

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 84,641,188
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	5,09%	0,09%	-16,68%	-15,83%
3 Year (annualised)	0,97%	4,01%	7,38%	0,71%
5 Year (annualised)	9,75%	10,82%	8,81%	7,26%
Since Inception (annualised)	8,95%	10,43%	7,74%	4,55%
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%	-4,69%								-6,90%

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, Rolfes 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	12,19%	10,84%
36 Months	10,06%	9,75%
12 Months	10,58%	7,51%
Sharpe Ratio		
From Jan 2010	0,26	0,40
36 Months	-0,52	-0,24
12 Months	-0,20	-0,94
	Gross	Net
Exposure	147%	83%

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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.



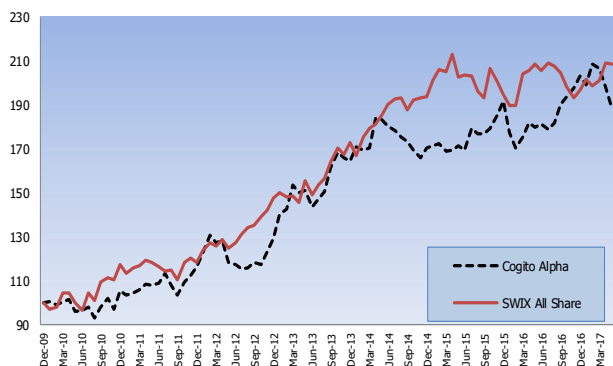
FUND EXPOSURE AS AT 31 MAY 2017

Code	Name	Mkt Cap	Nature of Business
PHM	PHUMELELA	13,7% SMALL CAP	Media content producer and sports betting operator
ADH	ADVTECH	11,2% MID CAP	Education and staffing service provider
CIL	CONSOLIDATED INFRASTRUCTURE	10,9% MID CAP	High voltage substation and transmission line installer
RLF	ROLFES	10,8% SMALL CAP	Chemical manufacture and distributor
HDC	HUDACO	9,3% MID CAP	Manufacturing and mining consumables
TCP	TRANSACTION CAPITAL	8,8% MID CAP	Financial Service Provider
AFT	AFRIMAT	6,8% SMALL CAP	Building materials miner
HUG	HUGE TELECOM	6,0% SMALL CAP	Telecoms products distributor and payments facilitator
SNV	SANTOVA	4,8% SMALL CAP	Freight forwarding and supply chain management services provider
ACT	AFROCENTRIC	4,5% SMALL CAP	Medical Aid Fund Administrator
APK	ASTRAPAK	4,4% SMALL CAP	Packaging manufacturer
ISA	ISA HOLDINGS	4,3% SMALL CAP	IT security hardware distributor and services provider
IWE	INTERWASTE	3,4% SMALL CAP	Landfill operator and waste services
AVV	ALVIVA	3,2% SMALL CAP	Network hardware, PC, tablet and mobile phone distributor
ELR	ELB GROUP	3,1% SMALL CAP	Heavy engineering services and capital equipment distributor
BLU	BLUE LABEL TELECOMS	2,8% MID CAP	Pre-paid airtime distributor
ART	ARGENT	2,1% SMALL CAP	Steel product manufacturer and distributor
MST	MUSTEK	1,9% SMALL CAP	Network hardware, PC, tablet and mobile phone distributor
DAW	DAWN	1,3% SMALL CAP	Water products manufacturer and distributor
MDI	MASTER DRILLING	1,2% SMALL CAP	Heavy engineering services
SOH	SOUTH OCEAN	0,5% SMALL CAP	Electrical cable manufacturer and lighting distributor
IPL	IMPERIAL	-1,8% LARGE CAP	Logistics and motor vehicle distributor
KIO	KUMBA IRON ORE	-1,9% LARGE CAP	Iron ore miner
SHP	SHOPRITE	-2,0% LARGE CAP	Food Retailer
MSM	MASSMART	-3,0% LARGE CAP	General Retailer
BAW	BARLOWORLD	-3,1% LARGE CAP	Capital equipment distributor
CFR	RICHEMONT	-3,3% LARGE CAP	Luxury goods manufacturer
TRU	TRUWORTHS	-4,9% LARGE CAP	Clothing Retailer
CPI	CAPITEC	-5,5% LARGE CAP	Financial Service Provider
EOH	EOH	-6,7% MID CAP	IT hardware distributor and services provider

Exposure

As at 31 May 2017 the fund had a gross market exposure of 147% of net asset value, and a net market exposure of 83%. 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.

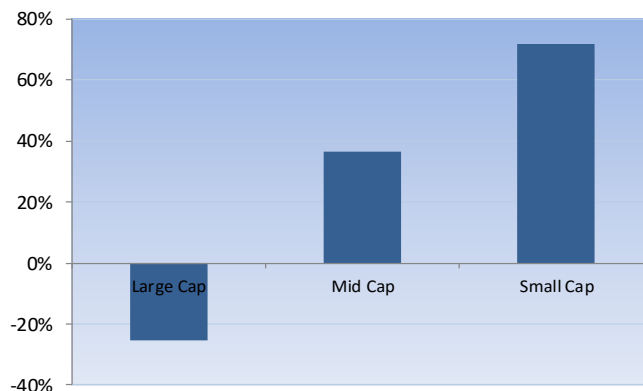
Net Performance from Jan 2010



Correlation: Cogito Alpha/SWIX

From Jan 2010	0,36
36 Month	-0,06
12 Month	-0,62

Market Cap Allocation (%NAV)



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

