South Suez PE Investments Ltd

Business Plan

13 October 2020

bakertilly

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The Directors
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C/O Apex Fund Services (Mauritius) Ltd 4th Floor,
19 Bank Street, Cybercity Ebene
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Mauritius

Report of the Independent Financial Adviser

Dear Sir/s

Introduction

Baker Tilly Business Consulting Ltd ("Baker Tilly") was appointed to review the business plan prepared by **South Suez PE Investments Ltd** (the "Company" or "SS PE") in the context of its listing on the Official Market of the Stock Exchange of Mauritius ("SEM").

We have performed such specific procedures as we believe appropriate in the context of the objectives of the review. We emphasise that these procedures are limited in nature and the scope of the work to be performed is less than that for an audit of financial statements and cannot be relied upon to provide the same level of assurance as an audit.

Key review considerations

We have undertaken the following procedures in our review of SS PE business plan:

- Obtained an understanding of the structure of SS PE, and its income generating streams;
- Read the contents of SS PE business plan;
- Reviewed the financial forecast of SS PE and the underlying material assumptions;
- Reviewed the process for the preparation of the financial forecast;
- Reviewed the reasonableness of the material assumptions in the financial forecast;
- Reviewed the sensitivities on the material assumptions to assess the risks of delivering the forecast financial performance; and
- Held discussions with management of the Company on the business plan and the financial forecast.

Conclusion

Based on our review of the business plan and financial forecast, we are of the view that the business plan and financial forecast as prepared and presented by SS PE demonstrate the sustained viability of the business over the forecast period.

Our review is based on prevailing conditions and Baker Tilly's view as of 13 October 2020. Baker Tilly has not undertaken to nor shall Baker Tilly be under any obligation to update this report or revise the information contained in this report for events or circumstances arising after the 13 October 2020 and this report or any information contained in this report shall not amount to any form of guarantee the Baker Tilly have determined or predicted future events or circumstances.

Limitations

This engagement has not been performed by us in the capacity as a Licensed Auditor and does not constitute an audit or review, due diligence, or other assurance engagement or an agreed-upon procedures engagement, performed in accordance with International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) or International Standards on Engagements to perform Agreed-upon Procedures regarding Financial Information.

The realisation of the forecast prepared by the Company is dependent on the continuing validity of the assumptions on which they are based. The assumptions will need to be reviewed and revised to reflect such changes in capital raise, existence of potential investment / divestment opportunities, cost structures or the direction of the business as they emerge. We accept no responsibility for the realisation of the forecast.

Independence

We confirm that we have no direct or indirect interest in the shares of the Company.

Consent

We consent to the inclusion of this letter and the reference to our review in the business plan to be issued by **South Suez PE Investments Ltd** in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Vivek GUJADHUR,
Managing Partner

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1. EXECUTIVE SUMMARY

South Suez PE Investments Ltd is an investment holding company looking to raise capital to invest in diversified pan-African portfolio of private equity assets. Its well-resourced Board of directors is led by strongly qualified individuals who have extensive experience in private equity investments with a proven track record. These qualified individuals possess a strong network of investment deal makers as well as sophisticated investors. The Board of directors has identified the first investment opportunity of the Company, South Suez Africa Fund III LP, a Cayman private equity fund of funds focussed on Africa.

Research has shown that historical returns of private equity outperformed public market equivalents. Frontier markets are taking on an ever-greater significance within global private equity due to the attractiveness of the growth opportunities they present. Africa continues to grow in its importance within these growth markets. With a gross domestic product ("GDP") of approximately US$2.3 trillion and a population of over 1 billion people, Africa presents an increasingly large market for investment. Growth on the Continent is being driven by compelling secular trends including favourable demographics, robust urbanisation, stable macro-environment and increased regional integration.

The portfolio mix proposed by the targeted investment is well balanced with respect to vintage, risks and targeted returns. As such the combination of primary investments, secondary investments and co-investments, as defined later in the business plan, will enable the Company to receive early distributions and see a steady growth in its investment.

2. CORPORATE INFORMATION

Name of Company:	**South Suez PE Investments Ltd (formerly South Suez III Feeder Ltd) (“SSPEIL” or the “Company”)**
Registration number:	169647 GBC
Registered Address:	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius
Regulatory bodies:	Financial Services Commission (“FSC”) and, once listed, the Stock Exchange of Mauritius Ltd (“SEM”)
Constitutive Document:	Constitution
Date of Incorporation:	19 December 2019

3. INCORPORATION AND LISTING

South Suez PE Investments Ltd was incorporated and registered in Mauritius on 19 December 2019 and holds a Global Business licence issued by the Financial Services Commission in accordance with the Companies Act 2001 and the Financial Services Act 2007 of Mauritius.

The capital of the Company shall consist of the following classes of shares:

(a) Ordinary shares
(b) Class A shares

The ordinary shares are unlisted non-redeemable shares in the share capital of the Company of par value USD 1.00 each. The ordinary shares are not entitled to any dividend, but have the right to vote on all matters which are subject to the approval of the shareholders under the Companies Act 2001.

The Class A shares are ‘restricted voting’ redeemable shares in the share capital of the Company of no par value. The Class A shares have a right to dividend and are entitled to vote on all resolutions or matters affecting the Class A shareholders. The Company intends to seek a listing of its Class A shares on the Official Market of the SEM.

4. OVERVIEW OF THE COMPANY

The Company is an investment holding entity focussed on African private equity opportunities. The objective of the Company is to achieve superior returns for its investors by investing in a diversified pool of high growth assets on the African Continent (the “Continent”), with the majority of its investments expected to be in the following countries: Morocco, Tunisia, Egypt, South Africa, Kenya, Ghana, Tanzania, Ivory Coast, Senegal and Nigeria. While private equity investments are illiquid by nature, they have the potential to deliver higher returns than investing in the public markets across the Continent. The Company was established to provide access to investment opportunities across the Continent, which may include fund of funds, funds, secondaries and direct co-investments.

The Company is led by individuals who possess significant experience and a successful track record of investing capital in Africa (“the Management”). The Management’s’ first-hand experience, knowledge and network across the Continent is invaluable to both the strategic direction and day to day management of SSPEIL. The Company will seek to invest in both funds and companies with a proven track record of investment on the Continent on a diversified basis.

The Company is based in and operates its business from Mauritius. The Company operates from Mauritius, because of the business-friendly environment, the numerous double-tax agreements between Mauritius and the jurisdictions in which the Company intends to invest, a highly qualified pool of professionals, absence of foreign exchange control and its ease of access to global investors. The Company's Board of Directors ("the Board") comprises several Mauritian resident Directors.

The Company's reporting and functional currency is the US Dollar ("USD"), with the financial year-end being 31 December of every year.

It is envisaged that the listing on the SEM will provide access to a global investor base of banks, asset managers, high net worth individuals and other sources of capital who all view Mauritius as an attractive investment destination. The listing will provide investors, both institutional and private, with the opportunity to benefit from the income streams and capital appreciation of the Company. It will also provide investors with comfort that the investment vehicle complies with the reporting and regulatory requirements of a listed entity.

To broaden its investor base and source additional capital to fund growth aspirations, the Company may consider listing its shares on other recognised stock exchanges to:

- provide an additional source of capital to fund the growth aspirations of the Company;
- enhance potential investors' awareness of the Company;
- improve the depth and spread of the shareholder base of the Company, thereby improving liquidity in the trading of its shares;
- provide invited investors, both institutional and private, with the opportunity to participate directly in the income streams and future capital growth of the Company; and
- provide invited investors with an additional market for trading the Company shares.

5. INVESTMENT POLICY

5.1 OBJECTIVES, GEOGRAPHICAL AND SECTORAL FOCUS

The Company's objective is to achieve superior risk adjusted returns for its investors and the Board will seek to achieve this objective by building a diversified pan-African portfolio of private equity assets.

The Company will only consider investing in companies that derive the majority of their revenue from the Continent and will focus on countries it considers to be investor friendly, that follow the rule of law and will avoid countries considered high risk, particularly from a governance and political risk perspective. This Company expects the majority of its investments to be made in countries such as Morocco, Tunisia, Egypt, South Africa, Kenya, Ghana, Tanzania, Ivory Coast, Senegal and Nigeria.

The Company will focus on high growth sectors that are experiencing regular and consistent (as opposed to cyclical) growth, typically where the growth is driven by consumer demand that stems from a young, growing and urbanising population, growing regional integration and rapid technological change. The Company will concentrate on the sectors having demonstrated highest market growth dynamics such as (but not limited to) Fintech, Financial services (including Payments, credit and savings, capital markets), FMCG, education, communication, and healthcare. The Company will generally not consider mining, primary agriculture or traditional infrastructure as part of its mandate.

Although the COVID 19 pandemic and the impact on the wider economy has placed unprecedented pressures on various businesses, it will also create opportunities from which the Company can benefit. Further the targeted investments are long term in nature and in resilient businesses such as essential services. The capital raised and investment will occur in a post COVID 19 era i.e. in a new economic cycle which means lower priced assets and rapid business growth.

