatories to both the U.N. Principles for Responsible Investing and ILPA's diversity in action initiative.*

*Key 2023 objectives: We aim to monetize 1 to 3 of our current investments during 2023, subject to market conditions. We remain focused on finding 2 to 5 new investment opportunities per year at a typical equity check size of \$ 100 million to \$ 300 million.'*

Trilantic North America launched Trilantic Capital Partners VII Parallel (North America) L.P. (collectively with its parallel vehicles, 'Fund VII') as a successor fund to Fund IV, Fund V and Fund VI, and Reinet committed to invest up to 9.9 per cent of total commitments in Fund VII, with an expected final commitment of some \$ 297 million. In April 2022, Fund VII held its first closing; however, it has not called capital to date. Trilantic North America recently announced that Fund VII is now expected to be a smaller bridge fund to Fund VIII. In light of this, Reinet and Trilantic North America agreed that Reinet would not commit capital to Fund VII, however, Reinet would retain its rights to invest on preferential terms in future funds.

Vittorio Pignatti-Morano, Chairman of Trilantic Europe, commented:

*'2022 was the 15th year of Trilantic Europe as an independent company and it was a year of change. A dramatic and unexpected full-scale European conflict, the Russian invasion of Ukraine, created a worldwide escalation of gas and oil prices. The resulting inflationary pressure on energy was additive to the embedded 'COVID-19 exit' inflationary pressure arising from the prior two years of extensive government subsidies to individuals and companies. It's not clear for how long this period of higher interest rates and higher inflation will last but it will be years not months. For the USA and Europe, 2022 crystallised the end of two decades of growing global trade which were a great deflator for the western economies which, by outsourcing production to lower-cost emerging economies, were importing cheaper goods and services. Although already seeing reduced inflation, all this represents a paradigm change for the world of investments in general and for private equity in particular. At Trilantic Europe we are dealing with these changes. We have analysed in depth our existing portfolio, the skills that our portfolio managers need, the new investments we should consider and those we should de-emphasise. Our ESG focus that has been at the forefront of our investing for over a decade, is now better channelled into our portfolio companies, making the impact much greater.'*

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 472 million at 31 March 2023 (31 March 2022: € 385 million) of which € 2 million (31 March 2022: € 2 million) is attributable to the minority partner. The estimated fair value is based on audited valuation data provided by Trilantic Management at 31 December 2022 adjusted for changes in the value of listed investments included in the portfolios and cash movements up to 31 March 2023.

The increase in the estimated fair value reflects capital contributions of € 22 million and increases in estimated fair values of underlying investments together with the strengthening of the US dollar against the euro in the year, offset by distributions of € 44 million.

During the year under review, gains of € 21 million (31 March 2022: € 6 million) and carried interest of € 6 million (31 March 2022: € 8 million) were realised.

Further information on Trilantic is available at [www.trilantic.com](http://www.trilantic.com).

## **TRUARC PARTNERS FUNDS, CO-INVESTMENT OPPORTUNITIES AND MANAGEMENT COMPANY**

TruArc Partners LP ('TruArc') is a private equity firm focused on middle-market control investments. TruArc focuses on companies that operate in sub-sectors across Specialty Manufacturing and Business Services. The TruArc investment team collaborates with its operating partners and portfolio management teams to create value through a transformational growth strategy led by organic or acquisition-driven growth.

Reinet is invested in Snow Phipps II, Snow Phipps III, TruArc Fund IV, in two co-investment opportunities alongside Snow Phipps III, and in the management company.

Ogden Phipps, Co-Managing Partner of TruArc Partners, commented:

*'2022 was a year of continued positive momentum for TruArc. We completed the acquisition of two new platform companies in Fund IV, bringing the total to five platform companies in that fund. Each company fits well within TruArc's transformational growth approach, and multiple growth initiatives are well underway. A key component of our investment approach is to execute a 'buy and build' value creation strategy, and during 2022 we completed 20 strategically important and financially accretive add-on acquisitions across the TruArc-managed portfolio companies. TruArc's active, operational approach has allowed us to strengthen our portfolio company positions in their respective markets despite the dynamic operating environment driven by supply chain issues, labour challenges, inflation, and rising interest rates. Despite the continued market turbulence and challenging operating environment, we are encouraged by how well our management teams are effectively leading our portfolio companies as they navigate these evolving markets and execute their growth initiatives. We are working closely with our management teams to build value through transformational growth across the TruArc portfolio.'*

Reinet's investment is carried at an estimated fair value of € 301 million at 31 March 2023 (31 March 2022: € 202 million), based on the audited valuation data provided by TruArc at 31 December 2022 adjusted for cash movements up to 31 March 2023.

