

Fund Objective

- The Cogito Alpha Fund is a Long/Short Equity Fund, which invests in South African listed companies.
- The fund seeks to out-perform the JSE Shareholder-weighted All-share Index (FTSEJSE AFR SWIX J403), by making long term investments, in small and medium sized companies.

Why Invest?

- Sub-Saharan Africa has one of the fastest growing, and urbanizing, populations in the world. South African companies have access to deep and well regulated capital markets, quality management teams, as well as powerful regulatory incentives to invest in Sub-Saharan Africa.
- The South African equity market is highly concentrated. Large companies are well researched and efficiently priced. Small and medium sized companies are often under-researched and mispriced.
- The Cogito Alpha Fund has a solid track record in stock picking under researched and mispriced companies, which have exciting Sub-Saharan growth strategies.

| | |
|-----------------------------|---|
| Fund Details | |
| Fund Value | ZAR 94,135,805 |
| Management Fees | 1.5% p.a. |
| Performance Fees | 20% above hurdle |
| Hurdle | FTSE/JSE:AFR SWIX J403—HWM |
| Entry & Exit Fees | Zero |
| Total Expense Ratio | 2.16% |
| Notice Period | 1 calendar month |
| Prime broker | Barclays Africa Ltd |
| Administrator | Maitland Fund Administrators |
| Structure | En Commandite Partnership |
| Cogito Alpha Fund Mauritius | Mauritian domiciled feeder fund |
| Cogito Capital (Pty) Ltd | Category IIA License: 23993 |
| Key Individual | Anthony Durham |
| Contact Number | +27 87 490 1147 |
| Email | anthony@cogito.co.za |
| Physical address | Building 4, Commerce Square, 39 Rivonia Road, Sandton, Johannesburg |
| Website | www.cogito.co.za |
| Fund Auditors | KPMG |
| Legal Counsel | Adams & Adams |

| | Cogito Alpha (Net in ZAR) | SWIX Allshare | USD vs ZAR | EUR vs ZAR |
|-------------------------------|------------------------------|---------------|------------|------------|
| 1 Year | 9,04% | 1,50% | -6,10% | -10,57% |
| 3 Year (annualised) | 2,55% | 4,82% | 7,78% | -0,41% |
| 5 Year (annualised) | 9,05% | 10,14% | 11,51% | 6,94% |
| Since Inception (annualised) | 9,78% | 10,58% | 8,13% | 4,46% |
| Lowest rolling 1 year return | -7,66% | -7,93% | -17,29% | -19,58% |
| Highest rolling 1 year return | 43,37% | 27,72% | 37,56% | 30,88% |

Cogito Alpha - Net Monthly Returns ZAR

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2010 | 0,44% | -1,54% | 1,62% | 1,07% | -5,37% | 0,30% | 1,60% | -4,99% | 5,35% | 4,32% | -5,10% | 8,63% | 5,43% |
| 2011 | -1,75% | 1,12% | 1,07% | 2,24% | -0,43% | 1,14% | 4,04% | -4,81% | -3,99% | 5,74% | 2,72% | 3,31% | 10,31% |
| 2012 | 5,63% | 6,54% | -2,60% | 0,82% | -7,71% | -0,95% | -1,84% | 0,57% | 2,21% | -0,92% | 5,14% | 4,82% | 11,30% |
| 2013 | 8,47% | 1,69% | 7,54% | -2,17% | 0,54% | -4,71% | 2,13% | 2,45% | 7,32% | 4,22% | -1,47% | -0,79% | 27,17% |
| 2014 | 3,83% | -0,89% | 0,77% | 7,66% | -0,13% | -1,72% | -1,12% | -1,66% | -1,07% | -2,31% | -2,10% | 2,68% | 3,52% |
| 2015 | 0,48% | 0,59% | -2,02% | 0,54% | 0,95% | -1,18% | 6,02% | -1,35% | -0,17% | 1,60% | 3,35% | 3,44% | 12,66% |
| 2016 | -7,64% | -3,77% | 2,91% | 3,51% | -1,11% | 0,91% | -1,32% | 1,61% | 4,63% | 1,67% | 2,19% | 2,63% | 5,68% |
| 2017 | -1,75% | 4,68% | -1,07% | -4,00% | | | | | | | | | -2,32% |

Commentary

Past Performance

Despite a stagnant economy, the key holdings within the fund are performing strongly.

Future Performance

There is significant opportunity for the fund to invest in additional under researched and mis-priced companies, which have exciting Sub-Saharan growth strategies.

Not only is there rapid regional population and urbanization growth, Africa is benefitting from a digital revolution:

A Digital Revolution

From the way existing products are distributed— like pre-paid electricity vouchers (Blue Label Telecoms and Consolidated Infrastructure Group).

To how horse racing enthusiasts view a horse race, and how fans bet on a soccer match (Phumelela).

To the use of GSM vehicle tracking, to price and manage risk, in minibus taxi financing (Transaction Capital).

To the scale benefits in education (Advtech), and the working capital management benefits that new ERP systems bring to distribution companies (Dawn, Hudaco, Rolfe and Pinnacle).

