REINET INVESTMENTS S.C.A.

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

23 MAY 2018

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018 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 2018.

Key financial data

- **Reinet's net asset value of € 5.1 billion reflects a compound return of 12 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 March 2018 reflects a decrease of € 875 million or 14.6 per cent from € 6 002 million at 31 March 2017**
- **Net asset value per share at 31 March 2018: € 26.17 (31 March 2017: € 30.63)**
- **Commitments totalling € 312 million in respect of new and existing investments made during the year, and a total of € 90 million funded during the year**
- **On 14 November 2017, Reinet's ordinary shares were listed on Euronext Amsterdam**
- **On 29 November 2017, Reinet's ordinary shares were listed on the Johannesburg Stock Exchange and the depository receipts subsequently cancelled**
- **Dividends from British American Tobacco during the year amounted to € 208 million**
- **Reinet dividend of some € 32 million, or € 0.165 per share, paid during the year**
- **Proposed Reinet dividend of € 0.18 per share payable after the 2018 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'.

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CHAIRMAN'S COMMENTARY

Dear Shareholder,

Overview of last 10 years
October 2018 marks the 10th anniversary of the formation of Reinet. At its creation Reinet Fund held British American Tobacco shares, a portfolio of smaller investments and € 350 million in cash, stemming from the restructuring of Richemont. Since 2008, Reinet has sold over 16 million British American Tobacco shares for total proceeds of some € 720 million and borrowed some € 700 million using British American Tobacco shares as collateral; investments made to date amount to over € 2.1 billion and current outstanding commitments amount to € 445 million with € 322 million cash and liquid funds available. At 31 March 2018, the net asset value of the portfolio amounted to € 5.1 billion.

Total shareholder return taking into account the Initial Price of Reinet's shares, the market value of the Reinet share at year-end and dividends paid, is 8 per cent per annum.

At the end of 2017 Reinet listed its ordinary shares on Euronext Amsterdam and on the Johannesburg Stock Exchange, following the cancellation of its depository receipt program. Along with the original listing on the Luxembourg Stock Exchange, Reinet's ordinary shares are now traded on 3 stock exchanges with a very efficient exchange mechanism between them. The enhanced convertibility and increased market visibility should enhance liquidity in the Reinet share over time.

Business developments
The investment in British American Tobacco represented some 62.4 per cent of Reinet's net asset value at 31 March 2018, compared to 70.8 per cent a year ago. This percentage decrease reflects the significant decrease in the British American Tobacco share price from £ 53.00 to £ 41.31, with the value of the holding of 68.1 million shares falling to € 3.2 billion at 31 March 2018. The value of Reinet's investment in British American Tobacco has thus decreased by some € 1 billion in the year; despite the current downturn in the share price we continue to take comfort from the underlying financial results, dividend flows and future prospects including the investment in Reynolds American, decreased US tax rates and increased focus on next generation products.

Pension Corporation continues to perform well in a market segment receiving increasingly more attention. The company wrote some £ 3.7 billion of new business in 2017 compared to £ 2.6 billion in 2016 and the outlook remains positive. With strong growth in profitability, a reported solvency ratio under the Solvency II regime at 160 per cent and, combined with a recently announced initial A+ rating from Fitch, Pension Corporation remains well placed to continue to compete for new clients and grow its business.

In the year under review, Reinet made investment commitments of € 312 million and invested a total of € 90 million in new and existing portfolio assets. Worthy of note is the new commitment to the respective successor funds of Trilantic North America, comprising € 152 million to date.

During the course of the year under review, Reinet's net asset value decreased by 14.6 per cent from € 6.0 billion to some € 5.1 billion. This reflects a significant decrease in the value of the investment in British American Tobacco offset in part by an increase in the value of the investment in Pension Corporation. The net asset value was also impacted by the weakening of sterling and the US dollar against the euro during the year.

The importance of the level at which Reinet shares trade is well appreciated by the Board of Directors. Despite the decrease over the last financial year the Board believes the Reinet portfolio continues to be appropriately placed. Our focus will remain on investing to achieve long-term growth in net asset value in an increasingly more volatile global context. We will continue to invest in and support our portfolio of assets where we have gained comfort to further develop, seeking to deploy new capital and importantly addressing smaller assets where the time and money spent is disproportionate to their ability to make a meaningful long-term impact on the net asset value.

Dividend
The Board of Directors of Reinet Investments Manager S.A. proposes a dividend of € 0.18 per share, payable in September 2018. This represents an increase of 9 per cent over the dividend paid last year.

Changes to the board of directors and board of overseers
Mr Eloy Michotte retired from the Board of Directors in May 2018 and Mr Denis Falck will retire from the Board of Overseers at the annual general meeting in August 2018. Both gentlemen have given nearly 10 years of service to Reinet, I wish to thank them both for their extremely valuable contribution to Reinet.

Outlook
The last year has once again shown that we live in a very uncertain and unpredictable world. Political changes in many countries, significant fluctuations in currency values and in Reinet's instance the large decrease in the value of British American Tobacco shares were all unexpected. The ability of markets in general to withstand some of these shocks are tested regularly. Slowly rising interest rates and declining central bank support will add more risk and volatility to world markets. Reinet will remain focussed on investing for the long-term and maintain its prudent approach in order to mitigate these risks.

Many people across the Reinet organisation and its investee companies have contributed to Reinet's performance. I would like to take this opportunity to thank them all.

Johann Rupert

Chairman
Reinet Investments Manager S.A.
Luxembourg, 23 May 2018

BUSINESS OVERVIEW

The Company has determined that it meets the definition of an investment entity in terms of the amended 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.

Net asset value

The net asset value ('NAV') at 31 March 2018 comprised:

	31 March 2018		31 March 2017	
	€ m	**%**	€ m	%
Listed investments				
British American Tobacco p.l.c.	**3 198**	**62.4**	4 249	70.8
SPDR Gold shares	**23**	**0.4**	26	0.4
Selecta Biosciences, Inc.	**3**	**-**	5	-
Unlisted investments				
Pension Insurance Corporation Group Limited	**1 305**	**25.4**	1 175	19.6
Private equity and related partnerships	**736**	**14.4**	780	13.0
Trilantic Capital Partners	**180**	**3.5**	202	3.4
Fund IV, Fund V, TEP, TEP II, related general partners and management companies				
36 South macro/volatility funds	**40**	**0.8**	49	0.8
Asian private equity and portfolio funds	**177**	**3.5**	182	3.0
Milestone China Opportunities funds, investment holdings and management company participation	129		135	
Prescient China Balanced Fund and investment management company	48		47	
Specialised investment funds	**339**	**6.6**	347	5.8
Vanterra Flex Investments(1)	-		30	
Vanterra C Change TEM and holding companies(1)	24		23	
NanoDimension funds and co-investment opportunities	54		44	
Fountainhead Expert Fund	17		29	
Snow Phipps funds and co-investment opportunities	90		48	
Palm Lane Credit Opportunities Fund	85		94	
GAM Real Estate Finance Fund	53		75	
Other fund investments(1)	16		4	
United States land development and mortgages(1)	**83**	**1.6**	154	2.6
Diamond interests	**39**	**0.8**	56	0.9
Other investments(1)	**59**	**1.2**	64	1.1
Total investments	**5 446**	**106.2**	6 509	108.4
Cash and liquid funds	**322**	**6.3**	360	6.0
Bank borrowings and derivatives				
Borrowings	**(661)**	**(12.9)**	(813)	(13.5)
Net derivative assets	**52**	**1.0**	26	0.4
Other liabilities(1)				
Minority interest, fees payable and other liabilities, net of other assets	**(32)**	**(0.6)**	(80)	(1.3)
Net asset value	**5 127**	**100.0**	6 002	100.0

(1) Certain assets previously included in the investment in Vanterra Flex have been distributed to Reinet Fund and are now included in 'Vanterra C Change TEM and holding companies', 'Other fund investments', 'Other investments' and in 'United States land development and mortgages'. The liability for minority interest was also reduced in respect of certain assets. Refer to page 11 for a description of the distributed assets.