The increase in the estimated fair value reflects capital contributions of € 66 million, increases in estimated fair values of underlying investments together with the strengthening of the US dollar against the euro in the year, offset by distributions of € 3 million.

During the year under review, gains of € 1 million (31 March 2022: € 123 million) were realised.

Further information on TruArc Partners is available at [www.truarcpartners.com](http://www.truarcpartners.com).

## COATUE FUNDS

Coatue Management L.L.C. ('Coatue') is a global investment firm focused on technology-related investment opportunities led by founder, Mr Philippe Laffont. Coatue invests in public and private markets with a focus on technology, media, telecommunications, the consumer and healthcare sectors. Coatue manages some \$ 42 billion in assets on behalf of individuals, endowments, foundations, pension plans, sovereign wealth funds, insurance companies and other institutional investors and has offices in New York, San Francisco, London, Shanghai and Hong Kong.

In October 2022, Reinet committed a total of € 278 million (\$ 300 million) to two funds managed by Coatue Management L.L.C., € 139 million (\$ 150 million) to Coatue Structured Offshore Feeder Fund LP and € 139 million (\$ 150 million) to Coatue Tactical Solutions CT Offshore Fund B LP (together the 'Coatue Structured Funds'). Both funds follow the same investment strategy.

The Coatue Structured Funds will seek to invest in structured investments in both publicly listed and privately held technology companies that offer downside protection, while retaining upside potential. The Coatue Structured Funds will focus on privately negotiated transactions leveraging Coatue's sector experience and platform resources to source proprietary transactions. Coatue will seek to employ a strategy that will opportunistically fund both offensive and defensive transactions such as M&A, and establishing paths toward accelerating organic growth, among other paths. Coatue believes there is a substantial universe of potential investment opportunities and that the market could produce significant structured capital opportunities.

Coatue will typically seek to lead transactions and assert control over deal structure, terms, and price. The majority of transactions will aim to be proprietary – not through a marketed offering – and are expected to aim to avoid mark-to-market volatility. Coatue generally intends to focus on companies that are: 1) powered by a strong underlying trend; 2) established winners or breakout leaders within a category or trend; 3) pursuing a large total addressable market; 4) operating business models with strong unit economics; and 5) led by visionary founders and top-notch management teams. In the approximately nine months since launch, the Coatue Structured Funds have deployed more than \$ 600 million across eight transactions.

Reinet's investment is carried at an estimated fair value of € 50 million at 31 March 2023 (31 March 2022: € nil), based on the audited valuation data provided by Coatue at 31 December 2022 adjusted for cash movements up to 31 March 2023.

The increase in the estimated fair value reflects capital contributions of € 50 million during the year.

Further information on Coatue is available at [www.coatue.com](http://www.coatue.com)

## ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

### Milestone China Opportunities funds and management company

Reinet has invested along with Milestone Capital in a management company based in Shanghai, and has also invested in certain funds managed by Milestone Capital (together 'Milestone').

Milestone Capital has a strong track record in helping portfolio companies scale their operations and become listed on either domestic or foreign stock exchanges. Funds under management invest primarily in domestic Chinese high-growth companies seeking expansion or acquisition capital. Milestone funds seek to maximise medium to long-term capital appreciation by making direct investments to acquire minority or majority equity stakes in those companies identified by Milestone's investment team. Current areas of investment include: domestic consumer brands, biopharmaceutical manufacturers, medical device manufacturers, big data services and e-commerce.

*Yunli Lou, Managing Partner of Milestone Capital, commented:*

*'During 2022, Milestone Capital continued working closely with our portfolio companies to achieve exits. We continued selling down our shares in a listed cosmetics e-commerce platform, and also started the sales process of our stake in a medical consumable company.'*

*In 2022, China's economy and social activities were negatively impacted by COVID-19. Full year GDP was \$ 17.5 trillion, up by only 3.0 per cent year-on-year, while total retail sales of consumer goods posted a 0.2 per cent year-on-year decline. Capital markets performance was weak as well, impacted by the weakened economy and sentiment. Starting in November 2022 after China's top leadership reshuffle, China relaxed its zero-COVID policy and started reopening. The number of COVID-19 infections quickly peaked in late December 2022, and since early 2023, daily life and social activities have returned to normal. The government has set a 5.0 per cent GDP growth rate target for 2023, while making economic growth the top priority in setting policies, particularly in consumption, manufacturing, and energy transition sectors.'*

The investment in Milestone is held at the estimated fair value of € 44 million (31 March 2022: € 50 million) based on audited financial information provided by Milestone Capital at 31 December 2022 adjusted for movements in listed investments and cash movements up to 31 March 2023.