5.2 INVESTMENT STRATEGY

The Company's strategy and focus are geared towards providing investors with access to the private markets in Africa in a diversified low-risk manner, through a listed vehicle. The Company will distinguish itself from other private equity funds targeting similar geographies through its competitive advantage of scale, network, experience, technology and business partners, which enables it to offer a well-diversified platform of opportunities on a cost-effective basis to its investors. Section 7.3 below details the competitive advantages.

The Company will build its portfolio by investing alongside best-in-class fund managers and into a pool of carefully selected Co-investments and discounted Secondaries[1]. The Company will seek to invest the bulk of its capital in growth opportunities, with a mix between the large-cap and the mid-cap space within African private equity, with a slight bias toward mid-cap. This is an area of the market where capital is especially scarce and, which provides investors with a significant opportunity to acquire or invest into well-managed, high growth companies that are either market leaders, or have the potential to become market leaders.

The Company believes that its integrated approach to private equity investing provides significant sustainable advantages when compared to a single focus strategy. By investing across a portfolio of private equity funds and companies, the Company can deliver attractive diversification for its shareholders, with considerable downside protection, while still maintaining the highest standards of portfolio monitoring and reporting transparency.

The Company will also seek to invest with Private Equity Managers that subscribe to the United Nationals Principals of Responsible Investment Guidelines (UNPRI) or who have an appropriate ESG policy. The Company requires that the Private Equity Managers and entities in which it invests agree to report on the implementation of and compliance with the agreed ESG policies on a regular basis and that any breaches or significant issues are disclosed in a timely manner. The Company will not invest in the production of or trade in products or activities that are illegal or subject to international bans.

5.3 INVESTMENT WEIGHTING

The Company will seek to reduce risk within its portfolio through diversification on multiple metrics including geography, sector, manager and vintage. The Company will actively monitor its diversification and model the expected exposure to ensure compliance with internal investment and the exposure limits set by the Board. This will reduce the risk of over-concentration and reduce single-country and sector risk. In contrast to typical private equity portfolios, which have exposure to around ten companies, the Company expects to have exposure to over 100 companies, providing a balanced and low-risk portfolio. The Company expects to achieve a relatively higher exposure than a traditional PE fund through its access to investment opportunities across the Continent which may include fund of funds, funds, secondaries and direct co-investments.

5.4 INVESTMENT CRITERIA

The investment will meet the investment strategy detailed above if:

- It is a fund, fund of funds, a Co-investment or Secondary investment

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[1] Co-investments refer to opportunities to invest into individual companies alongside an existing fund. Secondaries refer to the opportunity to acquire another investor's stake in a fund or pool of assets that have already been acquired.

- The operations of the investment (fund or company) are predominantly in Africa
- Are predominantly focussed on high growth industries or sectors
- Generate attractive returns that are commensurate with the risk/return profiles of the investment
- Are denominated in USD
- The Private Equity Manager or management adhere to the highest standards of due diligence, in particular with regard to governance and integrity

5.5 INVESTMENT SOURCING

The Management consists of individuals that are well established investors in the target market and that have a strong network across the Continent. The Management is well known to the fund managers in the market, as well as other relevant players including other investors, intermediaries, placement agents, asset managers, secondaries brokers, development finance institutions ("DFIs"), investment banks, consulting firms, legal firms and advisory boutiques. The Company actively tracks some over 150 managers in Africa on an ongoing basis and continually assesses these managers as well as the opportunities available through the other intermediaries mentioned above.

5.6 INVESTMENT PROCESS

The Board will establish the investment policy parameters and objectives and will review each opportunity presented to them, to determine if it adheres to the Company's investment policy and objectives. The Board will set up an Investment Committee having members with deep experience, who will review investment opportunities with the intention of making recommendations to the Board. The Board will be responsible for negotiating all the terms of the investments. The Board will also monitor its investments and appoint an appropriate person to take up any governance rights, i.e. a position on an Advisory Board, that is available as part of such an investment.

5.7 MEDIUM TERM GOALS AND CAPITAL RAISING

It is expected that the Company will receive firm capital commitments totalling USD 150 million from various targeted investors which will be drawdown in several tranches through various private placements of Class A shares over a period of 5 years.

The Company expects to raise capital of c. USD 109 million in the first 4 years of operation, out of the total capital commitment of USD 150 million expected to be received from various targeted investors. A capital raise of c. USD 7.5 million shall be carried out by the Company after securing SEM approval for the listing, with the new Class A shares being issued prior to the initial date of listing on the Official Market of the SEM.

5.8 GEARING POLICY

The Company may explore the opportunity to raise some short-term debt for working capital purposes, but the bulk of the investments are expected to be undertaken by way of equity only.

5.9 EXCHANGE RATE POLICY

All investments made by the Company are in USD, however the underlying company revenues and profits are often earned in local currency. The long-term nature of private equity investing does not allow for traditional hedging policies. However, one advantage of the Company's Pan-African approach as opposed to a country or regionally specific approach is that whilst the larger emerging markets and the developed world are becoming increasingly correlated, African currencies remain significantly less correlated to each other. This, combined with the single country diversification limits to be put in place by the Board, will provide a natural hedge against the impact of a single currency on the portfolio.

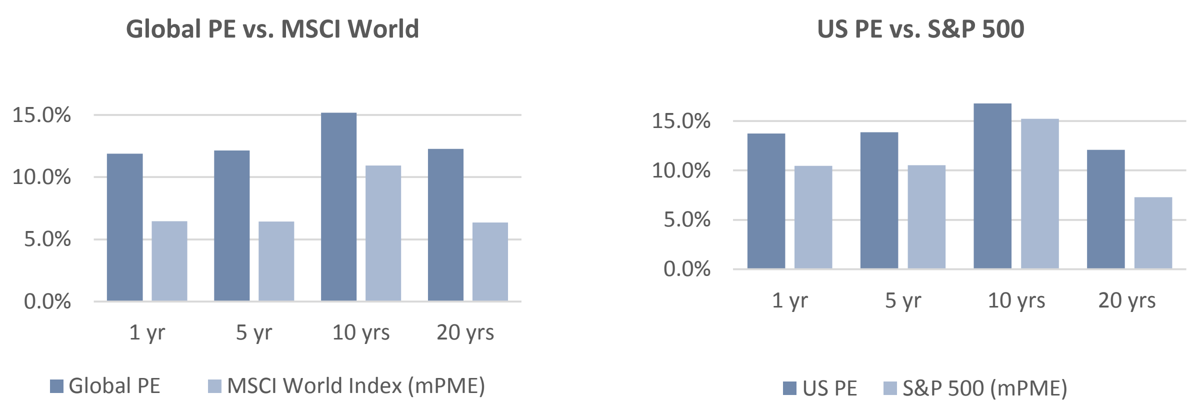
5.10 DISTRIBUTION POLICY

It is expected that the underlying investments will include Primary investments[2] and Secondary investments as well. Given that the underlying investments will consist primarily of Primary investments, the Company does not expect to receive significant income or distributions for the first 4 years of its life. However, the Secondary investments, which could be more mature, may yield distributions in the earlier years, which may be distributed to investors. Out of the total initial distributions expected from the investment into South Suez Africa Fund III LP ("SSAF III"), 10% to 20% will be in the form of dividends, with the remainder being in the form of exit proceeds (capital returns). After the five-year investment period into SSAF III, the Company expects significant distributions by way of dividends and capital returns. The Board may distribute up to 100% of the amounts received after making provision for all expenses, capital expenditure and other foreseeable cash requirements. The actual quantum of distributions will be at the sole discretion of the Board which will ensure that such distributions are made in line with all applicable laws.

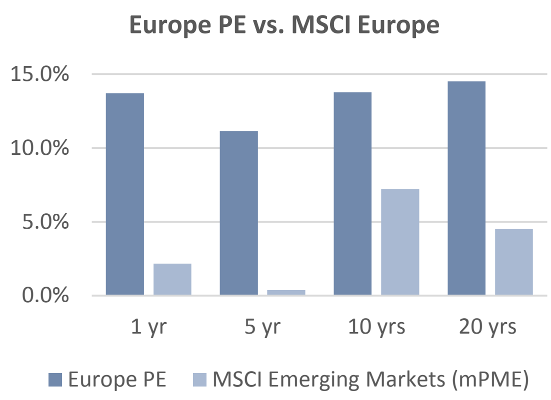
5.11 TARGETED INVESTMENT JURISDICTIONS AND RETURNS

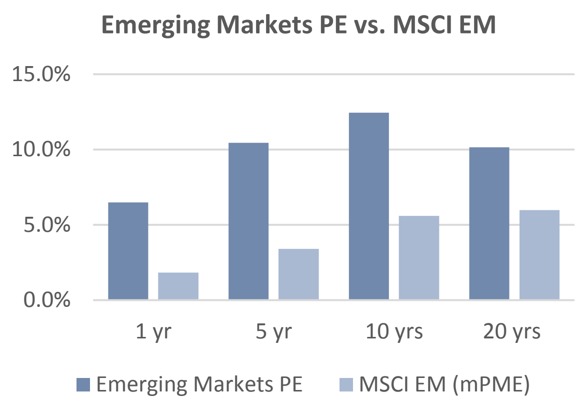
The Company will target an investment return in the mid to high teens. This is in line with the historical private equity returns achieved in other markets. According to Bain and Company, private equity markets in the United States ("US"), Europe and Asia Pacific have outperformed the public markets in the long term and have also managed to consistently achieve returns in the teens. There is still insufficient data on African private equity to provide a similar comparison, however the Company believes it can achieve similar results in Africa.