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

INFORMATION RELATING TO CURRENT KEY INVESTMENTS

		Committed amount(1) in millions	Remaining committed amount(1) in millions	Invested amount(2) in millions	Realised proceeds(2) in millions	Current fair value(1) in millions	Total realised and unrealised value(3) in millions
Listed investments							
British American Tobacco p.l.c.	**EUR**	**-**	**-**	**1 739**	**1 862**	**3 198**	**5 060**
	GBP	-	-	1 418	1 530	2 811	4 341
SPDR Gold shares	**EUR**	**23**	**-**	**22**	**-**	**23**	**23**
	USD	25	-	25	-	29	29
Selecta Biosciences, Inc.	**EUR**	**4**	**-**	**4**	**-**	**3**	**3**
	USD	5	-	5	-	4	4
Unlisted investments							
Pension Insurance Corporation Group Limited	**EUR**	**614**	**1**	**656**	**-**	**1 305**	**1 305**
	GBP	540	1	539	-	1 147	1 147
Trilantic Capital Partners	**EUR**	**464**	**215**	**273**	**341**	**180**	**521**
Euro investment	EUR	87	20	67	112	54	166
US dollar investment(4)	USD	464	239	235	282	155	437
36 South macro/volatility funds	**EUR**	**93**	**-**	**93**	**11**	**40**	**51**
	EUR	88	-	88	11	36	47
	USD	6	-	6	-	5	5
Asian private equity and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company participation	**EUR**	**137**	**6**	**124**	**21**	**129**	**150**
	USD	169	7	162	25	160	185
Prescient China Balanced Fund and investment management company	**EUR**	**26**	**-**	**25**	**-**	**48**	**48**
	USD	32	-	32	-	59	59
Specialised investment funds							
Vanterra Flex Investments(5)	**EUR**	**-**	**-**	**51**	**49**	**-**	**49**
	USD	-	-	64	58	-	58
Vanterra C Change TEM and holding companies	**EUR**	**58**	**5**	**52**	**1**	**24**	**25**
	USD	71	6	65	1	29	30
NanoDimension funds and co-investment opportunities	**EUR**	**82**	**32**	**51**	**1**	**54**	**55**
Euro investment	EUR	4	-	4	1	3	4
US dollar investment	USD	96	39	57	-	63	63
Fountainhead Expert Fund	**EUR**	**32**	**16**	**15**	**-**	**17**	**17**
	USD	40	20	20	-	21	21
Snow Phipps funds and co-investment opportunities	**EUR**	**123**	**41**	**87**	**4**	**90**	**94**
	USD	151	51	100	5	111	116
Palm Lane Credit Opportunities Fund	**EUR**	**57**	**-**	**54**	**-**	**85**	**85**
	USD	70	-	70	-	105	105
GAM Real Estate Finance Fund	**EUR**	**114**	**34**	**54**	**37**	**53**	**90**
	GBP	100	30	70	30	47	77
United States land development and mortgages	**EUR**	**174**	**2**	**161**	**-**	**83**	**83**
	USD	215	3	212	-	103	103
Diamond interests(6)	**EUR**	**86**	**3**	**116**	**78**	**39**	**117**
	ZAR	1 230	40	1 190	1 131	571	1 702

(1) Calculated using year end foreign exchange rates.
(2) Calculated using actual foreign exchange rates at transaction date.
(3) Total of realised proceeds and current fair value.
(4) The invested amount for Trilantic Capital Partners includes an initial payment of $ 10 million.
(5) Certain assets have been distributed and are now included in 'Vanterra C Change TEM and holding companies', 'Other fund investments', 'Other investments' and in 'United States land development and mortgages'.
(6) The exposure to the South African rand has been partially hedged by a forward exchange contract and borrowings in this currency.

PERFORMANCE

NET ASSET VALUE

The decrease in the net asset value of € 875 million during the year reflects the decrease in the fair value of certain investments, including British American Tobacco p.l.c. ('BAT') and United States land development and mortgages offset by the receipt of dividends from BAT and increases in the estimated fair value of certain investments, including Pension Insurance Corporation Group Limited, and derivative assets.

The Company records its assets and liabilities in euro; the depreciation of sterling, the US dollar and the South African rand against the euro has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying the current year-end exchange rates to the March 2017 assets and liabilities would have resulted in a decrease in the March 2017 net asset value of some € 280 million.

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 over € 2.1 billion and at 31 March 2018 has committed to provide further funding of € 445 million to its current investments. Details of the funding commitments outstanding are given in the table on page 15. New commitments during the year under review amounted to € 312 million, and a total of € 90 million was funded during the year.

LISTED INVESTMENTS

BRITISH AMERICAN TOBACCO P.L.C.

The investment in British American Tobacco p.l.c. ('BAT') remains Reinet's single largest investment position and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity.

Nicandro Durante, Chief Executive of BAT, writing in its annual report for 2017 commented:

'The Group delivered another set of strong financial results in 2017, despite a challenging trading environment. Following the transformational deal in July 2017, these results benefit from the acquisition of Reynolds American Inc. while also demonstrating the strength of the organic business.

In light of the evolution of the business, with the addition of leading brands in the US, as well as the growing importance and progress of our potentially reduced-risk products, we have taken the opportunity to establish a new portfolio of priority brands.

Notwithstanding the good progress we are making with our potentially reduced-risk products, combustible cigarette products remain at the core of our business - delivering growth today and providing the funds required for investing in the future. I am therefore pleased that 2017 saw the Group yet again deliver another good performance.

The Group's financial performance was positively impacted by the accounting for the acquisition of Reynolds American Inc. and the subsequent US tax reforms. These drove diluted earnings per share up by over 600 per cent to 1,830.0p.'

During the year under review, Reinet recorded dividends from BAT amounting to € 208 million (£ 180 million), being BAT's final 2016 dividend and interim dividends for 2017 and 2018. In May 2018, after the end of the financial year, Reinet received the first payment in respect of BAT's 2018 financial year interim dividend; this amounted to € 38 million (£ 33 million) and is included in the current reported year-end results. BAT did not pay a final 2017 dividend, and instead moved to interim dividends paid quarterly starting from 1 January 2018.

Reinet holds 68.1 million shares in BAT, representing some 2.97 per cent of BAT's issued share capital. The value of Reinet's investment in BAT amounted to € 3 198 million at 31 March 2018 (31 March 2017: € 4 249 million), being some 62.4 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange decreased from £ 53.00 at 31 March 2017 to £ 41.31 at 31 March 2018.

The BAT share price has been volatile during the year under review, with an initial increase in price following the completion of the acquisition of the remaining 57.8 per cent of Reynolds American Inc. but subsequently decreasing following the announcement of the US Food and Drug Administration's decision to pursue regulation which proposes nicotine levels to be reduced to non-addictive levels. Reinet continues to take comfort from the underlying financial results, dividend and future prospects of BAT including the investment in Reynolds American Inc., decreased US tax rates and increased focus on next generation products.

Further information on BAT is available at www.bat.com/annualreport.

SPDR GOLD SHARES

In 2015, Reinet invested € 22 million in SPDR Gold shares ('GLD'), 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 € 23 million as at 31 March 2018.

Further information on GLD is available at www.spdrgoldshares.com.

SELECTA BIOSCIENCES, INC.

In June 2016, Reinet invested € 4 million in Selecta Biosciences, Inc., ('Selecta') acquiring 350 000 shares in its initial public offering on the NASDAQ.

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 350 000 shares with a market value of € 3 million as at 31 March 2018.

Further information on Selecta is available at www.selectabio.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 net asset value of investment funds, discounted cash flow models and comparable valuation multiples, as appropriate.

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 specialist insurer of UK defined benefit pension funds. Pension Insurance Corporation provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. Pension Insurance Corporation provides secure and stable retirement income for its policyholders through market-leading customer service, comprehensive risk management and excellence in asset and liability management.