The decrease in the estimated fair value reflects distributions of € 9 million and decreases in estimated fair values of underlying investments, offset by capital contributions of € 1 million together with the strengthening of the US dollar against the euro in the year.

*Further information on Milestone Capital and Milestone funds is available at [www.mcmchina.com](http://www.mcmchina.com).*

### Prescient China funds and management company

Reinet invests in the Prescient China Equity Fund, the Prescient China Balanced Fund, the Prescient China Growth Enhanced Absolute Return Fund and the management company.

The Prescient China Equity Fund uses a systematic, quantitative approach to seek long-term capital growth by investing primarily in China 'A' shares listed on the Shanghai and Shenzhen Stock Exchanges by virtue of Prescient's Qualified Foreign Institutional Investor status granted by the China Securities Regulatory Commission.

Prescient China Balanced Fund invests in equities following a similar strategy to the Prescient China Equity Fund and also in bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels.

In May 2022, Reinet committed to invest in the newly launched Prescient China Growth Enhanced Absolute Return Fund. The fund aims to achieve long-term capital growth at significantly lower return volatility than conventional multi-asset China investment strategies. The fund will predominantly invest in mainland Chinese equities, bonds, cash, money market instruments and derivatives. Reinet invested € 11 million (\$ 12 million) during the year.

All funds are managed by a subsidiary of Prescient Limited ('Prescient'), a South African fund manager, with the team based in Shanghai.

*Liang Du, Portfolio Manager of Prescient, commented:*

*'Over the past year China faced its most challenging year yet since the Chinese financial crisis of 2015. Omicron's fast transmissibility resulted in COVID being out of control in China for the first time, COVID zero policy in major cities combined with extremely cumbersome COVID controls dramatically dampened economic activity as well as household sentiment throughout the country. The combination of COVID zero, negative sentiment would further impact the already slowing property sector, resulting in the large property developer defaults. Geopolitical concerns also remain at the forefront. All of this would result in Chinese stocks hitting the lows of 2008 levels, with low single digit PE multiples in October 2023. President Xi secured his 3rd term and, policy movement post event as well as cabinet appointments surprised many. By and large the majority of new cabinet members were technocrats and historically business friendly. As Omicron became widespread for the second time in December 2022, COVID zero policies was also abandoned extremely quickly resulting in the complete dismantling of COVID-19 policies in a few weeks. Low inflation, low interest rates as well as end of COVID zero saw a strong economic recovery in China in the first quarter of 2023.'*

*Over the past year the Prescient Funds navigated some of the most difficult financial markets well, both funds were exceedingly competitive against their respective peer group and performed very well under extremely difficult conditions, with our flagship China Balanced Fund reaching its 10-year anniversary in March 2023. The fund is comfortably in the top decile in its category and delivered returns of 8.5 per cent annualised over the past decade. In spite of China's capital markets having a pretty tough time, the fund still delivered extremely strong real returns and almost double the return of just a passive equivalent. Our Equity Fund will see its 5-year anniversary in October 2023, it has also beaten more than 80 per cent of its peer group since inception. We continue to follow our philosophy and process to invest in China and hope that we will deliver for clients over the next decade what we have done over the last.'*

Reinet's total investment is carried at an estimated fair value of € 143 million based on unaudited financial information provided by Prescient at 31 March 2023 (31 March 2022: € 143 million).

The estimated fair value reflects capital contributions of € 11 million together with the strengthening of the US dollar against the euro in the year, offset by decreases in the value of underlying investments.

*Further information on Prescient is available at [www.prescient.co.za](http://www.prescient.co.za).*

### **Asia Partners funds**

Reinet is invested in Asia Partners I LP and Asia Partners II LP.

Asia Partners I LP is the inaugural fund of Asia Partners Fund Management Pte. Ltd ('Asia Partners'), a Singapore-based growth equity investment firm. Asia Partners II LP was launched in April 2022.

Asia Partners bases its investment strategy on the long-term growth potential of Southeast Asia, the rapid growth of innovative technology and technology-enabled businesses in the region, and target investments in the \$ 20 million to \$ 80 million range, often described as the 'Series C/D Gap' between early-stage venture capital and the public capital markets.

*Oliver Rippel, Co-Founder and Partner of Asia Partners, commented:*

*'We continue to be excited about the Southeast Asia region. Five out of the six key countries in the region outperformed US equities by at least 800 basis points in 2022. Three out of the six had higher real GDP growth than inflation in 2022. Demographics favour Southeast Asia, as well: the total population of 15 to 35-year-olds in Southeast Asia peaks after both China and India. With this macro backdrop, we have seen a significant number of next generation tech companies across the region not only scale their business, but most importantly generate strong gross profits and near-term profitability. Our objective is to support these businesses through our investment and value-add and ultimately help them transition to become sizeable public companies.'*

In April 2022, Reinet committed € 30 million (\$ 31 million) to Asia Partners II LP as part of the first close. This amount increased to € 35 million (\$ 37 million) through December 2022 and is expected to increase further at subsequent fund closings. An initial investment of some € 7 million (\$ 8 million) was made in July 2022.