Figure 1: End to end pooled net IRR (as of June 2019) for Global, US, Europe and Emerging Markets Private Equity vs. the public equivalent benchmark



[2] *Primary Investments are Limited Partnership investments into a closed-end blind pool investment*





Source: Cambridge Associates. Pooled horizon return, net of fees, expenses and carried interest. CA Modified Public Equivalent (mPME[3]) replicated private investment performance under public market conditions. The MSCI World and MSCI EM (Emerging Markets) are constructed indexes.

6. SHAREHOLDERS

The initial shareholder of the Company is Evander Corporate Ltd, which owns 100% of the ordinary shares of the Company and the sole initial beneficial owner is Mr. Shane Rogel. On incorporation, the Company was capitalised by its initial shareholder in an amount of US$100. Following incorporation, the Company intends to raise equity capital with proceeds derived from private placements of Class A shares which will be listed on the SEM. It is anticipated that the equity funding will be raised from investors in Southern Africa and potentially from other international investors.

7. CAPITAL RAISES ON LISTING

It is expected that the Company will receive firm capital commitments totalling USD 150 million from various targeted investors which will be drawdown in several tranches through various private placements of Class A shares over a period of 5 years. It is not anticipated that the Company will use any placement agents for raising capital. The directors, who have sufficient past experience in fund raising, shall assist in raising capital for the Company and potentially through listings on other international stock exchanges.

The Company expects to raise capital of c. USD109million in the first 4 years of operation, out of the total capital commitment of USD 150 million expected to be received from various targeted investors. A capital raise of c. USD 7.5 million shall be carried out by the Company after securing SEM approval for the listing, with the new Class A shares being issued prior to the initial date of listing on the Official Market of the SEM.

[3] *The public index's shares are purchases and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns.*

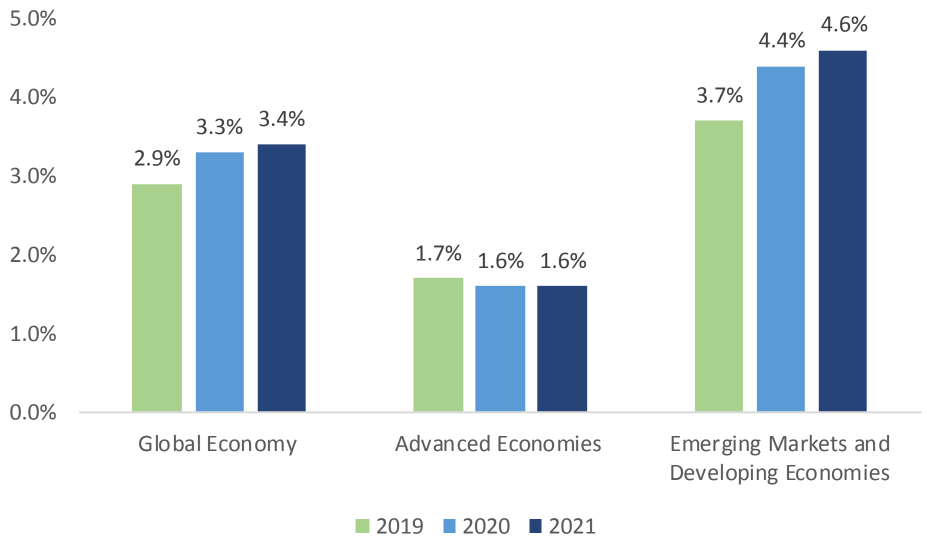
8. MARKET RESEARCH

8.1 INDUSTRY TRENDS

MARKET GROWTH

Frontier markets are taking on an ever-greater significance within global private equity due to the attractiveness of the growth opportunities they present. Africa continues to grow in its importance within these growth markets. With a gross domestic product ("GDP") of approximately US$2.2 trillion[4] and a population of over 1 billion people, Africa presents an increasingly large market for investment. Emerging and Developing markets are forecast to grow at a faster pace than Advanced Economies, and within that group, Africa is expected to be the second fastest growing region after Asia.

Figure 2: Global GDP Growth (%)



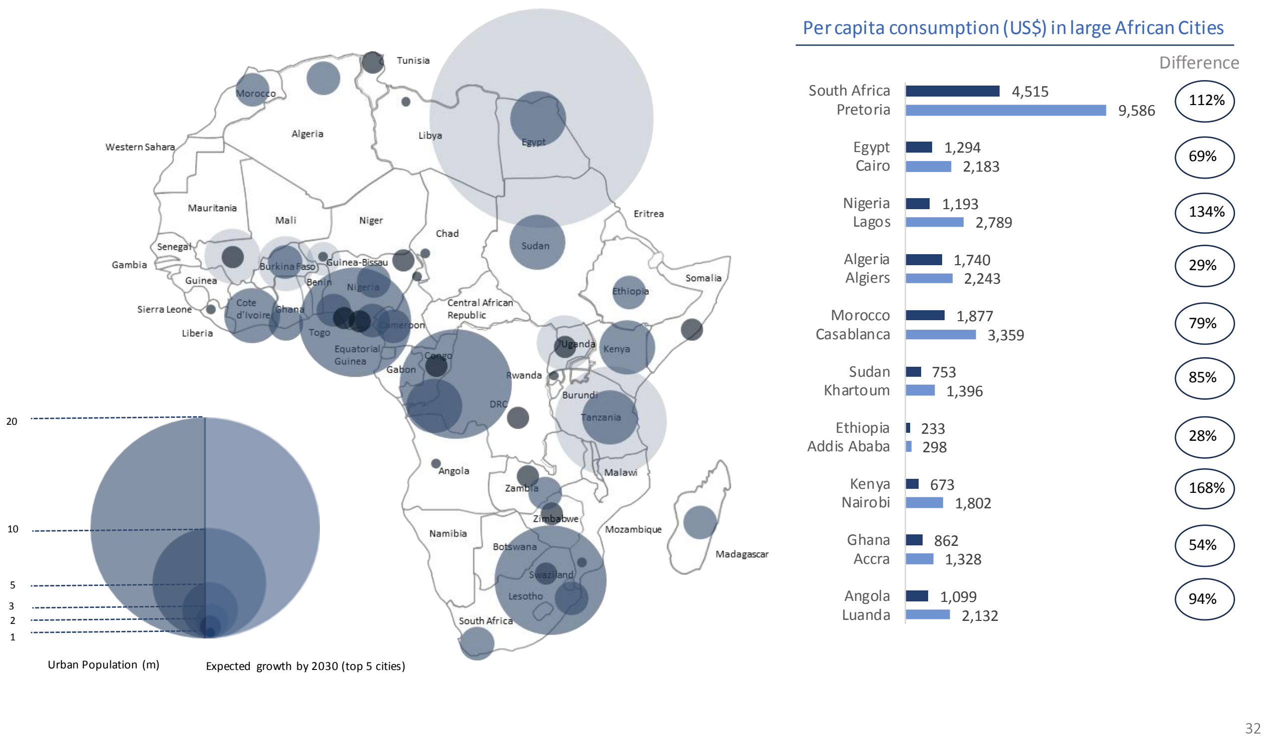
Source: IMF, World Economic Outlook Database, January 2020

Africa is benefiting from several long-term growth drivers including a young and growing population and one of the fastest urbanisation rates in the world. Africa's growth dynamics are expected to continue to transition toward increased domestic consumption, due to strong economic growth resulting in an increasingly large middle class and more widely distributed wealth. Rising per capita income levels, emerging middle classes and favourable demographics are fuelling residential and retail demand in many cities, particularly in major urban centres in Nigeria, Kenya, Ghana, Ivory Coast and Uganda. In addition, with improving education, young people are moving from rural areas to urban areas to seek better jobs. Over the next decade, an additional 187 million Africans will live in cities – equivalent to ten cities the size of Cairo, Africa's largest metropolitan area[5]. By 2034, the region is expected to have a larger workforce than either China or India. The dramatic shift in urbanisation of African markets in general will have a major effect on the global economy and is likely to continue to give rise to significant investment opportunities.

[4] *IMF World Economic Outlook Database, 2018*

[5] *Lions on the move II, McKinsey Institute 2016*

Figure 3: The Consumer Opportunity

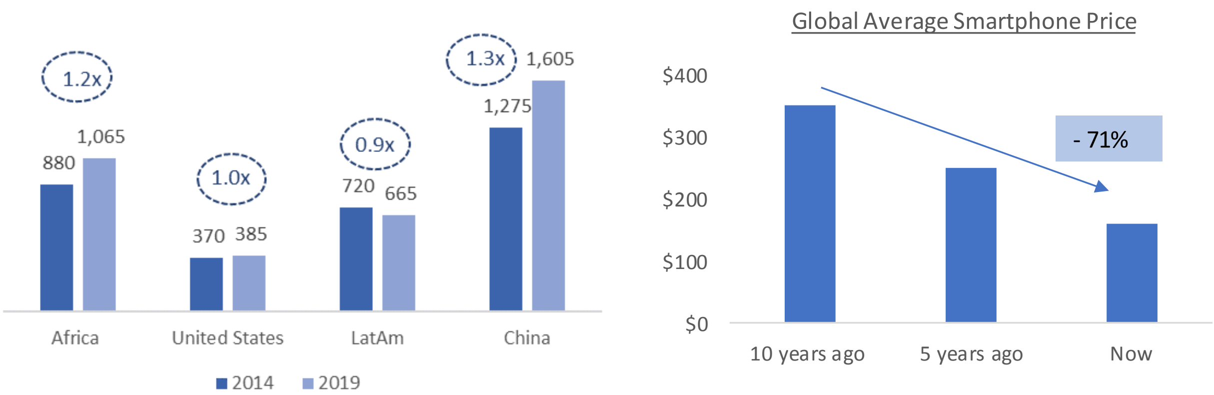


Source: UN Habitat; UN Population data, 2015

Figure 3 shows that the urban population in large African cities is expected to grow significantly over the next decade, which means that the per capita consumption will increase as well and this represents investment opportunities.