In 2017, Pension Insurance Corporation wrote new pension insurance business with premiums of £ 3.7 billion up from £ 2.6 billion in 2016. It reported an underlying operating profit of £ 195 million (2016: £ 177 million), pre-tax profits of £ 391 million (2016: £ 276 million) and a solvency capital ratio of 160 per cent (2016: 164 per cent). Pension Insurance Corporation has been operating under the Solvency II framework of governance since 1 January 2016.

At 31 December 2017, Pension Insurance Corporation held £ 25.7 billion in assets (31 December 2016: £ 22.6 billion) and had insured more than 151 000 pension fund members (31 December 2016: 134 000). Clients include FTSE 100 companies, multinationals and the public sector.

Tracy Blackwell, Chief Executive Officer of Pension Insurance Corporation commented:

'To fulfil our purpose of providing financially secure pensions to our policyholders, as well as transacting new business and growing that pool of policyholders, there are several key areas in which Pension Corporation, through its main operating subsidiary Pension Insurance Corporation, as a specialist insurance company, needs to excel. These include a clear, strong focus on getting the best outcome for our customers, the ability to source the right sort of assets, the development of deep working relationships with reinsurers and the need to retain excellent staff.

Our key financial metrics demonstrate the strength of the business. We finished the year with total new business premiums of £ 3.7 billion, across 20 pension schemes, and took on responsibility for the pension payments of an additional 24 000 policyholders. Pension Insurance Corporation's underlying operating profit, which reflects management's view of the profitability of the business and its activities grew to £ 195 million, an increase of 10 per cent year-on-year. At year-end, Pension Corporation's Market Consistent Embedded Value (MCEV) stood at £ 2 932 million, an increase of 13 per cent in the year, and Pension Insurance Corporation's solvency ratio was 160 per cent.

In 2017 we were proud to attain the Institute of Customer Service's (ICS) ServiceMark with Distinction – the only financial services company to have done so. Our stakeholders continue to give us excellent feedback, with over 98 per cent of policyholders expressing overall satisfaction with our service, and 99 per cent of employees expressing a belief that Pension Insurance Corporation will be successful over the next few years.

2017 was a very successful year for us and I look forward to building on this in 2018 with all our stakeholders.'

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 1 305 million at 31 March 2018 (31 March 2017: € 1 175 million). This value takes into account Pension Corporation's audited embedded value at 31 December 2017 of £ 2.9 billion (31 December 2016: £ 2.6 billion), valuation multiples drawn from industry data and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The increase in estimated fair value over the year is due to the increase in Pension Corporation's embedded value which reflects new business written in the year and the effect of changing economic variables, together with a 2 per cent increase in comparable company valuation multiples derived from public information relating to listed companies in the UK insurance sector. The increase in estimated fair value is reduced by the weakening of sterling against the euro in the year.

Further information on Pension Corporation is available at 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, 36 South Capital Advisors, Milestone Capital, Prescient Investment Management China and Vanterra Capital. 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 primarily targets investments in the consumer, energy, and business services sectors, and currently manages five funds. Trilantic Europe primarily targets investments in the industrials, consumer and leisure, telecommunication, media and technology, business services and healthcare sectors, and currently manages two funds.

Reinet and its minority partner invest in the Trilantic general partnerships and management companies (together 'Trilantic Management') and six of the eight current 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.

Trilantic Capital Partners IV L.P. and Trilantic Capital Partners IV (Europe) L.P. are in the process of realising value from underlying investments. In the year under review, distributions of some € 21 million were received (31 March 2017: € 7 million).

Trilantic Capital Partners V (North America) L.P. and Trilantic Energy Partners (North America) L.P. are approaching the end of their investment period with Reinet making capital contributions of some € 30 million and receiving distributions of some € 46 million in the year under review. These US-based funds are focused on North American opportunities with Trilantic Energy Partners (North America) L.P. being especially focused on the oil and gas sector.

During the year under review, Reinet committed € 21 million ($ 26 million) to Trilantic Energy Partners II (North America) L.P. ('TEP II') and its general partner, and € 131 million ($ 160 million) to Trilantic Capital Partners VI North America ('Fund VI') and its general partner. TEP II had its first closing in August 2017 and Fund VI had its first closing in December 2017; each fund expects further closings in the coming months, at which time Reinet's commitment will increase in line with the overall fund size. As at 31 March 2018, TEP II had made one investment and Fund VI had no investments and no capital contributions have been made.

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

'In 2017, we launched fundraising for two new funds, Fund VI North America and TEP II North America, and have already closed on nearly three-quarters of the $ 2.75 billion combined target committed capital. We plan to hold final closings for both funds in 2018. TEP II North America launched operations in Q1 2018 and Fund VI North America is expected to commence its operations in the second quarter.

We believe that US consumer confidence will remain high throughout 2018, supported by low unemployment, wage growth, and continued economic strength, which should be bolstered by the recent tax law changes.

We are more optimistic regarding the outlook of domestic companies in general. We will continue adhering to our investment discipline, which we believe has been critical in protecting capital, enhancing value and maximizing returns. We have fully (or partially) monetized companies and assets that have reached maturity, while methodically putting capital to work where we find attractive investment opportunities that can drive appropriate risk-adjusted returns. Patience and flexibility remain essential in our deployment of capital. We continue to strive to build value in our existing portfolio and focus on having our mature companies exit-ready to take advantage of attractive market dynamics. We are proud of our consistency in the performance of our funds over approximately 15 years and three fund vintages, through many business and commodity price cycles.'

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

'The European macro environment in 2017 was less eventful than in prior years as the ECB reduced the size of its interventions, maintaining negative rates. Solid improvements in sovereign debt continued in Southern Europe, with Spain and Portugal delivering impressive export driven recoveries and France benefiting from significant presidential goodwill. Even Italy has exhibited export driven growth, but it continues to be dragged down by its high structural unemployment (most of it in the South of the country), declining public investment, and political instability environment. Outside the Eurozone, the UK stands out as a special case for European private equity investing as it decouples its future from the EU. Politics will play an outsized role in the outcome but we have a positive outlook on the investment prospects in certain sectors, including IT and business services, amongst others. Recently we have seen a number of positive economic signals in Europe including increased consumer spending, an export surplus, a new German and French willingness to increase public spending and lower personal income tax (which tends to translate immediately into spending). As a result, we believe that certain consumer facing industries and cyclical sectors will particularly benefit from an overall positive economic cycle.'

Reinet's and its minority partner's investment in Trilantic Management and all the above funds is carried at the estimated fair value of € 180 million at 31 March 2018 (31 March 2017: € 202 million) of which € 7 million (31 March 2017: € 10 million) is attributable to the minority partner. The estimated fair value is based on audited valuation data provided by Trilantic Management at 31 December 2017 adjusted for changes in the value of listed investments included in the portfolios. The decrease in the estimated fair value is due to distributions of € 36 million and by the weakening of the US dollar against the euro, offset by additional capital invested and increases in estimated fair values of underlying investments.

During the year under review, gains of € 31 million and carried interest of € 14 million were received.

Further information on Trilantic is available at www.trilantic.com.

36 SOUTH MACRO/VOLATILITY FUNDS

36 South Capital Advisors LLP ('36 South') is an absolute return fund manager that specialises in managing global macro/volatility funds. 36 South was established in 2001 and specialises in finding cheap convexity, principally in long-dated options, across all asset classes. Its global volatility strategies are designed to perform well in most market environments but to substantially outperform in periods of extreme market movement and volatility.

Reinet has co-invested with the 36 South management team in the fund management and distribution companies. Reinet is also an investor in the following 36 South funds:

The Lesedi Fund; a positive-carry, long-volatility strategy with a primary focus of generating yield in 'normal markets', whilst retaining the potential to deliver larger positive returns in extreme market events. The fund invests in options that are expected to result in a positive return if the spot price remains the same, if volatility increases, and/or if there is a favourable movement of the price of the underlying asset. The current low interest and low volatility environment provides multiple opportunities for the fund to invest in such positions globally in equities, currencies, commodities and interest rates and in both bullish and bearish positions.

