REINET INVESTMENTS S.C.A.

Reinet Investments S.C.A.
(Incorporated in Luxembourg)
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COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

29 MAY 2020

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020 AND PROPOSED DIVIDEND

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the year ended 31 March 2020.

Key financial data

- **Reinet's net asset value of € 4.4 billion reflects a compound return of 8.7 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 March 2020 reflects a decrease of € 427 million or 8.8 per cent from € 4 830 million at 31 March 2019**
- **Net asset value per share at 31 March 2020: € 23.89 (31 March 2019: € 25.30)**
- **Share buyback programme: 6 628 723 ordinary shares repurchased during the year for a consideration of some € 105 million; with a total of 11 651 395 ordinary shares repurchased since November 2018 for a consideration of some € 173 million**
- **Commitments totalling € 526 million in respect of new and existing investments were made during the year, and a total of € 350 million funded during the year, including € 316 million in respect of Pension Insurance Corporation Group Limited**
- **Sale of 10 million British American Tobacco shares in the year realising proceeds of € 392 million**
- **Dividends from British American Tobacco during the year amounted to € 146 million**
- **Reinet dividend of some € 36 million, or € 0.19 per share (excluding treasury shares), paid during the year**
- **Proposed Reinet dividend of € 0.19 per share payable after the 2020 annual general meeting**

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

Cautionary statement regarding forward-looking statements

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CHAIRMAN’S COMMENTARY

Dear Shareholder,

In January 2020, the World Health Organisation (“WHO”) announced a global health emergency because of a new strain of coronavirus known as COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The wide variability in expected financial, social and epidemiological outcomes regarding the outbreak has led to significant levels of market uncertainty mostly reflected in increased market, currency and commodity volatility. At the time of writing the full impact of the COVID-19 outbreak remains unknown and is continuously changing.

Following COVID-19 developments in Europe, Asia and the rest of the world, it is important to reiterate that protecting the health and safety of colleagues, business associates, other stakeholders and communities has become and remains, a high priority.

Overview

Since 2008, Reinet has significantly expanded its portfolio of new investments; however Reinet also continues to believe that the existence of certain key investments will remain a feature of the portfolio in creating value for shareholders. With this as background, at an extraordinary general meeting in January 2020, shareholders approved a revision to Reinet’s investment guidelines. It is important that Reinet have some flexibility to manage the size of and further investment in certain key investments. Following this revision, in February 2020, Reinet was able to increase its investment in Pension Insurance Corporation by investing € 316 million (£ 263 million) in a new capital raise with further details below.

Since its inception in 2008, Reinet has invested some € 2.7 billion in new investments and generated an annual return of 6.8 per cent for its investors based on the listed share price, with the underlying net asset value increasing at a rate of 8.7 per cent per annum.

During the year Reinet sold some 10 million British American Tobacco shares for proceeds of € 392 million (£ 332 million). This is in line with Reinet’s stated policy to reduce its holding in British American Tobacco over time and to re-balance the portfolio. In total, Reinet has sold over 26 million British American Tobacco shares during the last 8 years, for total proceeds of € 1.1 billion. Sales proceeds are used to make new investments and hence further diversify the overall portfolio.

At the annual general meeting in August 2019, shareholders renewed their approval for Reinet to buy back its own shares. Reinet subsequently initiated its fourth share buyback programme which ran from September to November 2019 under which 3.0 million ordinary shares were repurchased for a cost of € 50 million. As at 31 March 2020, 11.7 million ordinary shares had been repurchased since November 2018 for a cost of € 173 million or € 14.80 per share. The repurchases of shares is effectively an acquisition on behalf of remaining shareholders of assets which are well understood at values substantially lower than their fair value.

Results

At 31 March 2020, Reinet’s net asset value amounted to € 4.4 billion, a decrease of € 427 million or 8.8 per cent compared to a year ago. This predominantly reflects the decrease in the share price of British American Tobacco from £ 31.94 at 31 March 2019 to £ 27.57 at 31 March 2020 and a decrease in the carrying value of Pension Insurance Corporation after adjusting for the recent additional investment. Offsetting these decreases are dividends of € 146 million from British American Tobacco, and increases in the estimated fair value of certain investments including derivative assets. Reinet also spent € 105 million as part of the share buyback programmes in the year ended March 2020.

Although the true impact of COVID-19 on Reinet will only be known over time, the decrease in net asset value in the last three months of the financial year amounted to some € 1.1 billion, indicative of the near term impact on the value of the investments.

Business developments

In the year under review, Reinet made investment commitments of € 526 million and invested a total of € 350 million in new and existing portfolio assets.