The region also benefits from accelerating technological change. Penetration of the internet and mobile phones offers Africa a significant opportunity to enhance growth and productivity, transforming several sectors including banking, retail, power, healthcare and education. Traditionally the Continent has been known for its abundance of natural resources and as a destination for mining and resource exploration, but in reality, the opportunity set is now so much broader.

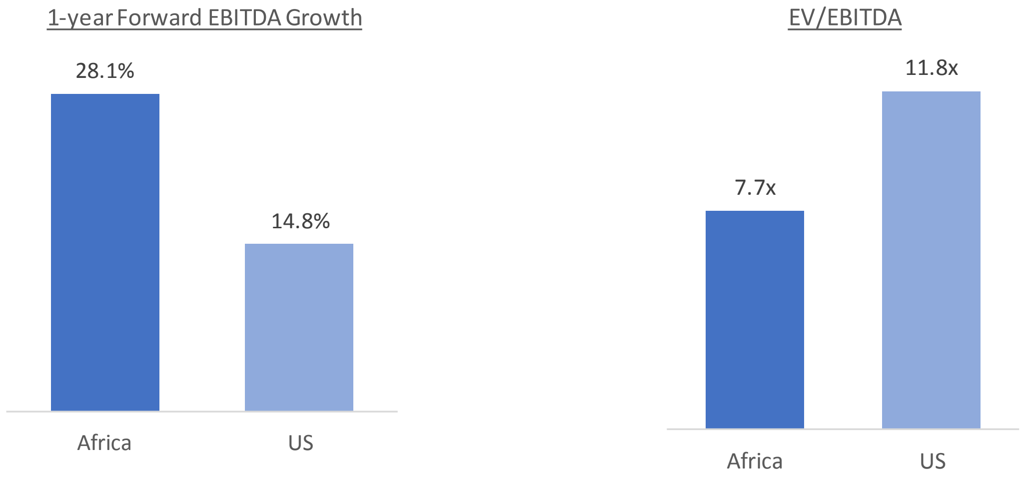
Figure 4: Mobile Subscriber Penetration and Smartphone prices



Source: World Bank Database, Ericsson, GSMA Mobile Technology in Africa

However, despite the attractiveness of the opportunities across the Continent, accessing them is not as easy as in developed markets or in some other emerging markets. The public markets in Africa are not very deep or diversified, with limited liquidity. Only four stock markets in Africa – Morocco, Egypt, South Africa and Nigeria – have stock exchanges with a market capitalisation of more than US$ 50 billion. The other 29 stock exchanges on the Continent only have 2,000 listings combined. These public markets also tend to be skewed toward large companies and toward sectors such as traditional financial services and resources and do not provide the opportunity to access some of the higher growth sectors mentioned above. In addition, the private markets are still relatively under penetrated, with limited capital focussed on the opportunity set in Africa. Although private investment and private equity activity have increased significantly over the past 20 years, the private equity penetration in Africa is still relatively low when compared with developed or other emerging markets. Private equity assets under management are approximately 1% of GDP in western countries (1.4% in the US), whereas in Sub Saharan Africa it is less than 0.1% of GDP. This means that African private equity still offers relatively good value, which is reflected in the average entry multiples in the region and the expected EBITDA growth when compared with developed markets such as the United States.

Figure 5: Average EBITDA multiples and EBITDA Growth



Source: Bloomberg (December 2018)

In summary, there is a multiple opportunity in Africa, particularly in the private investment space, and a limited number of investors looking at these opportunities. This means that there is a potential for investors to achieve attractive returns by investing into a portfolio of private equity investments in selected countries on the Continent.

8.2 ANTICIPATED DEMAND FOR CLASS A SHARES OF SSPEIL

In light of the increasing investor appetite for quality offshore counters, the Company believes that there will be a significant demand for its Class A shares, especially from targeted investors that are allowed to invest solely in listed vehicles. The Company is committed to meeting the demands of this market and taking advantage of the business relationships, skills, market knowledge and experience of its Management, to fulfil its business objectives.

8.3 COMPETITIVE ADVANTAGE

The Company's competitive advantage will reside in 5 pillars:

- Its unique set of product offerings, through its competitive advantage of scale, network, experience, technology and business partners, which taken as a whole, enables it to offer a well-diversified platform of opportunities on a cost-effective basis to its investors;
- The deep experience and knowledge of the strongly qualified professionals composing its management team and Directors;
- The strong network of deal makers and private equity professionals of the Directors;
- The ability to collaborate with business partners having a local presence; and
- Its disciplined investment process.

The Board believes that its set of product offerings is unique as its investment focus differs from similar companies listed on SEM. Whilst other companies are focused on acquisitions in similar jurisdictions to those targeted by the Company, the Company's value-proposition differentiates itself through its strategy, diversification, sector focus, income and value-added focus. The Company will provide a very niche investment product in terms of allocation and product mix.

The Board has a deep collective experience and knowledge of investment management, alternative assets, asset allocation, private equity and cross-border transactions. They will draw from their strong, experienced and well-established network to identify and access unique investment opportunities that will generate superior returns for shareholders of the Company. In addition, the Board has an in-depth knowledge of the African economy, and the drivers of growth within the African economy. This will enable them to ensure that the Company is investing in opportunities that leverage off the secular growth drivers that the Continent is experiencing, in particular countries such as Morocco, Egypt, Tunisia, South Africa, Kenya, Ivory Coast, Ghana and Nigeria. The profile of the Company's directors and officers is disclosed in section 11.3 of this document.

The Company will also have the ability to partner with experienced, well-resourced fund managers that have a presence on the ground in the key target markets. These fund managers or partners will enable the Company to gain a competitive advantage over other similar businesses by providing effective reporting and monitoring tools to better assess investment opportunities targeted by the Company. In addition, by having a local presence, the partners will be nearer to investment opportunities and have a deeper and clearer understanding of the opportunity set and be more in tune with the economic environment. This will enable the Company to likewise have this understanding which will be utilised for the benefit of its investors and shareholders.

The Company intends to have access to a database, risk management and reporting system which will enable it to enhance the identification, allocation and monitoring of its targeted investments. Private Equity information and metrics for Africa are rarely in the public domain. Therefore, the access to a database of other private equity transactions in Africa will represent a competitive advantage to competitors.

Another competitive advantage will rest in its investment process. It is the Board's intention to establish an Investment Committee, which will undertake the due diligence and investment review process and make investment recommendations to the Board. The Company will thus have a disciplined investment process with recommendations made by a highly experienced Investment Committee and decisions ultimately taken by the Board with the singular view of ensuring the best possible returns for the Company's shareholders.

By investing into SSPEIL, investors will not only have exposure to the portfolio of SSAF III (identified as the Company's initial investment), but also to the portfolio of other similar funds into which SSPEIL will potentially invest in the future. Investors will hold liquid instruments and may exit if SSPEIL enables trading in its shares in the future.

8.4 MARKETING STRATEGY

The Company will market itself to targeted qualified investors through its global network. The Company expects to be able to raise capital in a timely fashion, as it will raise capital by offering shares in tranches of USD 1 Million or more, to single large accredited investors.

The Company has identified several attractive investment opportunities and it believes that once these investments have been made, the Company will attract further interest for its share offerings.

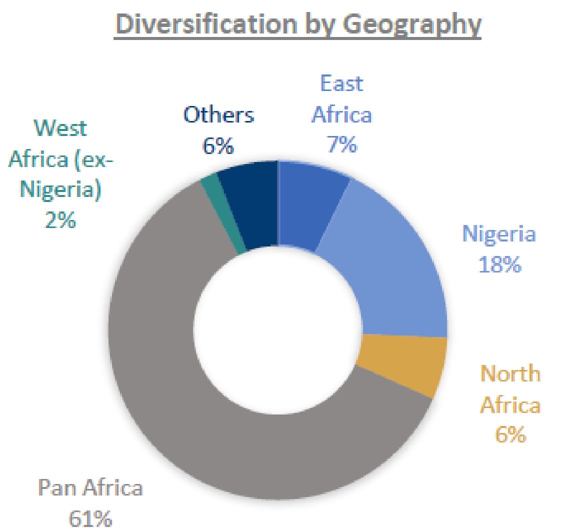
8.5 CONCLUSION

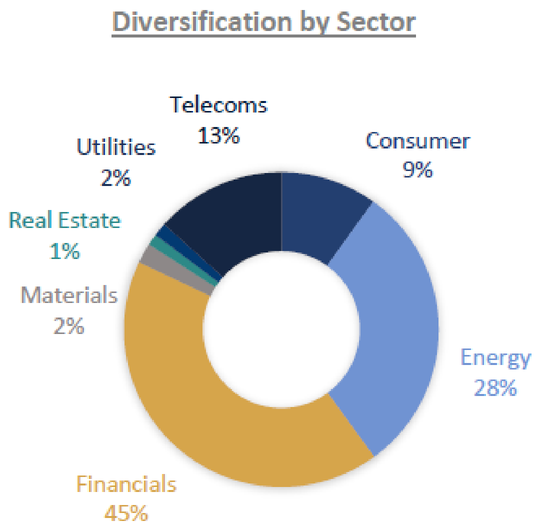
Whilst undertaking its market analysis, a number of possible investment opportunities have been identified by the Company. It should be noted that the proposed listing of the Company's shares on SEM is not dependent on the conclusion of these potential investments.