The Kohinoor Core Fund; a global macro/long volatility strategy which aims to achieve significant returns with commensurate risk over a medium-to long term investment period. It is designed to generate performance in a variety of market environments as the fund managers have extensive experience in identifying mis-valued assets whilst maintaining a mix of bullish and bearish positions. The fund invests up to 95 per cent in options and is a more concentrated version of the highly successful Kohinoor Series Funds.

During the year under review, the investment in the 36 South Black Eyrar Fund was redeemed and the proceeds invested in the Lesedi Fund. A loss of € 10 million was realised on the 36 South Black Eyrar Fund on transfer, with proceeds of € 5 million invested in the Lesedi Fund.

Richard Haworth, Chief Executive Officer of 36 South, commented:

'36 South is a world recognised leader in the management of funds which look to outperform in times of extreme systemic events and the accompanying volatility.

For a number of years now we have seen a bear market in the price of assets primarily driven by volatility due to the lack of these types of events. This culminated in extreme lows in prices of volatility assets last year which in turn leads to disappointing performance in such funds.

However, notwithstanding the performance, funds experienced significant new inflows as investors become increasingly nervous of the fragility of the financial markets. We expect this to continue.

36 South is looking to consolidate its position as a leader in this space and given the macroeconomic backdrop, believes that it is well positioned to grow it's AUM organically and inorganically as investors become increasingly aware of the need to have diversify their portfolio and have funds like ours in their mix as not only a diversifier but as a tail hedge.'

The investment in the funds is carried at an estimated fair value of € 34 million, based on unaudited financial information received from the fund manager as at 31 March 2018 (31 March 2017: € 42 million). The estimated fair value of the investment in the fund management and distribution companies amounted to € 6 million (31 March 2017: € 7 million). The investments in total have an estimated fair value of € 40 million (31 March 2017: € 49 million). The change in valuation reflects the movement in the value of the underlying investments held by the funds.

Further information on 36 South is available at www.36south.com.

ASIAN PRIVATE EQUITY AND PORTFOLIO FUNDS

Milestone China Opportunities funds, investment holdings and management company participation

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

Milestone Capital has a strong track record in helping portfolio companies scale their operations and be 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: restaurants; biopharmaceutical manufacturers; medical device manufacturers; food and beverage distribution; brands covering sportswear and apparel; big data services; e-commerce; power generation equipment; retail pharmacies and online education.

Yunli Lou, Managing Partner of Milestone Capital, commented:

'Milestone made significant progress in 2017 as it continued working closely with its portfolio companies to drive operational excellence and drive strategic initiatives. Among the active portfolio companies, an oncology-focused biotech company was successfully listed on the Taipei Exchange's Mainboard and is currently in the process of dual-listing on Nasdaq; a biosimilar developer voluntarily delisted from the Taipei Exchange's Emerging Stock Board to relist on the new Hong Kong biotech market; and a big data service provider completed a new round of financing at a significantly higher valuation than in the previous round. Concurrent with the new round, Milestone made a partial realization of the investment and received total proceeds greater than the investment cost.

China's GDP grew by 6.9 per cent in 2017, above the government's annual growth target of 6.5 per cent. The Chinese economy continues to rebalance with the services industry accounting for 51.6 per cent of GDP, up from 45.3 per cent in 2012, when Xi Jinping became the Communist Party Chief. The Chinese consumer story remains compelling, driven by several sustainable factors such as strong income growth, low household debt and high household savings. This resulted in retail sales growth of 10.2 per cent and online retail sales growth of 32.2 per cent for the year.

China's stock markets continued to expand due to reforms. With $ 8.5 trillion in market capitalization and more than 3,400 listed companies, China's A-share market is the second-largest in the world, behind the US During 2017, The Shanghai and Shenzhen Stock Exchange ranked as the second and fifth largest globally in terms of funds raised. The Stock Connect program enabling investors in Shanghai, Shenzhen and Hong Kong markets to trade shares in each other's market, continues to boost both volume and demand for both Mainland China and Hong Kong listed companies. The upcoming inclusion of A-share stocks in MSCI is expected to increase the range of A-shares international investors can trade.'

The investment in Milestone is held at the estimated fair value of € 129 million (31 March 2017: € 135 million) based on audited financial information provided by Milestone Capital at 31 December 2017 adjusted for movements in listed investments and cash movements up to 31 March 2018. The change in estimated fair value reflects capital repayments of € 3 million and the weakening of the US dollar against the euro, offset by increases in the value of listed investments.

Further information on Milestone Capital and Milestone funds is available at www.mcmchina.com.

Prescient China Balanced Fund and investment management company

Prescient China Balanced Fund ('Prescient China') is a fund managed by a subsidiary of Prescient Limited, a South African-listed fund manager, with the team based in Shanghai. The fund invests in equities, bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels. It invests principally in instruments listed on the Shanghai and Shenzhen Stock Exchanges.

Liang Du, Portfolio Manager of Prescient China, commented:

'March 2018 signifies 5 full years since the inception of the fund. Over the five years we've faced the initial China slower growth scare, property collapse scare, debt default scare, currency depreciation scare, bubble and crash. One can truly say being invested in China is certainly never boring.

By sticking to our processes of security selection and asset allocation we managed returns of 15 per cent p.a. beating inflation handily over a period that was not the most positive for the Chinese market. The returns came from time in the market, but also good asset allocation as well as stock selection over the period.

Cumulatively the fund is up around 100 per cent over the past 5 years, delivering returns uncorrelated with the rest of the world, and exactly those expected of a long-term growth fund, contributing to high returns and diversification. Our strong returns put us in the top 2 per cent of global flexible allocation funds in the Asia-Pacific region according to Bloomberg data since we started the fund. We will continue to work very hard to continue delivering exceptional returns over the next 5 years.'

Reinet invests in Prescient China and in the management company. These investments are carried at the estimated fair value of € 48 million based on unaudited financial information provided by the fund manager at 31 March 2018 (31 March 2017: € 47 million). The increase in estimated fair value over the year under review is the result of increases in the value of underlying listed investments offset by the weakening of the US dollar against the euro in the year.

Further information on Prescient China is available at www.prescient.co.za.

SPECIALISED INVESTMENT FUNDS

Vanterra Flex Investments

Vanterra Flex Investments L.P. ('Vanterra Flex') was established in 2010 to invest in privately issued securities and to make direct investments in the US and emerging markets.

Reinet's investment in Vanterra Flex decreased in value from € 30 million at 31 March 2017 to € nil at 31 March 2018 due to the distribution of assets in the year under review. Certain of the distributed assets are now included in the captions 'Vanterra C Change TEM and holding companies' (€ 4 million), 'Other fund investments' (€ 8 million), 'Other investments' (€ 6 million) and 'United States land development and mortgages' (€ 1 million); other distributions resulted in a reduction in the minority interest liability (€ 7 million).

At the time of the distribution of Vanterra Flex's assets Reinet had made a total investment of $ 64 million and received distributions of cash and assets of $ 58 million, resulting in an overall loss to date of $ 6 million.

Further information on Vanterra is available at www.vanterra.com.

Vanterra C Change TEM and holding companies

Vanterra C Change Transformative Energy & Materials ('Vanterra C Change TEM') was established in July 2010 to invest in companies and projects providing products or services that supply cleaner energy; create a more cost-effective building environment through the use of energy efficient technologies; and develop renewable resources as a substitute for fossil and other traditional fuels.

Reinet is an investor in Vanterra C Change TEM and in its general partner.

The investment is carried at the estimated fair value of € 24 million at 31 March 2018, based on audited financial information as at 31 December 2017, adjusted for cash movements and changes in prices of listed investments (31 March 2017: € 23 million).