Add to this an additional billion people in 35 years, and the unique investment opportunity in Africa becomes apparent.

| Risk Statistics | Cogito Alpha | SWIX Allshare |
|---------------------------|--------------|---------------|
| Standard Deviation | | |
| From Jan 2010 | 12,09% | 10,90% |
| 36 Months | 9,65% | 9,80% |
| 12 Months | 9,20% | 7,61% |
| Sharpe Ratio | | |
| From Jan 2010 | 0,32 | 0,41 |
| 36 Months | -0,39 | -0,15 |
| 12 Months | 0,18 | -0,74 |
| | Gross | Net |
| Exposure | 140% | 81% |

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*The Cogito Alpha Fund benchmark was changed from the Standard Bank Overnight Call Rate to FTSE/JSE:AFR SWIX J403 effective 1 Jan 2010.



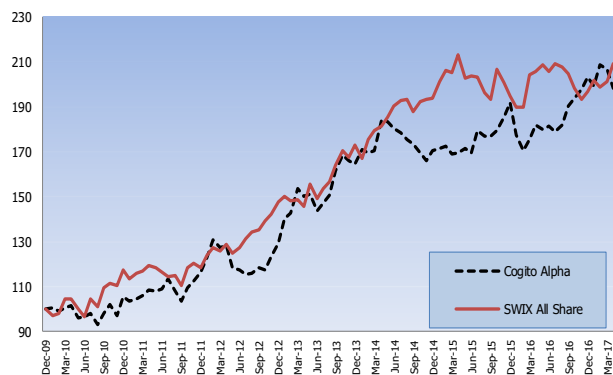
FUND EXPOSURE AS AT 30 APRIL 2017

| Code | Name | Mkt Cap | Nature of Business |
|------|-----------------------------|-----------------|--|
| PHM | PHUMELELA | 12,7% SMALL CAP | Media content producer and sports betting operator |
| RLF | ROLFES | 11,7% SMALL CAP | Chemical manufacture and distributor |
| ADH | ADVTECH | 11,6% MID CAP | Education and staffing service provider |
| CIL | CONSOLIDATED INFRASTRUCTURE | 11,1% MID CAP | High voltage substation and transmission line installer |
| HDC | HUDACO | 8,7% MID CAP | Manufacturing and mining consumables |
| TCP | TRANSACTION CAPITAL | 7,8% MID CAP | Financial Service Provider |
| HUG | HUGE TELECOM | 6,1% SMALL CAP | Telecoms products distributor and payments facilitator |
| AFT | AFRIMAT | 5,8% SMALL CAP | Building materials miner |
| APK | ASTRAPAK | 4,2% SMALL CAP | Packaging manufacturer |
| SNV | SANTOVA | 4,1% SMALL CAP | Freight forwarding and supply chain management services provider |
| ACT | AFROCENTRIC | 4,1% SMALL CAP | Medical Aid Fund Administrator |
| ISA | ISA HOLDINGS | 3,4% SMALL CAP | IT security hardware distributor and services provider |
| ELR | ELB GROUP | 3,4% SMALL CAP | Heavy engineering services and capital equipment distributor |
| AVV | ALVIVA | 3,4% SMALL CAP | Network hardware, PC, tablet and mobile phone distributor |
| IWE | INTERWASTE | 3,2% SMALL CAP | Landfill operator and waste services |
| BLU | BLUE LABEL TELECOMS | 2,7% MID CAP | Pre-paid airtime distributor |
| ART | ARGENT | 2,0% SMALL CAP | Steel product manufacturer and distributor |
| MST | MUSTEK | 1,8% SMALL CAP | Network hardware, PC, tablet and mobile phone distributor |
| DAW | DAWN | 1,2% SMALL CAP | Water products manufacturer and distributor |
| MDI | MASTER DRILLING | 1,1% SMALL CAP | Heavy engineering services |
| SOH | SOUTH OCEAN | 0,6% SMALL CAP | Electrical cable manufacturer and lighting distributor |
| LEW | LEWIS | -1,0% MID CAP | Furniture Retailer |
| IPL | IMPERIAL | -1,6% LARGE CAP | Logistics and motor vehicle distributor |
| SHP | SHOPRITE | -1,8% LARGE CAP | Food Retailer |
| KIO | KUMBA IRON ORE | -1,8% LARGE CAP | Iron ore miner |
| EOH | EOH | -2,9% MID CAP | IT hardware distributor and services provider |
| CFR | RICHEMONT | -3,0% LARGE CAP | Luxury goods manufacturer |
| MSM | MASSMART | -3,1% LARGE CAP | General Retailer |
| BAW | BARLOWORLD | -3,8% LARGE CAP | Capital equipment distributor |
| TRU | TRUWORTHS | -5,1% LARGE CAP | Clothing Retailer |
| CPI | CAPITEC | -5,3% LARGE CAP | Financial Service Provider |

Exposure

As at 30 April 2017 the fund had a gross market exposure of 140% of net asset value, and a net market exposure of 81%. At an operating profit level the fund's investments had a hard currency net exposure of approximately 50%, and an approximate 10% exposure to Sub-Saharan Africa, excluding South Africa. Although relatively small, we expect the Sub-Saharan exposure to increase substantially over the medium term.

Net Performance from Jan 2010



Correlation: Cogito Alpha/SWIX

| | |
|---------------|-------|
| From Jan 2010 | 0,36 |
| 36 Month | -0,07 |
| 12 Month | -0,75 |

Market Cap Allocation (%NAV)



Mid Cap shares are defined as companies not included in the benchmark index, but larger than ZAR3bn in market capitalisation.