The investment in Asia Partners funds is held at the estimated fair value of € 32 million (31 March 2022: € 20 million) based on audited financial information provided by the fund manager at 31 December 2022 adjusted for cash movements up to 31 March 2023.

The increase in the estimated fair value reflects capital contributions of € 10 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro in the year.

*Further information on Asia Partners is available at [www.asiapartners.com](http://www.asiapartners.com).*

## **SPECIALISED INVESTMENT FUNDS**

### **NanoDimension funds and co-investment opportunities**

ND Capital ('NanoDimension') is a venture capital firm founded in 2002 that invests in disruptive technologies in and at the intersection of the life and physical sciences, accelerated by data sciences. Their core belief is that scientific disciplines will continue to converge, and that some of the biggest breakthroughs will occur at the intersection of two or more disciplines. The focus of each fund is to invest in and support the establishment, technology development and scale up, growth and commercialisation of portfolio companies. They believe that these disruptive technologies address some of the biggest societal problems. Investments range from molecular diagnostics, cell and gene therapies, organs on chip, DNA synthesis and DNA editing, energy storage and electrical propulsion systems for aviation. They invest predominantly across the United States and Europe with additional investments in Canada, Denmark and the United Kingdom. Their teams are situated in Silicon Valley, Switzerland and the Cayman Islands.

*Aymeric Sallin, Founder of NanoDimension, commented:*

*'Whilst we presently face tough capital markets our approach to investing is long term, which requires time, effort, patience, and resilience. In some instances, following a decade of investment and support, we are excited to see certain of our portfolio companies become best in class.'*

*As the organization continues to grow, we are pleased with the sophisticated investors who have world class expertise that have invested their own capital alongside us, and who work with us regularly.*

*As with every company, the transition from technology to market, production, and operational excellence, requires new skills. Hence, we feel very privileged to have recently attracted incredible leadership talent for several of our portfolio companies.'*

Reinet is a limited partner in NanoDimension L.P., NanoDimension II L.P., NanoDimension III L.P., NanoDimension IV L.P. and ND Capital Opportunity Fund I L.P., and is invested in one co-investment opportunity alongside NanoDimension II L.P.

At 31 March 2023, the estimated fair value of Reinet's investment amounted to € 94 million (31 March 2022: € 98 million) based on audited valuation data provided by NanoDimension as at 31 December 2022 adjusted for movements in listed investments and cash movements up to 31 March 2023.

The decrease in the estimated fair value reflects distributions of € 6 million together with decreases in the value of underlying investments, offset by capital contributions of € 7 million together with the strengthening of the US dollar against the euro in the year.

*Further information on NanoDimension is available at [www.ndcapital.com](http://www.ndcapital.com).*

### **Other fund investments**

This includes small, specialist funds investing in private equity businesses and start-up ventures.

Other fund investments are valued in total at their estimated fair value of € 2 million at 31 March 2023 (31 March 2022: € 8 million) based on the latest available valuation statements received from the fund managers.

The decrease in the estimated fair value principally reflects decreases in the value of underlying investments.

### **UNITED STATES LAND DEVELOPMENT AND MORTGAGES**

Reinet has invested in certain real estate development projects and related businesses located in the United States (including Florida, North Carolina and South Carolina). Reinet has also purchased mortgage debt associated with such developments from financial institutions, usually at significant discounts to face value.

The core land development process encompasses land planning, attaining entitlements from governmental bodies and installation of community infrastructure. Other investments in mitigation banks facilitate the preservation of land to offset the loss of wetlands necessitated by public improvements, such as highway construction, and other privately-sponsored developments.

*Bill Lanius, Chief Executive Officer of United States land development and mortgages, commented:*

*'In the past year, our industry has witnessed a moderation in housing demand caused by significant mortgage rate increases and general economic uncertainty, primarily stemming from the inflationary surge. Furthermore, lingering supply chain issues and heightened governmental regulation resulted in extended production cycles. Despite these challenges, the demographics that support long-term housing demand remain favourable, particularly in Florida and other sunbelt locations in which our portfolio of properties is concentrated.*

*During our most recent fiscal year, the United States land development and mortgages business finalized key transactions and solidified important business relationships that will facilitate future operations. The results are consistent with our strategy of monetizing designated assets and distributing surplus capital to Reinet. Based on our progress to date, we cautiously enter the new fiscal year as a streamlined operation with greater ability to respond to changing economic circumstances.'*

The investment is carried at the estimated fair value of € 26 million as at 31 March 2023 (31 March 2022: € 32 million). The current valuation is based on audited and unaudited financial statements as at 31 December 2022 adjusted for cash movements up to 31 March 2023.