As noted above, during the year assets amounting to € 4 million ($ 5 million) were distributed by Vanterra Flex and are now included in the investment in Vanterra C Change TEM.

Further information on Vanterra C Change TEM is available at www.temcapital.com.

NanoDimension funds and co-investment opportunities

Reinet is a limited partner in NanoDimension I, II and III limited partnerships. The focus of each fund is to invest in and support the establishment, technology development and scale up, growth and commercialisation of companies leveraging the advancement of new atomic and molecular structures. Product applications range from molecular diagnostics, immuno-oncology, immuno-tolerance, organs on chip, DNA synthesis to energy storage and electrochromic glass.

Aymeric Sallin, Founder of NanoDimension Management Ltd, commented:

'As the NanoDimension portfolio companies mature, there are exciting developments – products are being launched in the marketplace, drugs are advancing through clinical trials and showing initial signs of efficacy, top-tier management teams and board members are joining our portfolio companies. Amongst others:

- *On January 25, 2018, ARMO, the largest investment of NanoDimension II, completed a NASDAQ IPO at $ 17 per share. The initial filing was for $ 86 million, but it ended raising $ 128 million Since then the stock has traded between $ 25 and $ 57 per share. Over 400 patients have been enrolled in clinical trials. ARMO is currently conducting a Phase 3 in PDAC (Pancreatic Ductile Adenocarcinoma) as well as a Phase 2 in NSCLC (Non-Small Cell Lung Cancer).*
- *Inscripta released a new CRISPR enzyme (MAD7). The company raised a new round of financing at a substantially higher valuation and now has the capital to work through commercial launch and unleash the potential of biology with its automated single cell writing instrument, consumables and a software suite.*

During 2017, Dr. Patrick Aebischer who led the EPFL (Swiss Federal Institute of Technology Lausanne) as President for 17 years, joined the team and is heading our Swiss office, helping bridge Silicon Valley with Europe. Patrick, is currently a board member of Nestlé, Lonza, Logitech, and the Novartis Venture Fund (Chairman).'

At 31 March 2018, the estimated fair value of Reinet's investment in the three funds and co-investments amounted to € 54 million (31 March 2017: € 44 million). The estimated fair value is based on audited valuation data received from the fund manager as at 31 December 2017, together with an independent valuation of the co-investments. The increase in estimated fair value reflects capital contributions made and increases in the value of underlying investments offset by the weakening of the US dollar against the euro in the year.

Further information on NanoDimension is available at www.nanodimension.com.

Fountainhead Expert Fund

Fountainhead Expert Fund ('Fountainhead') is a fund investing in a concentrated manner in global equities offering superior potential for capital appreciation and value realisation by benchmarking itself to global inflation and striving for absolute real returns through time.

Andre Cillie, Managing Partner of Andre Cillie Capital Management (Pty) Ltd, manager of Fountainhead, commented:

'2017 proved to be yet another frustrating and disappointing year. Deep value, concentrated investing has been out of favour for some time and we find ourselves in the same company as a host of noted value investors such as David Einhorn and Bruce Berkowitz.

To say that we are struggling to find new ideas with a sufficient margin of safety would be an understatement. The rest of the market trades at extreme levels in our opinion and this overvaluation is particularly acute amongst the market darlings.

While the last two years have been extremely frustrating, we still believe the portfolio is correctly positioned to benefit as the age of "free money" draws to a close and interest rates continue to normalise globally. All of our money is invested alongside yours and we feel confident that our patience will be duly rewarded, as we continue to focus on the facts instead of emotions.'

At 31 March 2018, the estimated fair value of the investment was € 17 million based on the unaudited valuation at that date provided by the fund manager (31 March 2017: € 29 million). The decrease in estimated fair value is the result of decreases in the value of underlying listed investments together the weakening of the US dollar against the euro in the year.

Further information on Fountainhead is available at www.fountainheadpartners.co.za.

Snow Phipps funds and co-investment opportunities

Snow Phipps Group ('Snow Phipps') is a private equity firm focused on lower middle-market control investments. Snow Phipps seeks to invest $ 50 million to $ 150 million of equity in market-leading companies primarily headquartered in North America with enterprise values between $ 100 million and $ 500 million. Snow Phipps implements a strategy of creating long-term capital appreciation through active operational management of its portfolio companies. By utilising its engaged operational approach, Snow Phipps is able to execute transactions involving corporate carve-outs, generational and management change, and add-on acquisition strategies. Snow Phipps primarily targets investments in the industrial, consumer and business services sectors, and currently manages three private equity funds with aggregate capital commitments of $ 2.4 billion.

Reinet invests as a limited partner in Snow Phipps II, L.P., Snow Phipps III, L.P and in four co-investment opportunities alongside Snow Phipps III, L.P.

Ian K. Snow, CEO and Partner of Snow Phipps, commented:

'In 2017, despite a highly competitive deal-making environment, we continued to execute the investment strategy in Snow Phipps III, completing three new platform investments, as well as two add-on acquisitions. In July 2017, Snow Phipps III acquired Ideal Tridon, a leading global engineering solutions designer and manufacturer of stainless steel and specialty clamps for a broad range of fastening and sealing applications. In September 2017, Snow Phipps III acquired DecoPac, a leading direct-to-store distributor, technology and supply chain solutions provider for bakeries, professional cake decorators and baking enthusiasts across the US, Europe and Canada. In October 2017, Snow Phipps III acquired Brook & Whittle, a leading technically-oriented North American manufacturer of premium prime label solutions. In addition, for Snow Phipps II, L.P., we completed six add-on acquisitions during 2017. In 2017, we deployed over $ 280 million in Snow Phipps II and Snow Phipps III equity commitments combined. We also had three successful exits in 2017, returning $ 239 million to Snow Phipps II investors. We continue to build value in the current Snow Phipps portfolio.'

Reinet's investment in the two funds and associated co-investments is carried at an estimated fair value of € 90 million at 31 March 2018 (31 March 2017: € 48 million), the increase in value being mainly due to additional capital invested in the year and increases in the value of underlying investments, offset by the weakening of the US dollar against the euro during the year.

Further information on Snow Phipps is available at www.snowphipps.com

Palm Lane Credit Opportunities Fund

The investment in Palm Lane Credit Opportunities Fund (Cayman) Ltd. ('Palm Lane Credit Opportunities Fund') (previously JPS Credit Opportunities Fund (Cayman) Ltd), which was the first transaction introduced to Reinet by Renshaw Bay, focuses on liquid opportunities in the credit markets. Palm Lane Credit Opportunities Fund is managed by JP Morgan Asset Management.

Palm Lane Credit Opportunities Fund's investment objective is to achieve attractive risk-adjusted returns through both capital appreciation and current income by taking positions in publicly traded and privately held securities, derivatives and other instruments (including bonds, credit default swaps and index options), primarily in credit and credit-related markets.

The investment is carried at the estimated fair value of € 85 million at 31 March 2018 (31 March 2017: € 94 million) based on the valuation at that date provided by the fund manager.

The decrease in estimated fair value during the year is due to decreases in the value of underlying investments together with the weakening of the US dollar against the euro during the year.

GAM Real Estate Finance Fund

The GAM Real Estate Finance Fund ('REFF') was created to take advantage of opportunities resulting from a funding gap between the expected demand for commercial real estate finance and its availability from banks, other traditional lenders and equity investors. Its investment strategy focuses on the origination of commercial real estate loans primarily in Western Europe, and with primary focus on the UK. At December 2017, REFF held 15 investments.

Jon Rickert, Investment Director of GAM, commented:

'The Real Estate Finance Fund invested in a diversified portfolio of 25 self-originated, private loans secured by commercial and residential real estate in the UK, Ireland and Belgium. The fund's investment objectives are to generate an attractive dividend yield while protecting against a material, downward adjustment in real estate value. In 2017, the fund paid dividends in excess of its target yield. Through the end of 2017, ten of the fund's 25 investments had been fully realised.