9. INVESTMENTS

As the Company is newly incorporated, it does not currently hold any major assets. However, in anticipation of its capital raise, the Company has identified an investment opportunity into SSAF III. The Company anticipates its first investment to be a commitment of USD 150 million to SSAF III, a private equity fund of fund registered as a limited partnership in the Cayman Islands. SSAF III, which has a 12-year life, had its first closing in November 2018 and has to date receive capital commitments of USD 130 million from 7 sophisticated institutional investors. SSAF III is targeting a final closing at USD 350-400 million.

As at 31 December 2019, SSAF III's portfolio of investments consisted of three primary investments and two secondary investments which provided SSAF III with exposure to sectors such as energy, telecommunication and Financial services. The portfolio diversification by geography and sector as at 31 December 2019 is summarised below:-





The Company expects to hold up to 42% of SSAF III, depending on subscriptions and commitments received by SSAF III. For further information regarding this investment opportunity, reference can be made to Annexure B and to the key assumptions to the financial forecasts included in Section 14.

10. RISK FACTORS

The Company will be exposed to the risks typically associated with investing in private equity in Africa. The Board understands these inherent risks and will take reasonable and, where possible, appropriate steps to mitigate the risks.

The Company is considering raising further capital once it is listed on the SEM, to avail itself of any investment opportunities that may arise in order to pursue its investment policy. Although there is always a risk that the Company does not raise the capital they intended to, such failure to do so would not impact on the operations of the Company.

10.1 CAPITAL AND PORTFOLIO RISK

The acquisition of assets, whether listed or unlisted securities, carries the investment risk of a loss of capital and there can be no assurance that the Company will not incur losses. Returns generated from the investments of the Company may not adequately compensate shareholders for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in the Company. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Company's portfolios and performance both in the short and longer terms.

10.2 FOREIGN CURRENCY OR EXCHANGE RISKS

Some investments may be in currencies other than in US Dollars and therefore their value may vary with the relevant exchange rate. To the extent that the Company invests or indirectly holds assets and receive revenue in local currencies, the Company will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of securities in the Investments. For those investors that have a base or home currency that is different as the relevant foreign currency, there is a risk of currency losses if the foreign currency depreciates against the investors' base currency.

10.3 STOCK MARKET RISK

The investments of and in the Company could decrease in value as a result of a decline in global stock markets. Valuation of unlisted investments requires the use of comparatives which are mainly from stock markets. Hence if multiples of listed comparatives move downwards, valuation of the unlisted investments could be affected the same way.

10.4 LIQUIDITY RISK

The Company may invest in securities for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and the Company may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Company may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. In addition, in certain circumstances, governmental or regulatory approvals may be required for the Company to dispose of an investment. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

10.5 POLITICAL RISK

Political risk, broadly referring to losses caused by the exercise of political power (or lack thereof), is identified as being of increasing importance to global markets, given the shifting political landscapes in many Western economies. While political uncertainty will continue to be a major issue for Africa-focused investors, the Continent's political situation is not uniform. There are distinct and distinguishable types of political risk which might pertain to the political stability for a country, individual sectors and individual companies or projects of national importance. The Company will mitigate political risk by investing in experienced regional GPs with well-developed local networks, who can identify superior companies benefiting from attractive long-term macroeconomic themes that trade at compelling valuations. In addition, as previously mentioned, the Company does follow a diversified approach and seeks to ensure that its capital is not invested into politically unstable countries.

10.6 ECONOMIC RISKS

Changes in law or policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on Investments. The Company (directly through co-investments or indirectly through Managers) may invest in securities of financially troubled companies and securities of highly leveraged companies. While these securities are likely to be particularly risky, they also may offer the potential for correspondingly high returns. There is no minimum credit standard that is a prerequisite of the Company's investments in any security, and most debt securities and preferred stock which offer potential for capital appreciation are likely to be non-investment grade.

10.7 REGULATORY CHANGE MAY AFFECT THE COMPANY

Legal or regulatory change may affect the Company and impose potential limits on the Company's flexibility in implementing its strategy. Any change to landlord and tenant, planning, trust, tax (including stamp duty and stamp duty land tax) or other laws and regulations relating to the areas in which the Company operates may have an adverse effect on the Company. The levels of, and relief from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns to shareholders. The Company is subject to the tax authorities within the jurisdictions it operates and taxes and tax dispensations accorded to the Company may change over time. The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any other tax jurisdiction affecting the Company. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company and could affect the value of the investments held by the Company or affect its ability to achieve its investment objective and alter the post-tax returns to shareholders. The level of dividends the Company is able to pay would also be likely to be adversely affected.

10.8 ENVIRONMENTAL AND SOCIAL RISKS

These risks include environmental risks such as spills, accidents, dirty energy, effluents, water contamination, climate change, natural disasters, destruction of biodiversity, and social risk such as labor unrest, human accidents, ill health and diseases, child labour and displacement of people to name a few. The Company has a high standard for environmental and social risk management, and such only invests with Managers that have experience in addressing environmental and social risks and who consider appropriate mitigants.

10.9 DISTRIBUTIONS

There can be no assurance that (i) the operation of the Company will be profitable, (ii) that the Company will be able to avoid losses or (iii) that cash from its operations will be available for distribution to the Investors. The Company will have no source of funds from which to pay distributions to its shareholders other than income and gain received on its Investments and the return of the amounts invested in SSAF III.

10.10 TAX

The Company will attempt to structure the Investments in a manner that is tax-efficient for the majority of shareholders. However, there can be no assurance that the structure of the Company or any investment will be tax-efficient to any particular Investor. Investors are urged to consult their tax advisors with reference to their specific tax situations with reference to any special issues that the investment in the Company may raise for investors.

10.11 FAILURE TO RAISE CAPITAL AND OTHER RISKS

In the event that the minimum of the USD equivalent of MUR 20,000,000 is not raised pursuant to the initial private placement, the SEM listing will not proceed. The Company will then continue its operations as a non-listed entity and will consider refunding the funds raised from investors. The minimum capital required by the Company to operate in the short term is approximately MUR 20,000,000 (c. USD 500,000). The Company will utilise these funds to generate investment pipeline and carry out due diligence investigations where required. The capital will also be used to find new investors and to finance the investment opportunities identified.

10.12 RELIANCE ON INVESTMENT MANAGER

The success of the investment strategy is reliant on the ability of the Board to identify and select appropriate investment opportunities and also on the ability of the underlying Manager's in which the Company will ultimately invest. Decisions made by the Board and/or by the Manager's may cause the Company to incur losses or miss profit opportunities on which it could otherwise have capitalised. The performance of the relevant Manager's which the Company will seek to invest, is dependent on the ability of these Manager's to attract and retail talented investment professionals. There can be no assurance that the investment professionals will continue to be associated with the relevant investment manager throughout the life of the Company of its investment and no guarantee that the talents of the investment professionals could be replace. The failure to attract or retain such talent could have a material impact on the Company.

11. PERSONNEL

11.1 THE BOARD OF DIRECTORS

The Board is responsible for directing the affairs of the Company in the best interests of shareholders, in conformity with legal and regulatory framework in consistence with best governance practices. The Board's role is to manage the Company and to make strategic decisions and implement those decisions. Annexure A contains the Curriculum vitae of the Board members. Attention is drawn to the significant experience and expertise of some of the members in managing a portfolio for clients and investing in private equity and in Africa.

On incorporation, the majority of Directors are resident in Mauritius and the Board has ensured that each member has the requisite advisory and management experience and expertise. The Company will at all times seek to uphold corporate governance standards commensurate with international best practice.

It is further anticipated that the Board will establish an Investment Committee that will comprise of Directors and other members as may be appointed by the Board. The primary role of the Investment Committee will be to assess identified investment opportunities and to make investment recommendations to the Board.

11.2 MANAGEMENT AND OPERATIONAL TEAM

A key component to the ultimate success of the Company, is the management and operations team, comprising Ms Catherine Swanepoel, Mr Shane Rogel, Mr Cedric Beguinot and Ms Cecile Collendavelloo. The team jointly has over 80 years of extensive financial services experience. Collectively their experience provides the Company with considerable expertise in:

- Investing in Alternative assets, in particular in Private equity
- Investing in Structured products and capital markets
- Corporate governance
- Risk management and control
- Auditing and accounting

- Legal and compliance

Their careers have provided them with first-hand experience of managing businesses through wide ranging economic cycles and across varying geographical locations including the Company's targeted geographical jurisdictions. For more information relating to each team members' experience, reference can be made to Section 11.3.