The investment in Pension Insurance Corporation represented some 36.8 per cent of Reinet’s net asset value at 31 March 2020, compared to 30.6 per cent a year ago. Pension Insurance Corporation continues to make good progress, writing some £ 7.2 billion of new business in 2019, its embedded value increasing to £ 3.9 billion, assets under management increasing to £ 40.9 billion and with a solvency ratio of 164 per cent at the end of 2019.

In January 2020, Pension Insurance Corporation announced a capital raise of £ 750 million, of which Reinet subscribed for an aggregate amount of £ 438 million. Of this capital commitment, £ 263 million was invested in February 2020, with the remaining £ 175 million callable upon request by Pension Insurance Corporation. As a result of this additional investment, Reinet’s shareholding in Pension Insurance Corporation increased from 43.7 per cent to 46.4 per cent. We believe that following the capital raise Pension Insurance Corporation remains well positioned amongst the leaders in its sector.

The investment in British American Tobacco consists of some 58 million shares and represented 40.9 per cent of Reinet's net asset value at 31 March 2020, compared to 52.2 per cent a year ago. The decrease also reflects the sale of some 10 million shares in the year at an average price of £ 33.39 per share.

British American Tobacco continues to grow revenues with focus remaining on expanding its new categories, which include tobacco heating and vapour products. Dividends declared for 2020 increased by 3.6 per cent to £ 2.10 per share.

Dividend
The Board of Directors of Reinet Investments Manager S.A. proposes a dividend of € 0.19 per share, payable in September 2020. This represents a dividend level unchanged from last year.

Outlook
We are currently facing an unprecedented global health crisis. In 1987, 2000 and 2008 the world experienced severe market turmoil, which we recovered from. Unfortunately, this crisis may even be more severe when taking the significant global health impacts into consideration. It is highly likely that large parts of the world will face a recession which could last for some time as economies will be slow to resume full demand and supply capacity.

The Reinet investment strategy has always followed a long-term prudent approach, in addition we have been building up cash and liquid resources. As a result we have capacity to face a situation such as the one we are confronted with, but the portfolio and its underlying investments may for some time not escape the economic effects of the pandemic. In time the pandemic sweeping the globe will abate which will allow businesses and economies to thrive once more.

As in previous years, Reinet remains committed to provide shareholders with an investment vehicle which will manage their funds in a conservative manner whilst aiming to achieve growth over the long-term. The current general uncertainty requires Reinet to focus on long-term outcomes, to seek appropriate new investments and to continue investing in and supporting the existing portfolio.

Reinet's Directors, Overseers, management and employees have once again continued to provide their valuable support and even more so this year with challenges including remote working as a result of the COVID-19 pandemic. I thank every one of them for their commitment to Reinet.

Johann Rupert

Chairman
Reinet Investments Manager S.A.
Luxembourg, 29 May 2020

BUSINESS OVERVIEW

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

Net asset value

The net asset value ('NAV') at 31 March 2020 comprised:

	31 March 2020		31 March 2019	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	**1 802**	**40.9**	2 523	52.2
Other listed investments	**72**	**1.6**	82	1.7
Unlisted investments				
Pension Insurance Corporation Group Limited	**1 618**	**36.8**	1 480	30.6
Private equity and related partnerships	**733**	**16.7**	772	16.0
Trilantic Capital Partners	**167**	**3.8**	216	4.5
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
36 South macro/volatility funds	**61**	**1.4**	32	0.7
Asian private equity companies and portfolio funds	**207**	**4.7**	243	5.0
Milestone China Opportunities funds, investment holdings and management company participation	60		82	
Prescient China funds and investment management company	102		110	
Grab Holdings Inc.	45		51	
Specialised investment funds	**298**	**6.8**	281	5.8
Vanterra C Change TEM and holding companies	19		23	
NanoDimension funds and co-investment opportunities	52		26	
Snow Phipps funds and co-investment opportunities	118		105	
GAM Real Estate Finance Fund	13		37	
Other fund investments	96		90	
United States land development and mortgages	**41**	**0.9**	79	1.6
Diamond interests	**29**	**0.7**	46	1.0
Other investments	**76**	**1.7**	67	1.4
Total investments	**4 371**	**99.3**	5 049	104.5
Cash and liquid funds	**501**	**11.4**	360	7.5
Bank borrowings and derivatives				
Borrowings	**(625)**	**(14.2)**	(662)	(13.7)
Net derivative assets	**155**	**3.5**	135	2.8
Other assets/(liabilities)				
Other assets net of minority interest, fees payable and other liabilities	**1**	**-**	(52)	(1.1)
Net asset value	**4 403**	**100.0**	4 830	100.0