The decrease in the estimated fair value reflects repayments received during the year of € 11 million, offset by increases in the valuation of underlying assets together with the strengthening of the US dollar against the euro during the year.

### **OTHER INVESTMENTS**

Other investments are carried at their estimated fair value of € 58 million at 31 March 2023 (31 March 2022: € 81 million).

The decrease in the estimated fair value relates to decreases in the valuation of underlying investments and the weakening of sterling against the euro in the year, offset by amounts invested together with the strengthening of the US dollar against the euro in the year.



## COMMITTED DURING THE YEAR

Commitments made in the year amounted to € 332 million, including € 278 million (\$ 300 million) to Coatue funds, € 11 million (\$ 12 million) to Prescient China Growth Enhanced Absolute Return Fund and € 35 million (\$ 37 million) to Asia Partners II LP.

## TOTAL COMMITMENTS

Funding commitments are entered into in various currencies including sterling and US dollar and are converted into euro using 31 March 2023 exchange rates.

The table below summarises Reinet's investment commitments as at 31 March 2023.

	31 March 2022 <sup>(1)</sup> € m	Exchange rate effects <sup>(2)</sup> € m	Committed during the year <sup>(3)</sup> € m	Funded during the year <sup>(3)</sup> € m	31 March 2023 <sup>(3)</sup> € m	31 March 2023 %
<b>Pension Corporation</b>	–	–	6	(6)	–	–
<b>Private equity and related partnerships</b>						
<b>Trilantic Capital Partners</b>						
Funds, related general partners and management companies <sup>(4)</sup>	137	2	–	(19)	<b>120</b>	19.1
<b>TruArc Partners</b>						
Funds, co-investment opportunities and management company	207	4	–	(63)	<b>148</b>	23.6
<b>Coatue funds</b>	–	–	278	(50)	<b>228</b>	36.4
<b>Asian private equity companies and     portfolio funds</b>						
Milestone China Opportunities funds and management company	1	–	–	(1)	–	–
Prescient China funds and management company	–	–	11	(11)	–	–
Asia Partners funds	7	–	35	(10)	32	5.1
<b>Specialised investment funds</b>						
NanoDimension funds and co-investment opportunities	66	1	–	(7)	<b>60</b>	9.6
Other fund investments	33	(1)	–	–	<b>32</b>	5.1
<b>United States land development and     mortgages</b>	5	–	–	–	<b>5</b>	0.8
<b>Other investments</b>	4	–	2	(4)	<b>2</b>	0.3
	<b>460</b>	<b>6</b>	<b>332</b>	<b>(171)</b>	<b>627</b>	<b>100.0</b>

(1) Commitments calculated using 31 March 2022 exchange rates.

(2) Reflects exchange rate movements between 31 March 2022 and 31 March 2023.

(3) Amounts calculated using 31 March 2023 exchange rates, which may differ from actual exchange rates on the transaction date.

(4) Commitments noted represent only Reinet's share of the investments at 31 March 2023, additional commitments payable by the minority partner amount to € 3 million in respect of Trilantic.



## CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European-based banks and in liquidity funds holding highly rated short-term instruments.

Reinet's liquidity is measured by its ability to meet potential cash requirements, including unfunded commitments on investments and the repayment of borrowings, and at 31 March 2023 can be summarised as follows:

Cash and liquid funds	€ 288 m
Undrawn borrowing facilities	€ 227 m
Cash required for unfunded commitments (refer to table on previous page)	(€ 627 m)
Cash required to meet GBP borrowing obligations	(€ 227 m)

The undrawn borrowing facilities comprise a revolving facility with Bank of America, N.A. and with Citibank N.A. (see below).

Reinet may sell further BAT shares or use such shares to secure additional financing facilities from time to time.

## BANK BORROWINGS

Reinet has a fixed-rate £ 100 million margin loan due to Citibank N.A., which is repayable in August 2024. At 31 March 2023, the estimated fair value of the loan amounted to € 108 million (31 March 2022: € 114 million).

In addition, Reinet has a fixed-rate £ 100 million margin loan due to Bank of America, N.A., which is repayable in March 2025. At 31 March 2023, the estimated fair value of the loan amounted to € 109 million (31 March 2022: € 119 million).

The decrease in the estimated fair value of both loans reflects the increase in the discount rates used (due to increases in market interest rates) together with the weakening of sterling in the period.