UK real estate values have remained relatively stable in spite of the slowing UK economy. Management of the fund expect the uncertainty around the outcome of the Brexit negotiations will continue to weigh on the UK economy. The Irish economy, on the other hand, has experienced robust growth; the Irish commercial real estate market continues to improve. The fund's investments benefit from the substantial downside protection inherent in loans.'

The investment is carried at the estimated fair value of € 53 million at 31 March 2018 (31 March 2017: € 75 million) based on audited valuation data provided by the fund manager at 31 December 2017.

The decrease in estimated fair value is mainly due to repayments of capital in the year, mostly owing to early settlement of loans, together with the weakening of sterling against the euro.

Other fund investments

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

In March 2018, Reinet invested some € 6 million in RLG Real Estate Partners LP, a property fund which is managed by a subsidiary of Compagnie Financière Richemont SA.

These investments are valued at their estimated fair value of € 16 million at 31 March 2018 based on valuation statements received from the fund managers (31 March 2017: € 4 million).

UNITED STATES LAND DEVELOPMENT AND MORTGAGES

Reinet has invested in real estate development projects. The investments are located in Florida, Georgia, Colorado, North and South Carolina and Nevada. These include properties where infrastructure services have been laid but where the construction of properties has not yet commenced. Reinet has also purchased mortgage debt linked to such developments from financial institutions, usually at significant discounts to face value.

In addition, Reinet has invested in residential golf communities, owning the land for sale to future homeowners together with infrastructure assets. These investments are held in Arendale Holdings Corp.

John Kunkel, Chief Executive Officer of Arendale Holdings Corporation, commented:

'Arendale Holdings, Tideridge Holdings and Faircrest Holdings, are each holding companies that Reinet uses to make investments in US real estate.

Arendale owns, wholly or partially, several premier golf course communities as well as land acquired for environmental mitigation purposes. Revenues and net income for 2017 remained relatively unchanged from the prior year.

Tideridge Holdings makes loans to a collection of primarily residential community development projects located in the South-Eastern US, while Faircrest Holdings owns a portfolio of loans made to the same project entities. No new loans were originated this past year and the balances are declining as the land is being sold-off in accordance with an overall disposition strategy. The two companies had positive cash flow of $ 1.1 million above the prior year and, even though the loan holdings are reducing, the fair value of the assets has increased slightly above the prior year (after adjusting for the current year sales).'

The investment is carried at the estimated fair value of € 83 million (31 March 2017: € 154 million), of which € nil is attributable to minority partners (31 March 2017: € 3 million).

The current valuation is based on audited financial statements as at 31 December 2017 adjusted for cash movements up to 31 March 2018. The decrease in the estimated fair value, primarily reflects reductions in the expected rate of lot sales and lot prices, together with revised future costs; reductions in the value of specific properties (arising from management's view of the non-recoverability of a contractual receivable, and the dilutive effect of preferred returns earned by an unaffiliated investor at a golf community in which the United States land development and mortgages has a minority ownership); and the weakening of the US dollar against the euro during the year.

Further information on Arendale is available at www.arendale.com.

DIAMOND INTERESTS

Reinet has invested in two projects in South Africa. Firstly, in an entity which extracts diamonds from the waste tailings of mining operations which began over a century ago at Jagersfontein in South Africa. Developments in extraction technology since Jagersfontein was first mined, now allow the waste tailings to be reprocessed to recover gemstones. In addition, Reinet has an interest in a separate project, which has acquired rights to mine diamonds on a previously unexploited site at Rooipoort near Kimberley in South Africa. Both entities are fully operational and continue to repay loans to Reinet.

Henk van Zuydam, Chief Financial Officer of both projects, commented:

'The rough diamond market has remained resilient in demand which is evident in the continued high attendance at the sales tenders held both in South Africa and in Antwerp. This resilience is in spite of the fact that the polished diamond market has remained under pressure during the course of the year. The fluctuating Rand remains a major factor in the revenue and profitability of the business, especially due to the significant strengthening of the South African rand from November 2017 which had a negative impact on the revenues.

Nonetheless, Jagersfontein achieved another solid financial year due to operational efficiencies in conjunction with the recovery of a number of higher value diamonds which resulted in higher US dollar value revenue.

Rooipoort recovered a higher than expected amount of carats during the financial year. This higher recovery was however unfortunately more than offset by lower average US dollar per carat prices achieved at our tenders compared to forecast due to the smaller average size and lack of high quality diamonds that have been recovered.'

In total, these projects are carried at their estimated fair value of € 39 million at 31 March 2018 (31 March 2017: € 56 million) based on discounted cash flow projections. The decrease in estimated fair value mainly reflects repayment of loans and interest in the year amounting to € 10 million, and the weakening of the South African rand against the euro in the year.

Reinet has borrowed ZAR 443 million to fund its investments in these projects and entered into a forward exchange contract to sell ZAR 230 million (31 March 2017: ZAR 480 million) in order to mitigate currency risk.

OTHER INVESTMENTS

Other investments are carried at their estimated fair value of € 59 million at 31 March 2018 (31 March 2017: € 64 million). The decrease in the estimated fair value of other investments relates mostly to capital repayments and the decrease in estimated fair value of the investment in a digital music industry initiative to € 10 million at 31 March 2018 (31 March 2017: € 15 million), reflecting start-up costs and intellectual property development expenditure. These decreases were offset by an increase in fair value of an investment in a 3D printing initiative to € 33 million (31 March 2017: € 25 million) and the inclusion of certain assets amounting to € 8 million distributed by Vanterra Flex as noted above.

There were no other significant changes in value in respect of other investments, either as a result of movements in the valuation of underlying investments, further amounts invested or returns of capital.

COMMITTED FUNDS

Funding commitments are entered into in various currencies including sterling, US dollar and South African rand and are converted into euro using 31 March 2018 exchange rates.

The table below summarises Reinet's outstanding investment commitments at 31 March 2018.

	31 March 2017[1] € m	Exchange rate effects[2] € m	Committed during the year[3] € m	Funded during the year[3] € m	**31 March 2018[3] € m**	31 March 2018 %
Selecta Biosciences, Inc.	-	-	-	-	**-**	-
Pension Corporation	-	-	1	-	**1**	0.2
Private equity and related partnerships						
Trilantic Capital Partners						
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies[4]	93	(11)	154	(24)	**212**	47.6
36 South macro/volatility funds	-	-	5	(5)	**-**	-
Asian private equity and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company participation	8	(1)	-	(1)	**6**	1.4
Prescient China Balanced Fund and investment management company	-	-	-	-	**-**	-
Specialised investment funds						
Vanterra Flex Investments[5]	37	(5)	(32)	-	**-**	-
Vanterra C Change TEM and holding companies	5	(1)	1	-	**5**	1.1
NanoDimension funds and co-investment opportunities	10	(1)	33	(10)	**32**	7.2
Fountainhead Expert Fund	19	(3)	-	-	**16**	3.6
Snow Phipps funds and co-investment opportunities	73	(10)	17	(39)	**41**	9.3
Palm Lane Credit Opportunities Fund	-	-	-	-	**-**	-
GAM Real Estate Finance Fund	35	(1)	-	-	**34**	7.7
Other fund investments[6]	-	-	95	(6)	**89**	20.1
United States land development and mortgages	1	-	2	(1)	**2**	0.4
Diamond interests	3	-	-	-	**3**	0.7
Other investments	4	-	4	(4)	**4**	0.7
	288	(33)	280	(90)	**445**	100.0

(1) Commitments calculated using 31 March 2017 exchange rates.
(2) Reflects exchange rate movements between 31 March 2017 and 31 March 2018.
(3) Amounts calculated using 31 March 2018 exchange rates.
(4) Commitments noted represent only Reinet's share of the investments at 31 March 2018, additional commitments payable by minority partners amount to € 3 million in respect of Trilantic.
(5) All assets were distributed by Vanterra Flex as at 31 March 2018 and no further commitment exists.
(6) In March 2018, Reinet made a commitment of up to € 95 million to RLG Real Estate Partners LP.

CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European-based banks and in a liquidity fund holding highly rated short-term commercial paper.

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

Cash and liquid funds	€ 322 m
Undrawn borrowing facility	€ 284 m
Cash required for unfunded commitments (refer to table on previous page)	(€ 445 m)
Cash required to meet ZAR borrowing obligations	(€ 30 m)

The undrawn borrowing facility comprises a revolving facility with Bank of America, N.A. of £ 250 million. At 31 March 2018 the amounts drawn down were € nil (31 March 2017: € 101 million (£ 85 million)).

Medium-term bank borrowings of € 631 million will be settled by the exercise of put options over BAT shares or the proceeds of the sale of BAT shares, or may be rolled over or replaced by other borrowings or settled by available cash.

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

BANK BORROWINGS AND DERIVATIVES

BORROWINGS

In December 2016, Reinet entered into borrowing facilities with Bank of America, N.A. which permit it to drawdown the equivalent of up to £ 250 million in a combination of currencies to fund further investment commitments. At 31 March 2018, these facilities had not been drawn upon (31 March 2017: € 101 million (£ 85 million)).

During early 2017, Reinet entered into a £ 500 million, medium-term financing arrangement with Merrill Lynch International, which runs to 2022. At 31 March 2018, the estimated fair value of the borrowing was € 561 million (£ 493 million) (31 March 2017: € 591 million (£ 502 million)). The £ 500 million financing transaction includes the purchase by Reinet of put options over approximately 15.5 million BAT shares for a premium of some € 92 million (£ 79 million) payable over the life of the transaction (the 'Premium Loan'). At 31 March 2018, the premium loan is carried as a liability at an estimated fair value of € 70 million (£ 61 million) (31 March 2017: € 90 million (£ 77 million)). Some 4.6 million BAT shares have also been pledged to collateralise the premium loan and future interest payments. As part of the medium-term financing arrangement and Premium loan a portion of BAT shares are on loan to Merrill Lynch International. The Company retains the economic benefit of all shares on loan.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 March 2018, the estimated fair value of the borrowing was € 30 million (31 March 2017: € 31 million); the decrease in the estimated fair value is due to the weakening of the South African rand against the euro during the year. This loan matured in March 2018 and was extended on the same terms to March 2020.

DERIVATIVE ASSETS/(LIABILITIES) – OPTIONS AND FORWARD EXCHANGE CONTRACTS

As part of the aforementioned £ 500 million medium-term financing arrangement, Reinet purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds received as a result of the put options being exercised could be used to repay the amounts borrowed in full. The put options are carried at their estimated fair value of € 54 million at 31 March 2018 (31 March 2017: € 29 million). The increase in the carrying value of the put options reflects the decrease in value of the underlying BAT shares offset by the decrease in the time to maturity, and the weakening of sterling against the euro in the year. The cost of the put options is considered as part of the overall cost of financing and is included in the fair value adjustment on outstanding contracts in the income statement on page 17.

In the year under review, Reinet settled outstanding forward exchange contracts amounting to ZAR 480 million realising a loss of € 1 million. Reinet also has entered into a forward exchange contract to sell ZAR 230 million (31 March 2017: ZAR 480 million), which is carried at its estimated fair value of € 2 million (liability) at 31 March 2018 (31 March 2017: € 3 million (liability)). The change in value reflects the reduction in the face value of the contract and the weakening of the South African rand against the euro in the year.

OTHER LIABILITIES

MINORITY INTEREST, FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

The minority interest liability amounts to € 7 million (31 March 2017: € 16 million) and is in respect of a minority partner's share in the gains and losses not yet distributed to them arising from the estimated fair value movement of investments in which they have interests.

Fees payable and other liabilities comprise principally an accrual of € 23 million in respect of the half-yearly management fee payable as at 31 March 2018 (31 March 2017: € 22 million), a provision for deferred taxes of € 11 million (31 March 2017: € 7 million) relating to realised and unrealised gains arising from the investments in Trilantic and Snow Phipps, and withholding and corporate taxes of € 28 million (31 March 2017: € 25 million) relating to the investment in United States land development and mortgages. Accruals and other payables amount to some € 1 million (31 March 2017: € 10 million).

No provision has been made in respect of a performance fee as at 31 March 2018 (31 March 2017: € nil) as the conditions required to pay a fee had not been met at that date.

The performance fee (if applicable) and management fee are payable to the Investment Advisor.

Amounts payable are offset by other assets which comprise the BAT dividend receivable of € 38 million; the dividend has a record date of 23 March 2018.

INCOME STATEMENT	**Year ended 31 March 2018**		Year ended 31 March 2017	
	€ m	**€ m**	€ m	€ m
Income				
BAT dividends	**208**		127	
Interest and other investment income	**52**		26	
Realised (losses)/gains on investments	**(11)**		13	
Realised loss on foreign exchange contracts	**(1)**		(4)	
Carried interest earned on investments	**14**		4	
Total income		**262**		166
Expenses				
Management fee	**(51)**		(48)	
Operating expenses, foreign exchange and transaction-related costs	**(6)**		(6)	
Interest expense	**(10)**		(11)	
Other financing expenses – loan related derivative contracts	**-**		(186)	
Tax expense	**(24)**		(2)	
Total expenses		**(91)**		(253)
Realised investment income/(loss), net of expenses		**171**		(87)
Fair value adjustments				
BAT – unrealised (loss)/gain on shares held	**(1 051)**		737	
Other investments	**9**		77	
Derivative instruments – fair value adjustment on outstanding contracts	**26**		(67)	
– reversal of unrealised loss on settled contracts(1)	**-**		135	
Borrowings – unrealised gain/(loss) on outstanding loans	**34**		(5)	
– reversal of unrealised loss on repaid loans(2)	**-**		31	
Total fair value adjustments		**(982)**		908
		(811)		821
Effect of exchange rate changes on cash balances		**(32)**		(7)
Net (loss)/profit		**(843)**		814
Minority interest		**-**		(1)
(Loss)/profit attributable to the shareholders of the Company		**(843)**		813

(1) The reversal of the unrealised loss on derivative contracts represents the unrealised fair value of € 80 million as at 1 April 2016 on loan related derivative contracts settled during the year ended 31 March 2017; along with the original premium cost of € 55 million.
(2) The reversal of the unrealised loss on borrowings represents the unrealised loss as at 1 April 2016 on borrowings repaid during the year ended 31 March 2017.

INCOME

Dividends received and receivable from BAT increased from € 127 million (£ 103 million) in the year ended 31 March 2017 to € 208 million (£ 180 million) in the year ended 31 March 2018. The increase is due to the increase of £ 1.11 per share in the dividends declared by BAT offset by the weakening of sterling against the euro at the time of the dividend payments. The dividends received from BAT during the year represent the final 2016 dividend paid in May 2017, the first 2017 interim dividend paid in September 2017, a second 2017 interim dividend paid in February 2018 and the first payment of the 2018 interim dividend declared in March 2018 and paid in May 2018. Interim dividends declared by BAT do not require shareholder approval and so the May 2018 dividend has been included in the results of the current year.

Interest income is earned on bank deposits, investments and loans made to underlying investments. Included in other investment income are the foreign exchange movements on fees payable, other liabilities and other assets.

Realised losses on investments of € 11 million were mainly in respect of realised losses of € 10 million on the 36 South macro/volatility funds and € 32 million on other investments, offset by realised gains on Trilantic of € 31 million. Reinet's share of the Trilantic gains amounts to € 29 million with a further € 2 million being attributable to the minority partner.

Losses of € 1 million were realised on the settlement of the euro/South African rand foreign exchange contracts during the year.

Carried interest of € 14 million was attributable to Reinet in respect of investments realised by the Trilantic funds.

EXPENSES

The management fee for the year ended 31 March 2018 amounts to € 51 million (31 March 2017: € 48 million).