12. KEY SERVICE PROVIDERS

12.1 COMPANY SECRETARY

It is anticipated that the Board will leverage off the existing operations within Apex Group Limited, Mauritius ("Apex"), its duly appointed Company Secretary as well as its associated companies.

Apex is licensed by the Mauritius Financial Services Commission of Mauritius to provide a comprehensive range of financial and fiduciary services to international businesses.

12.2 SEM AUTHORISED REPRESENTATIVE AND SPONSOR AND MAURITIAN TRANSACTION ADVISOR

The Company has appointed Perigeum Capital Ltd ("Perigeum") as its SEM authorized representative and sponsor. Perigeum holds an Investment Advisor (Corporate Finance Advisory) license issued by the Mauritius Financial Services Commission of Mauritius.

As the appointed Mauritian Transaction Advisor, Perigeum will manage the listing application process with the SEM. As the appointed SEM authorized representative and sponsor, Perigeum shall also advise the Company and its directors on compliance with ongoing SEM post listing obligations.

12.3 MANAGEMENT PERFORMANCE MANAGING SIMILAR INVESTMENTS

Ms. Catherine Swanepoel, Mr. Shane Rogel, Mr. Cedric Beguinot and Ms. Cecile Collendavelloo all have experience with managing similar investment holding vehicles in Mauritius, the United Kingdom and South Africa.

a) Ms. Catherine Swanepoel is currently the Chief Investment Officer of South Suez Capital, an African private equity manager with US$960 million under management across five funds. She is the chairperson of the Investment Committee at South Suez Capital and a Director of the Board. She is also on the Advisory Board of various private equity funds. She was previously a portfolio manager and Investment Committee member for Ke Nako, a South African private equity fund with over US$300 million under management and before that she was an Investment Manager at the CDC Group, the UK DFI. Prior to this, Catherine worked in Investment Banking in London at Goldman Sachs, covering private equity clients. Her area of expertise includes asset allocation, alternative investments, due diligence, valuations, governance, reporting and management of Environmental, Social and Governance ("ESG") issues. Ms. Swanepoel holds a Masters of Commerce in Economics and a Bachelor of Commerce in Economics and Accounting from the University of Cape Town.

b) Mr. Shane Rogel is the Managing Director at South Suez Capital, where he has been for over a decade. He is a member of its Investment Committee and also takes responsibility for all legal and compliance matters at the firm. He has extensive experience in Emerging Markets Private Equity including legal review of transaction documents. Prior to joining South Suez Capital, Shane was a practicing lawyer in South Africa and his areas of expertise include legal, compliance, tax, cross-border structuring, governance, asset allocations and alternative investments. Mr. Rogel holds an MBA from the University of Stellenbosch and a B Proc (Law) from the University of Port Elizabeth.

c) Mr. Cedric Beguinot is a director and the Chief Financial Officer at South Suez Capital, where he takes responsibility for all financial and operations matters for the firm. He has over 10 years' experience in the financial services industry with particular exposure to Private Equity funds. He also holds directorship position on the Board of several portfolio holding companies. Prior to joining South Suez Capital, he was associate executive at International Financial Services Limited where he overviewed the administration of several funds worth more than USD1.2 billion and with more than 500 investors across various sectors. His portfolio of clients also included trusts, investment holding companies and trading companies of well-known international financial institutions. His areas of expertise vary from cross border structuring, tax, corporate governance, valuation, financial reporting, operational due diligence to fund administration amongst others. He is a fellow member of the Association of Chartered Certified Accountants with more than 7 years' experience post qualification. He also holds a Bachelor of Science (Hons.) in Finance with Law from the University of Mauritius.

d) Ms. Cecile Collendavelloo is a Senior Associate at South Suez Capital where she is directly responsible for a portfolio of over twenty co-investments made by the firm in Africa representing commitments of over US$150 million. Cecile has worked closely with a number of leading best-in-class fund managers on the due diligence of these co-investments, and her area of expertise include alternative investments, finance, auditing, governance, structuring, legal and tax. Prior to joining South Suez Capital, Cecile was at PwC, where she worked with a variety of clients. She holds a Bachelor of Business Sciences from the University of Cape Town and is a Chartered Financial Analyst.

12.4 OTHER THIRD-PARTY PROVIDERS

In addition, it is envisaged that the Company will outsource several functions to specialist third-party service providers. Such service providers may include without limitation: Investor relations managers; company administrators; legal counsel; accountants and auditors; and bankers. In this regard the Board, will engage only with reputable, internationally- recognized institutions with established track records for the provision of such services.

13. SWOT ANALYSIS

An analysis of the Company's strengths, weaknesses, opportunities and threats is detailed below:

STRENGTHS

- The Management is an experienced team with a proven track record of investing in Africa;
- The Company will have a strong and experienced board of directors and board committees in place;
- The Management is a highly qualified, technically strong team with a good work ethic;
- The Company is focused on specific sectors and geographic locations. The sectors having demonstrated highest market growth dynamics include (but not limited to) Fintech, Financial services (incl. Payments, credit and savings, capital markets), FMCG, education, communication, and healthcare.;
- Investments are being made in hard currency assets, in targeted geographical jurisdictions with relatively strong economic indicators, growing GDP's, stable political environments and government policies.
- The Company will have appropriate governance in place.
- The Company is differentiated through its unique product offering with a focus on Africa private equity.
- The investment strategy is to invest in a diversified platform targeting more than one sector and geography in Africa, which will reduce the risk of reliance on one particular geography, sector, company or currency.

WEAKNESSES

- Private markets are less liquid generally than public markets, and private equity strategies require a long-term outlook. The Management is familiar with the details of managing such investments with a long-time horizon, however there will not be significant distributions to the Company in the first few years of investment.
- The different legal and tax frameworks in the targeted geographical jurisdictions will require specialist technical expertise. Whilst the Management does have the necessary experience and skills to deal with these challenges, specialists are readily available and accessible;
- While investing in developing or frontier markets provides significant opportunity, there are also risks associated with investing in these markets which can include political, tax and regulatory risks.

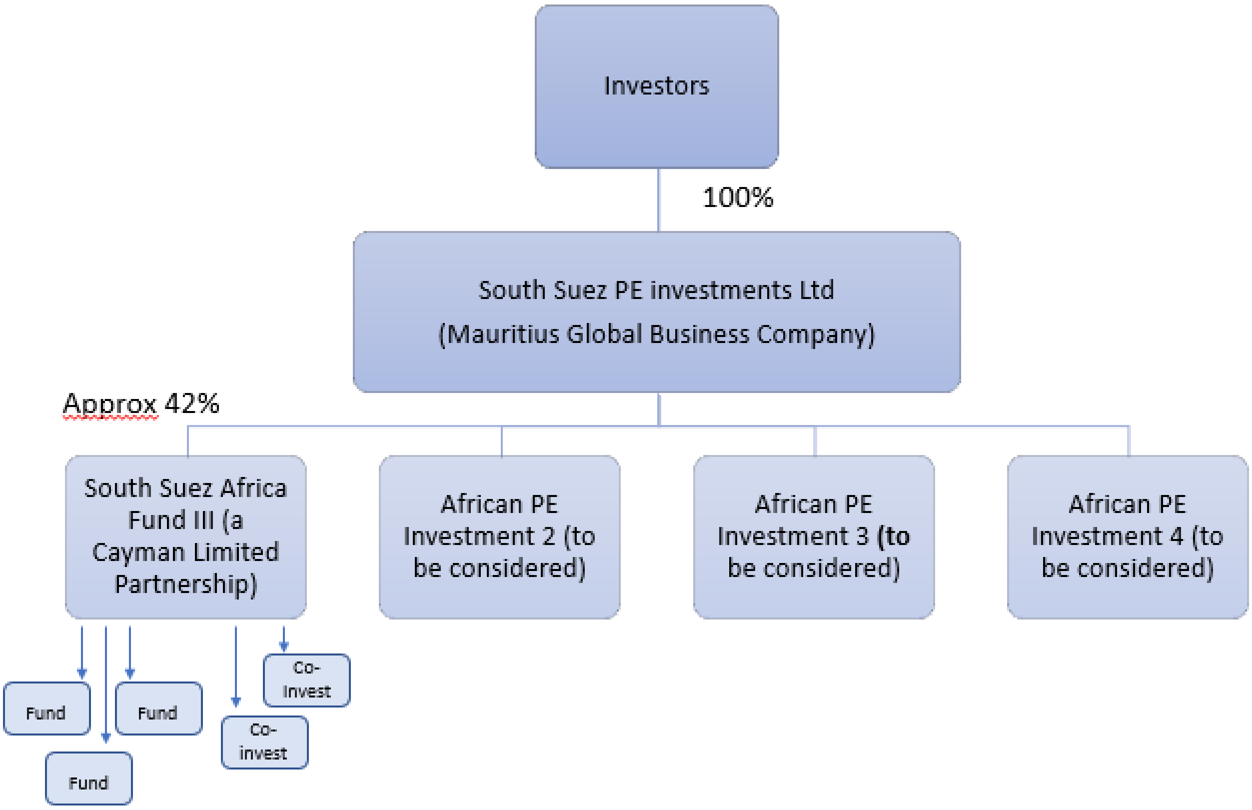
OPPORTUNITIES

- An investment strategy focussed on private equity in Africa has the potential to generate attractive returns that outperform the listed markets.
- Africa is a growth market and the focus on private equity in Africa is on growing businesses and there is less reliance on financial engineering and on leverage than developed markets.
- The ability to focus on high growth sectors that are experiencing secular transformation, in some cases due to the application of technology.
- There are sectors that are significantly under-penetrated on the African continent.
- The scarcity of capital allows for investors to be opportunistic and to potentially invest in attractive portfolio's at significant discounts and to also access co-investment deal flow at significantly reduced fees.