Some 13.8 million BAT shares have been pledged to collateralise these two loans.

In addition, Reinet has a facility agreement in place with Citibank N.A. up to August 2024 and with Bank of America, N.A. up to March 2025. These facilities allow Reinet to drawdown the equivalent of up to € 227 million (£ 200 million) in a combination of currencies to fund further investment commitments. As at 31 March 2023 no funds have been drawn under these facilities.

## OTHER LIABILITIES

Minority interest, fees payable and other liabilities, net of other assets comprise:

	31 March 2023 € m	31 March 2022 € m
Minority interest	(4)	(3)
Liability in respect of current share buyback programme	-	(46)
Management fee	(19)	(17)
Performance fee	-	(3)
Tax provisions	(5)	(11)
Accruals and other payables, net of other receivables	(8)	(11)
BAT dividend receivable	32	31
<b>Total other liabilities</b>	<b>(4)</b>	<b>(60)</b>

The minority interest liability is in respect of a minority partner's share in the gains and losses not yet distributed arising from the estimated fair value movement of investments in which they have interests.

Tax provisions relate to realised and unrealised gains arising from the investments in Trilantic Capital Partners and TruArc Partners, together with withholding and corporate taxes relating to the investment in United States land development and mortgages.

The BAT dividend receivable had a record date of 24 March 2023 and a payment date of 3 May 2023.

No provision has been made in respect of a performance fee as at 31 March 2023 (31 March 2022: € 3 million) as the conditions required to pay a fee had not been met at year end date. In order for a performance fee to be payable at 31 March 2023, the volume weighted average market price of the Company's share determined by taking into account volume and price information on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange over the last 20 trading days of the current financial year had to exceed € 18.61. The volume weighted average market price of the Company's share was € 18.56 for the last 20 trading days of the current financial year.

The management fee is payable to the Investment Advisor.

INCOME STATEMENT	Year ended		Year ended	
	31 March 2023		31 March 2022	
	€ m	€ m	€ m	€ m
<b>Income</b>				
BAT dividends	122		128	
Interest and other investment income	23		16	
Realised gain on disposal of BAT shares	-		83	
Realised gains on sale of other investments	13		107	
Realised gains on derivative instruments	-		11	
Carried interest earned on investments	6		8	
<b>Total income</b>		164		353
<b>Expenses</b>				
Management fee	(49)		(44)	
Performance fee	-		(3)	
Operating expenses, foreign exchange and transaction-related costs	(6)		(7)	
Interest and related financing expenses	(5)		(8)	
Tax expense	(5)		(8)	
<b>Total expenses</b>		(65)		(70)
<b>Realised investment income, net of expenses</b>		99		283
<b>Fair value adjustments</b>				
BAT – unrealised (loss)/gain on shares held	(271)		258	
– unrealised gain on shares disposed of <sup>(1)</sup>	-		(93)	
Pension Corporation	(15)		41	
Other investments	55		117	
Derivative instruments – fair value adjustment on outstanding contracts	(1)		-	
– unrealised gains on settled contracts <sup>(2)</sup>	-		(20)	
Borrowings – unrealised gain on outstanding loans	11		4	
– unrealised loss on repaid loans <sup>(3)</sup>	-		2	
<b>Total fair value adjustments</b>		(221)		309
		(122)		592
<b>Effect of exchange rate changes on cash balances</b>		2		10
Net (loss)/profit		(120)		602
Minority interest		-		-
<b>(Loss)/profit attributable to the shareholders of the Company</b>		(120)		602
<p>(1) The reversal of the unrealised gain on shares surrendered during the year ended 31 March 2022 in relation to the repayment of the Merrill Lynch International borrowing represents the unrealised gain on these BAT shares as at 1 April 2021.</p> <p>(2) The reversal of the unrealised gains on derivative contracts represents the unrealised fair value as at 1 April 2021.</p> <p>(3) The reversal of the unrealised loss on borrowings represents the unrealised loss as at 1 April 2021 on borrowings repaid during the year ended 31 March 2022.</p>				

## INCOME

Dividend income from BAT recorded during the year ended 31 March 2023 amounted to € 122 million (£ 107 million) (31 March 2022: € 128 million (£ 109 million)). Dividend income received from BAT during the year represents the second, third and fourth 2022 quarterly dividend paid and the first 2023 quarterly dividend with a record date of 24 March 2023 and a payment date of 3 May 2023.

Interest income is earned on bank deposits, investments and loans made to underlying investments.

Realised gains on other investments of € 13 million were mainly in respect of investments in Trilantic Capital Partners, offset by realised losses in respect of investments in Diamond interests.