No performance fee is payable for the year ended 31 March 2018 (31 March 2017: € nil) as the conditions required to pay a fee had not been met at that 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, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2018, 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.

Interest expense relates to sterling and South African rand-denominated borrowings.

The net tax expense of € 24 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic investments, offset by a reduction in the deferred tax provision related to unrealised gains, expected distributions and accrued interest in respect of the Trilantic, Snow Phipps and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in 68.1 million BAT shares decreased in value by € 1 billion during the year under review. Of this, € 906 million was attributable to the decrease in value of the underlying BAT shares in sterling terms and € 145 million due to the weakening of sterling against the euro during the year under review.

The unrealised fair value adjustment of € 9 million in respect of other investments includes an increase in the estimated fair value of the investment in Pension Corporation of € 130 million, offset by decreases in the estimated fair value of the Trilantic funds of € 16 million, United States land development and mortgages of € 72 million and certain other investments. The above amounts include the effect of changes in foreign exchange rates due to the depreciation of sterling, the US dollar and the South African rand against the euro in the year under review.

The put options increased in value by € 25 million reflecting, in part, the decrease in value of BAT shares in the year, offset by the weakening of sterling against the euro. The estimated fair value of the forward exchange contracts liability decreased by € 1 million, reflecting the reduction in the face value of the contract and the weakening of the South African rand against the euro.

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. An unrealised gain of € 1 million arose in respect of the South African rand borrowing due to the weakening of the South African rand against the euro during the year. An unrealised gain of € 33 million arose in respect of the sterling borrowing. Of this, € 24 million is due to the weakening of sterling against the euro.

MINORITY INTEREST

The minority interest expense arises in respect of the minority partner's shares in the earnings of the Reinet entity which holds the Trilantic interests.

CASH FLOW STATEMENT	**Year ended 31 March 2018**		Year ended 31 March 2017	
	€ m	**€ m**	€ m	€ m
Investing activities				
Purchase of investments, net of repayments	**(58)**		(262)	
Proceeds from sales of investments	**88**		20	
Net cash and liquid funds generated by/(used in) investing activities		**30**		(242)
Financing activities				
Dividend paid	**(32)**		(32)	
Financing expenses paid	**-**		(131)	
Payment for settlement of derivative contracts	**(1)**		(4)	
Movements in bank borrowings	**(117)**		331	
Net cash and liquid funds (used in)/generated by financing activities		**(150)**		164
Operating activities				
Dividends, interest and other income received	**170**		127	
Carried interest earned on investments	**14**		4	
Interest expense	**(10)**		(11)	
Operating and related expenses	**(42)**		(51)	
Performance fee paid	**-**		(5)	
Taxation (paid)/refunded	**(18)**		1	
Net cash and liquid funds generated by operating activities		**114**		65
Net cash outflow		**(6)**		(13)
Opening cash and liquid funds position		**360**		380
Effects of exchange rate changes on cash balances		**(32)**		(7)
Closing cash and liquid funds position[(1)]		**322**		360

(1) Includes cash and liquid funds held in the Company, Reinet Fund and its subsidiaries.

INVESTING ACTIVITIES

Investments totalling € 58 million were made during the year, including Trilantic and Snow Phipps. Amounts invested were partially offset by repayments in respect of loans and interest received from Jagersfontein and Rooipoort, and distributions from other investments.

Proceeds from the sale of investments include € 67 million from Trilantic and € 21 million on other investments.

FINANCING ACTIVITIES

A dividend of some € 32 million was paid to shareholders in September 2017 (September 2016: € 32 million).

€ 1 million was paid in respect of the settlement of euro/South African rand foreign exchange contracts during the year.

In addition, Reinet repaid £ 85 million to Bank of America, N.A. under a revolving facility agreement.

OPERATING ACTIVITIES

Dividends received from BAT increased from € 127 million (£ 103 million) in the year ended 31 March 2017 to € 170 million (£ 147 million) in the year ended 31 March 2018. The increase is due to the increase of £ 0.62 per share in the dividends declared and paid by BAT offset by the weakening of the sterling/euro exchange rate at the time of the dividend payments. The dividends received from BAT during the year represent the final 2016 dividend paid in May 2017, the first 2017 interim dividend paid in September 2017 and a second 2017 interim dividend paid in February 2018.

Carried interest of € 14 million was received in respect of the investment in Trilantic.

Interest of € 7 million was paid in respect of the sterling-denominated loans and € 3 million in respect of the South African rand-denominated loan in the year.

No performance fee was payable for the year ending 31 March 2017 and no performance fee is payable in respect of the current year.

Net US tax payments of € 18 million were paid in the year under review. This amount includes taxes withheld by Trilantic in respect of gains and carried interest received, together with estimated taxes paid on gains and income which will be taxable in the US.

Cash and liquid funds decreased by € 38 million over the year to € 322 million as the amounts repaid in respect of bank borrowings and derivative liabilities, together with amounts invested in new investments, payment of the dividend, management fee and operating expenses exceeded amounts realised 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 € 0.165 per share totalling some € 32 million was paid in September 2017, following approval at the annual general meeting on 29 August 2017.

The General Partner has proposed a cash dividend of € 0.18 per share subject to shareholder approval at the annual general meeting, which is scheduled to take place in Luxembourg on Tuesday, 28 August 2018.

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

The Company has sought clarification from the South African Revenue Service ('SARS') as to the treatment of any dividends to be declared by and paid to holders of the Company's shares. SARS has confirmed that any such dividends will be treated as 'foreign dividends' as defined in the Income Tax Act No. 58 of 1962. Accordingly, any such dividends will be subject to South African dividends withholding tax at 20 per cent in the hands of holders unless those holders are otherwise exempt from the tax. Non-resident holders will be required to fill in the appropriate SARS declaration form, if they wish to be exempted from the tax. This ruling from SARS was renewed for a further 5 years on 8 March 2018.

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, 29 August 2018 and in South Africa, Tuesday, 28 August 2018. The Company's shares will trade ex-dividend from Thursday, 30 August 2018 in Europe and from Wednesday, 29 August 2018 in South Africa. The record date for the Company's shares in Europe and in South Africa will be Friday, 31 August 2018.

The dividend on the Company's shares in Europe will be paid on Wednesday, 5 September 2018 and is payable in euro.

The dividend on the Company's shares in South Africa will be paid in South African rand on Wednesday, 5 September 2018. Further details regarding the dividend payable to South African holders may be found in a separate announcement dated 23 May 2018 on the Johannesburg Stock Exchange News Service ('SENS').

No cross-border movements of 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, 28 August 2018 and Friday, 31 August 2018, both days inclusive.

SHARES IN ISSUE

The number of shares in issue remained unchanged during the period at 195 942 286. This figure includes 1 000 management shares held by the General Partner.

FINANCIAL STATEMENTS

The consolidated audited financial statements at 31 March 2018, on which this announcement is based, have been approved by the Board of the General Partner on 15 May 2018 and are subject to shareholder approval at the annual general meeting to be held in August 2018. The printed Reinet Annual Report and Accounts will be available upon request from mid-July 2018.

SHARE INFORMATION

The Company's ordinary shares are listed and traded on the Luxembourg Stock Exchange (symbol 'REINI', Thomson Reuters code REIT.LU), on Euronext Amsterdam (symbol 'REINA', Thomson Reuters code REINA:AS) and on the Johannesburg Stock Exchange (symbol 'RNI', Thomson Reuters code RNIJ.J) with the ISIN number LU0383812293. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

With effect from 14 November 2017, the Company's ordinary shares were listed on Euronext Amsterdam.

With effect from 29 November 2017, the depository receipts issued by Reinet Securities SA in respect of the Company's ordinary shares which traded as a secondary listing on the Johannesburg Stock Exchange were suspended from trading at which time the Company's ordinary shares were listed. The depository receipts were subsequently cancelled.

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

23 May 2018

Website: www.reinet.com