THREATS

- There could be a worsening economic slowdown globally which could impact frontier markets.
- Currency volatility could impact the overall returns of the investments and therefore the Company.
- There is political risk in different countries.

14. STRUCTURE DIAGRAM



While the Company's initial investment is expected to be in SSAF III, a number of other potential investment opportunities have been identified by the Management team. Discussions with the relevant parties are still at an early stage. As discussions are at an early stage, and the details are highly confidential and commercially sensitive, details of these potential investments cannot be disclosed at this stage.

15. FINANCIAL DATA

The Company will be wholly financed by its shareholders and will generate sufficient cash-flow to meet expenses as they arise.

The financial data is a representation of the expected statement of financial position, statement of comprehensive income and statement of cash flows of the Company for the next four financial years ending 31 December 2020, 2021, 2022 and 2023.

The projected forecasts are reasonable given the assumptions. The key assumptions in respect of the financial forecasts are also set out after the forecast financial information.

South Suez PE investments Ltd
Statement of Financial Position
As at 31 December

	USD	USD	USD	USD
	2020	**2021**	**2022**	**2023**
Assets				
Investments in SSAF III portfolio at fair value through profit and loss	13,601,500	44,468,026	90,737,862	130,450,593
Current assets				
Cash at bank	1,268,053	1,361,686	455,358	51,929
Prepayments and other receivables	-	-	-	-
Total current assets	1,268,053	1,361,686	455,358	51,929
Total assets	14,869,553	45,829,713	91,193,220	130,502,522
Liabilities				
Current Liabilities				
Payables and accruals	-	-	-	-
Total Current liabilities	-	-	-	-
Net Assets	**14,869,553**	**45,829,713**	**91,193,220**	**130,502,522**
Equity				
Ordinary share	1	1	1	1
Class A shares	17,999,999	45,999,999	80,999,999	108,999,999
Retained Earnings	(3,130,447)	(170,287)	10,193,220	21,502,522
Net increase in net assets attributable to holders of ordinary share	**14,869,553**	**45,829,713**	**91,193,220**	**130,502,522**

South Suez PE investments Ltd
Statement of Comprehensive Income
For the Period/Year ended 31 December

	USD 2020	USD 2021	USD 2022	USD 2023
Income				
Change in financial asset at fair value through profit or loss	(2,786,729)	4,609,277	12,013,946	11,271,100
Dividend received	140,400	327,600	327,600	-
Realised gain on disposal of investment	15,931	23,897	23,897	163,351
	(2,630,398)	4,960,774	12,365,443	11,434,452
Expenses				
Set up and pre operational expenses	63,258	-	-	-
Operating Expenses	122,253	123,790	125,150	125,150
Equalisation interest SSAF III	313,621			
	499,131	123,790	125,150	125,150
(Loss)/Profit before taxation	(3,129,529)	4,836,984	12,240,293	11,309,302
Taxation	(918)	(6,367)	(6,329)	-
(Loss)/Profit for the period/year	(3,130,447)	4,830,617	12,233,964	11,309,302
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period/year	**(3,130,447)**	**4,830,617**	**12,233,964**	**11,309,302**

South Suez PE investments Ltd Statement of Cash flow As at 31 December	USD 2020	USD 2021	USD 2022	USD 2023
Operating profit	(3,129,529)	4,836,984	12,240,293	11,309,302
Adjustments				
FVTPL movement	2,786,729	(4,609,277)	(12,013,946)	(11,271,100)
Gain on disposal	(15,931)	(23,897)	(23,897)	(163,351)
Distributions	(140,400)	(327,600)	(327,600)	-
Tax paid	(918)	(6,367)	(6,329)	-
Operating cash flow	(500,049)	(130,157)	(131,479)	(125,150)
Investing activities				
Investment made	(17,400,869)	(27,776,210)	(35,774,850)	(29,774,850)
Dividend received	140,400	327,600	327,600	-
Exit proceeds received	1,028,571	1,542,857	1,542,857	1,496,571
	(16,231,898)	(25,905,753)	(33,904,393)	(28,278,279)
Financing activities				
Capital contribution from shareholders	18,000,000	28,000,000	35,000,000	28,000,000
Distribution to shareholders	-	(1,870,457)	(1,870,457)	-
	18,000,000	26,129,543	33,129,543	28,000,000
Net change in cash	1,268,053	93,633	(906,329)	(403,429)
Opening bank balance	-	1,268,053	1,361,686	455,358
Closing bank balance	1,268,053	1,361,686	455,358	51,929
Bank balance as per Balance sheet	1,268,053	1,361,686	455,358	51,929

Key Assumptions

Set out below are the key assumptions in respect of the forecast financial statements of the Company:

a) The Company expects to raise capital of USD 109million in the first 4 years of operation. It expects to receive total commitment of up to USD 150 million from potential investors, to be raised in several tranches over 5 years of operation and these funds will be invested into SSAF III in line with the commitment of USD 150 million to be provided to SSAF III. The Company is planning to raise c.USD 7.5 million through an initial private placement of Class A shares following receipt of SEM approval for the listing and an additional c.USD10.5 million during the year. It is expected that the Company will raise c.USD 28 million, USD 35 million and USD 28 million in 2021, 2022 and 2023 respectively. It is anticipated that the Company will raise further capital from targeted investors in case other investment opportunities are identified and approved by the Board.

b) It is not anticipated that the Company will use any placement agents for raising capital. The directors, who have an existing experience in fund raising, shall assist with capital raise for the Company.

c) The Company anticipates its first investment to be a commitment of USD 150 million to South Suez Africa Fund III LP, a private equity fund of fund registered as a limited partnership in the Cayman Islands. SSAF III, which has a 12-year life, had its first closing in November 2018 and has to date receive capital commitments of USD 130 million from 7 sophisticated institutional investors. SSAF III is targeting a final closing at USD 350-400million. The Company expects to hold up to 42% of SSAF III, depending on subscriptions and commitments received by SSAF III. The latter is currently in its investment period and has subscribed to 3 Primary funds in the 2018/2019 vintage. It has also acquired 2 existing Secondary stakes in funds with vintage 2009 and 2014 respectively. These Secondary Investments were acquired at a discount to their NAV and consist of mature assets. Furthermore, these funds are already in divestment mode and looking to exit their investments in the forthcoming years.

d) As is typical of private equity funds, SSAF III will draw capital from the Company in several tranches over its life. The Company expects that SSAF III will deploy approximately 68%-70% of its commitments over the first 4 years, with capital reserved for fees, costs and follow on investments to be paid over the remainder of its life.

e) The Company will adopt a conservative approach to investments and will assume that it will own a single investment throughout the forecasted period i.e. the investment into SSAF III. While it is expected that the Company will have other investments, it is too early to draw reliable financial forecasts from them.

f) The proposed investment, namely SSAF III, currently has a portfolio of investments composed of Primary investments (vintage 2018 and 2019) as well as Secondary investments in funds of older vintages (2009 and 2014 vintages respectively). These Secondary investments are expected to exit their assets and make distributions over the forthcoming years. Distributions are assumed to flow to the Company mainly in the form of exit proceeds (capital returns), and dividends. Out of the total distribution expected in the early stages, 10% to 20% will be in the form of dividend with the remainder being in the form of exit proceeds (capital returns). This is due to the Secondary investments being mature assets which are due for exit in the next couple of years. The other types of investment, Primary and Co-investments, are long term in nature. Minimal distributions are forecasted to flow from these types of investments at the beginning. SSAF III received dividend income of USD 744,685 for the period ended 31 December 2019. Such income, less any operating expenses, is then passed through to investors of SSAF III.

g) The Company will make investments in private equity assets which are long term assets in nature and as such tend to unlock fair value over a period of years. This is in accordance with the J-Curve, which is a characteristic of private equity investment. Hence, it is expected that no major investment appreciation occurs in the first two years. SSAF III portfolio will consist of Primary, Secondary and Co- investments and the forecasted Multiple of Investment Cost (MOIC) of SSAF III will be as follows:

2020	**2021**	**2022**	**2023**
0.96	1.1	1.215	1.265

SSAF III's Primary investments will be in the successor funds to top quartile performing Managers. As an active participant in the Secondary market, SSAF III will seek to acquire good quality and well-priced Secondary Investment which complement its diversification strategy. The fact that secondary investments are often acquired at a discount to NAV, they boost the IRR performance of the fund by making early distributions. Co-investments, on the other hand, are usually negotiated free of fees and carried interest, thereby generating superior returns.