Carried interest of € 6 million (31 March 2022: € 8 million) was attributable to Reinet in respect of investments realised by Trilantic Capital Partners.

## **EXPENSES**

The management fee for the year ended 31 March 2023 amounts to € 49 million and is based on Reinet Fund's NAV of € 5 441 million at 30 September 2022 and € 5 890 million at 31 March 2022 (31 March 2022: € 44 million, based on Reinet Fund's NAV of € 4 783 million at 30 September 2021 and € 5 386 million at 31 March 2021).

No performance fee is payable for the year ended 31 March 2023 (31 March 2022: € 3 million) as the conditions required to pay a fee had not been met at year end date. The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Company's prospectus, published on 10 October 2008 as last amended on 25 August 2020, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2023, less the sum of all performance fees paid in respect of previous periods.

Operating expenses of € 6 million include € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner'), and other expenses, including legal and other fees, which amounted to € 5 million.

The net tax expense of € 5 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic Capital Partners, together with deferred tax provisions related to unrealised gains, expected distributions and accrued interest in respect of Trilantic Capital Partners, TruArc Partners and United States land development and mortgages.

## **FAIR VALUE ADJUSTMENTS**

The investment in 48.3 million BAT shares decreased in value by € 271 million during the year under review. Of this, € 191 million was attributable to the decrease in value of the underlying BAT shares in sterling terms and € 80 million was due to the weakening of sterling against the euro during the year under review.

The investment in Pension Corporation decreased in value by € 15 million which includes a decrease of € 108 million in respect of the weakening of sterling against the euro in the year under review (refer to pages 9 and 10 for a full description of the overall movement of Pension Corporation during the year).

The unrealised fair value adjustment of € 55 million in respect of other investments includes an increase in the estimated fair value of Trilantic Capital Partners and TruArc Partners, offset by decreases in the fair value of other listed investments, Prescient China funds, NanoDimension, other fund investments and other investments. The above amounts include the effect of changes in foreign exchange rates in the year under review.

Borrowings are carried at estimated fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. Unrealised gains of € 11 million during the year were in respect of changes in the estimated fair value of the Citibank N.A. and Bank of America, N.A. loans.

## **MINORITY INTEREST**

The minority interest expense arises in respect of the minority partner's share in the earnings of Reinet TCP Holdings Limited.

CASH FLOW STATEMENT	Year ended		Year ended	
	31 March 2023		31 March 2022	
	€ m	€ m	€ m	€ m
<b>Investing activities</b>				
Purchase of investments, net of repayments	(167)		(215)	
Proceeds from sales of investments	76		336	
<b>Net cash and liquid funds (used in)/generated by investing activities</b>		(91)		121
<b>Financing activities</b>				
Dividend paid	(51)		(46)	
Payment for settlement of derivative contracts	-		(2)	
Cost of share buyback programmes	(45)		(4)	
Net movements in bank borrowings	-		(250)	
<b>Net cash and liquid funds used in financing activities</b>		(96)		(302)
<b>Operating activities</b>				
Dividends received	122		133	
Carried interest earned on investments	6		8	
Interest and related financing expenses	(5)		(8)	
Operating and related expenses	(52)		(47)	
Taxation paid	(13)		(7)	
<b>Net cash and liquid funds generated by operating activities</b>		58		79
<b>Net cash outflow</b>		(129)		(102)
Opening cash and liquid funds position		415		507
Effects of exchange rate changes on cash balances		2		10
<b>Closing cash and liquid funds position<sup>(1)</sup></b>		<b>288</b>		<b>415</b>
<i>(1) Includes cash and liquid funds held in the Company, Reinet Fund and its subsidiaries.</i>				

## INVESTING ACTIVITIES

Investments totalling € 167 million were made during the year, including Pension Corporation, Trilantic Capital Partners, TruArc Partners, Coatue funds, Prescient China funds, Asia Partners funds, NanoDimension funds and other investments. Amounts invested were partially offset by repayments in respect of loans and interest received from United States land development and mortgages.

Proceeds from the sale of investments was in respect of Trilantic Capital Partners, TruArc Partners, Milestone China Opportunities funds, NanoDimension funds and Diamond interests.

## FINANCING ACTIVITIES

A dividend of some € 50.9 million was paid to shareholders in September 2022.

Reinet paid out € 45 million in respect of the share buyback programme in the year.

## OPERATING ACTIVITIES

Dividends received from BAT during the year ended 31 March 2023 amounted to € 122 million (£ 105 million) (31 March 2022: € 133 million (£ 114 million)). The dividends received from BAT during the year represent the first, second, third and fourth 2022 quarterly dividends paid.

Interest of € 5 million was paid in respect of the sterling-denominated loans.