h) The Company will use a relatively small portion of the capital raised (budgeted at less than USD 150,000) to cover its set up and pre-operational expenses. These set up and pre-operational expenses will include *inter alia* licensing fees, legal fees, Company secretarial fees, registered office, administration fees, listing sponsor's fees, other third-party consultants and out of pocket expenses.

i) The recurring direct operating expenses of the Company, which include the listing sponsor fees, company secretarial fees, administration fees and costs associated with Board of directors, Annual Meetings of shareholders as well as accounting and auditing are estimated to be around USD 115,000.

j) The investment costs of the first investment targeted by the Company are assumed to be in the form of equalisation expenses. Equalisation expenses will be charged by the underlying investment, SSAF III, upon commitment. It will be in form of interest charged at a market related rate of 2% plus LIBOR per annum on the amount that would have been drawn down, had the Company been an initial investor in SSAF III. The equalisation interest rate has been assumed to be in the range of 4.2% to 3.9%. SSAF III has called USD 14.4 million to date out of which the Company's share is expected to be USD 7.7 million based on currently available information. The interest is expected to cover the period from 5 July 2019 to31 August 2020 , thus amounting to USD313,621 . Other standard fees and expenses comprise the terms and conditions for the investment fund. Such agreements for the investment are available to prospective investors upon request.

k) It is expected that the Company will receive total commitment of up to USD 150 million from investors but the investors are expected to inject c.USD 109million in several tranches over the first 4 years of operation. As the Company's first investment is expected to be in SSAF III, capital will be committed but will be drawn down over time and the Company will keep sufficient reserve of cash in its bank account to cater for recurring expenses. The interest to be earned on the cash is expected to be minimal or quasi zero.

l) The Company is expected to generate some chargeable income in Mauritius. The income tax rate in Mauritius is 15%. Given it holds a Global Business Licence, it expects to benefit from an income tax exemption of 80% (Partial Exemption Regime), reducing its effective tax rate to 3% annually.

m) The tax computation has been prepared on the basis that the Finance Bill 2020 will be enacted in its current form i.e as at 31 July 2020.

n) The dividend income from underlying portfolio companies will be paid out of retained earnings as an appropriation and has not been allowed as deduction in source country.

o) Considering that potentially all the investments made by the company will be into the Cayman based fund, we are assuming that there will not be any tax deducted at source. The Company will however be availing of the Partial Exemption Regime provided that the company meets the substance requirements in Mauritius.

p) The Board will consider the application of a prudent overcommitment strategy, in terms of which it will over commit to underlying investments, but no more that 110% of its committed capital but not exceeding 110% of the total capital of the Company. This overcommitment strategy will be funded by early distributions from SSAF III and will allow the Company to put more capital to work.

16. ANNEXURE A – CURRICULA VITAE OF BOARD MEMBERS

Director Name	Role	Qualifications	Profile
Catherine Swanepoel	Executive Director and Chief Executive Officer	• Masters of Commerce in Economics from UCT • Bachelor (Hons.) of Commerce in Economics and Accounting from UCT	Ms Catherine Swanepoel has 18 years of experience in the financial services industry. She is the Chief Investment Officer at South Suez Capital, a pan African private equity manager, where she is responsible for leading the asset allocation strategy for the fund and for managing the investment team in their sourcing, due diligence and execution of investment opportunities for South Suez Capital's funds. She is Chair of the Investment Committee and on the Board of Directors. Prior to this she worked at Ke Nako Capital, a South African fund of funds, where she was a portfolio manager and on the investment committee. Previous roles also include portfolio managers at the CDC Group, the United Kingdom Development Finance Institution's ("DFI") and before that as an analyst Goldman Sachs investment bank, working on private equity transactions.
Shane Rogel	Executive Director and General Counsel	• MBA, Stellenbosch University • BProc. (Law) from University of Port Elizabeth	Mr Shane Rogel has 20 years of professional experience, including more than 10 years at the South Suez Capital. He is an admitted attorney and Managing Director at South Suez Capital and Chairman of the Board. He is also a member of the Investment Committee. Mr. Rogel is responsible for all the legal due diligence and negotiations for the investments made by South Suez Capital and oversees all compliance functions of the business. He is also a Director and Investment Committee member of All Seasons, an alternatives multi asset manager based in Mauritius. Prior to South Suez Capital, Mr Rogel was a practising attorney and Notary Public specialising in corporate and contract law with particular focus on advising public, private and venture capital companies on deal structuring, shareholder matters, corporate litigation, liquidations and insolvency inquiries.
Cedric Beguinot	Executive Finance Director	• Bachelor of Science (Hons.) in Finance with Law from the University of Mauritius • Fellow member of the Association of	Mr Cedric Beguinot is the Chief Financial Officer at South Suez Capital and has more than 11 years' experience in the Financial Services industry. He also serves as director on Board of portfolio holding companies. Before joining South Suez Capital, Cedric was an associate executive at International Financial Services Limited, a top global financial services organisation, where he was a core member

		Chartered Certified Accountants (FCCA)	of the closed ended fund unit administering a large group of private equity funds with more than 500 investors. Cedric is a Fellow Chartered Certified Accountant (F.C.C.A) from the UK and holds a BSC (Hons) Finance with Law from University of Mauritius.
Gary Todd	Independent Non Executive Director	• BCom Honours in Management • Diploma in Tax from Rhodes University in South Africa.	Gary Todd joined All Seasons Capital Management Limited ("ASCM") as Financial Director in 2009. He is a senior member of the investment committee in Mauritius with specific focus on portfolio management for the African frontier market mandates. Mr Todd in addition is responsible for all financial controls at ASCM, including compliance with international financial reporting standards (IFRS). Before joining ASCM Mr Todd spent 4 years at RSM Betty & Dickson in South Africa where he completed his articles gaining experience in auditing, accounting, and financial statement analysis across various industries. He is a long-standing member of the Mauritius Institute of Directors and currently holds a BCom Honours in Management and Diploma in Tax from Rhodes University in South Africa.
David Charles Axten	Independent Non-Executive Director	• B Comm Degree in Economics and Business Economics	David is currently an executive director of Axfin Holdings Ltd, a Mauritian company offering Business Development and Support Services to the financial services industry. Axfin Holdings Ltd is currently contracted to the Osiris Group to assist in the roll out of their group Business Development initiative. David is a Mauritian resident having initially arrived in Mauritius with Rand Merchant Bank 20 years ago. David has a B.Comm and many years of Capital markets experience having operated in the industry for 25 years.

17. ANNEXURE B – POTENTIAL INVESTMENT

Name	Jurisdiction	Description
South Suez Africa Fund III LP	Cayman Fund; focus on Africa investments	South Suez Africa Fund III is the third flagship fund of South Suez Capital, a highly experienced African private equity fund of funds manager. The Manager currently has over US$960 million in assets under management and has had a first close of approximately US$130 million for South Suez Africa Fund III, out of which USD32.6M has been drawn already. The Fund has already made commitments to underlying investments of US$111 million. This includes investments into three private equity funds, and two secondary stakes. This investment is in line with the Company's investment policy and will provide investors with immediate access to African private equity investments in a diversified manner. As at 31 December 2019, gross Total Value to Paid In Capital (TVPI) was at 1.02x. Its investments are located in North Africa, East Africa, West Africa and Pan Africa in sectors such as energy, telecommunication, Fintech and Financial services as well as FMCG. The South Suez's investment objective is to build a diversified pan-African portfolio of private equity assets for investors by investing alongside best-in-class Managers, into a pool of carefully selected Co-investments and discounted Secondaries. It will achieve this by following a similar strategy and investment philosophy as its predecessor funds, with some adjustments in response to the market environment. Its life is 12 years from initial closing subject to 3 consecutive 1-year extensions as approved by the General Partner in its sole discretion. It started investing in November 2018. SSAF III's investment period is 5 years with a possible extension if required. SSAF III will have an investment period of 5 years. Management fee of 1% of capital committed shall be charged by its Investment Manager plus a 10% carried interest subject to an 8% hurdle. No carried interest will be arise if there is a loss.

18. ANNEXURE C – OTHER FINANCIAL ASSUMPTIONS

Dividend income:

3% of secondary portfolio (held by SSAF III) of USD7.28M (expected fair value of USD10.92M) is assumed to be received as dividends in 2020. The share of this dividend to the Company will be approximately 42% based on its percentage holding. In 2021 and 2022, 7% of the secondary portfolio is assumed to be received as dividends.

Exit proceeds and gain:

The secondary portfolios (held by SSAF III) with expected fair value of USD12M are assumed to be exited at a rate of 20% in 2020, 30% in 2021 and 2022 and a final 20% in 2023 added to a 10% exit of the secondary portfolio of USD7.28M (expected fair value of USD10.828M). The share of the exit proceeds to the Company will be based on its percentage holding of 42%. The gain derived from these early exits is the difference between the proceeds and the cost of the investments.

Set up and pre-operational expenses:

Set up and pre-operational expenses are expected to amount to USD63,258 consisting of initial incorporation expenses, legal expenses and listing expenses.

Cash buffer

A minimum cash buffer of USD100,000 is assumed to be kept as cash at bank to enable the Company to pay any unforeseen expenses and disbursements.