Net US tax payments of € 13 million were paid in the year under review. This amount includes taxes withheld by US paying agents in respect of gains and carried interest received, together with estimated taxes paid on gains and income which will be taxable in the United States.

Cash and liquid funds decreased by € 127 million over the year to € 288 million as the amounts invested in new investments, payment of the dividend, the cost of the share buyback programme, management fee and operating expenses exceeded amounts received in respect of dividends and distributions from investments.

## **DIVIDEND**

The Company relies on distributions from Reinet Fund as its principal source of income from which it may pay dividends.

A cash dividend of some € 50.9 million or € 0.28 per share (excluding treasury shares held) was paid in September 2022, following approval at the annual general meeting held on 30 August 2022.

The General Partner has proposed a cash dividend of € 0.30 per share subject to shareholder approval at the annual general meeting, which is scheduled to take place in Luxembourg on Tuesday, 29 August 2023.

There is no Luxembourg withholding tax payable on dividends which may be declared by the Company.

In 2013 the Company sought clarification from the South African Revenue Service ('SARS') as to the treatment of any dividends to be declared by the Company and paid to holders of depository receipts issued by Reinet Securities SA in respect of Reinet's ordinary shares. This ruling was renewed for a further 5 years on 8 March 2018 in respect of any dividends to be declared by the Company and paid to holders of Reinet South African Shares. The Company is in the process of applying for a renewal of this ruling in respect of any dividends to be declared and paid to holders of its ordinary shares listed on the Johannesburg Stock Exchange. Information relating to the renewal of the ruling will be provided in due course.

The dividend will be payable in accordance with the following schedule, subject to shareholder approval:

The last day to trade the Company's shares cum-dividend in Europe will be Wednesday, 13 September 2023 and in South Africa, Tuesday, 12 September 2023. The Company's shares will trade ex-dividend from Thursday, 14 September 2023 in Europe and from Wednesday, 13 September 2023 in South Africa. The record date for the Company's shares in Europe and in South Africa will be Friday, 15 September 2023.

The dividend on the Company's shares in Europe will be paid on Wednesday, 20 September 2023 and is payable in euro.

The dividend on the Company's shares in South Africa will be paid in South African rand on Wednesday, 20 September 2023. Further details regarding the dividend payable to South African holders may be found in a separate announcement dated 25 May 2023 on the Johannesburg Stock Exchange News Service.

No cross-border movements of Reinet ordinary shares will be permitted between the clearing and settlement systems for the Dutch and Luxembourgish stock exchanges (Euroclear Nederland, Euroclear Bank and Clearstream) and the clearing and settlement system for the Johannesburg Stock Exchange (Strate) between Tuesday, 12 September 2023 and Friday, 15 September 2023, both days inclusive.

## **CAPITAL STRUCTURE**

As at 31 March 2023 and 31 March 2022, there were 195 941 286 ordinary shares and 1 000 management shares in issue.

As at 31 March 2023, the Company held 14 151 395 ordinary shares as treasury shares (31 March 2022: 11 825 416). The voting and dividend rights attached to the treasury shares are suspended. Therefore, the total number of voting rights at 31 March 2023 was 181 790 891 (31 March 2022: 184 116 870).

## **FINANCIAL STATEMENTS**

The consolidated audited financial statements at 31 March 2023, on which this announcement is based, have been approved by the Board of the General Partner on 23 May 2023 and are subject to shareholder approval at the annual general meeting to be held in August 2023. The printed Reinet Annual Report and Accounts will be available upon request from mid-July 2023.

## **SHARE INFORMATION**

Reinet Investments S.C.A. (the 'Company') ordinary shares are listed and traded on the Luxembourg Stock Exchange (symbol 'REINI', Refinitiv code REIT.LU), on Euronext Amsterdam (symbol 'REINA', Refinitiv code REIT.AS) and on the Johannesburg Stock Exchange (symbol 'RNI', Refinitiv code RNIJ.J) with the ISIN number LU0383812293; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

## **Data protection matters**

The Company has updated the Data Protection Information Notice available on the Company's website ([www.reinet.com/investor-relations/data-protection.html](http://www.reinet.com/investor-relations/data-protection.html)), which is intended to provide investors with detailed information regarding the processing of their personal data, as well as the Privacy Policy available on its website ([www.reinet.com/privacy-policy.html](http://www.reinet.com/privacy-policy.html)), which is intended to provide users of the Company's website with information regarding the processing of their personal data resulting from the use of the Company's website and/or from requests made via the Company's website.

Reinet Investments Manager S.A.  
General Partner  
For and on behalf of Reinet Investments S.C.A.

Website: [www.reinet.com](http://www.reinet.com)