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

INFORMATION RELATING TO CURRENT KEY INVESTMENTS

		Committed amount(1) in millions	Remaining committed amount(1) in millions	Invested amount(2) in millions	Realised proceeds(2) in millions	Current fair value(1) in millions	Total realised and unrealised value(3) in millions
Listed investments							
British American Tobacco p.l.c.	**EUR**	**-**	**-**	**1 739**	**2 595**	**1 802**	**4 397**
	GBP	-	-	1 418	2 156	1 601	3 760
Other listed investments	**EUR**	**-**	**-**	**75**	**47**	**72**	**119**
	USD	-	-	96	53	79	132
Unlisted investments							
Pension Insurance Corporation Group Limited	**EUR**	**1 106**	**197**	**979**	**-**	**1 618**	**1 618**
	GBP	983	175	808	-	1 437	1 437
Trilantic Capital Partners	**EUR**	**625**	**283**	**342**	**428**	**167**	**595**
Euro investment	EUR	87	20	67	138	34	172
US dollar investment(4)	USD	594	290	314	350	147	497
36 South macro/volatility funds	**EUR**	**-**	**-**	**93**	**11**	**61**	**72**
Euro investment	EUR	-	-	88	11	53	64
US dollar investment	USD	-	-	6	-	9	9
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company participation	**EUR**	**153**	**2**	**127**	**124**	**60**	**184**
	USD	169	3	166	141	66	207
Prescient China funds and investment management company	**EUR**	**-**	**-**	**68**	**2**	**102**	**104**
	USD	-	-	82	2	113	115
Grab Holdings Inc.	**EUR**	**-**	**-**	**43**	**-**	**45**	**45**
	USD	-	-	50	-	50	50
Specialised investment funds							
Vanterra C Change TEM and holding companies	**EUR**	**64**	**4**	**53**	**2**	**19**	**21**
	USD	71	4	67	3	21	24
NanoDimension funds and co-investment opportunities	**EUR**	**92**	**20**	**67**	**38**	**52**	**90**
Euro investment	EUR	4	-	4	1	4	5
US dollar investment	USD	96	22	74	42	53	95
Snow Phipps funds and co-investment opportunities	**EUR**	**157**	**35**	**118**	**48**	**118**	**166**
	USD	173	39	134	52	130	182
GAM Real Estate Finance Fund	**EUR**	**113**	**32**	**87**	**81**	**13**	**94**
	GBP	100	28	72	70	11	81
United States land development and mortgages	**EUR**	**195**	**5**	**160**	**31**	**41**	**72**
	USD	215	6	209	34	45	79
Diamond interests(5)	**EUR**	**-**	**-**	**116**	**85**	**29**	**114**
	ZAR	-	-	1 190	1 237	577	1 814

(1) Calculated using year-end foreign exchange rates.
(2) Calculated using actual foreign exchange rates at transaction date.
(3) Total of realised proceeds and current fair value.
(4) The invested amount for Trilantic Capital Partners includes an initial payment of $ 10 million.
(5) The exposure to the South African rand has been partially hedged by a forward exchange contract and borrowings in this currency.

PERFORMANCE

NET ASSET VALUE

The NAV of the Company comprises total assets less total liabilities, and equates to total equity under IFRS. The decrease in the NAV of € 427 million during the year reflects the decrease in the fair value of certain investments, including British American Tobacco p.l.c. ('BAT') and Pension Insurance Corporation Group Limited. Offsetting these decreases in value are dividends received and receivable from BAT and increases in the estimated fair value of certain investments including 36 South macro/volatility funds and derivative assets. The Company also continued to fund the purchase of its own ordinary shares. Detail on the Company's NAV and details of movements in key investments can be found on pages 4 and 5 of this report.

The Company records its assets and liabilities in euro; the strengthening of the US dollar against the euro, offset by the weakening of sterling and the South African rand against the euro has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying the current year-end exchange rates to the March 2019 assets and liabilities would have resulted in a decrease in the March 2019 NAV of some € 103 million.

SHARE BUYBACK PROGRAMME

The Company has repurchased 11 651 395 ordinary shares between November 2018 and November 2019 under four share buyback programmes. The cost of the ordinary shares repurchased amounts to € 173 million, plus transaction costs.

During the year, 6 628 723 ordinary shares were repurchased for € 105 million, plus transaction costs.

As at 31 March 2020, there was no share buyback programme in progress.

All ordinary shares repurchased are held as treasury shares.

NET ASSET VALUE PER SHARE

The NAV per share and the adjusted NAV per share of the Company are calculated by dividing the NAV and adjusted NAV respectively by the number of shares outstanding (excluding treasury shares) of 184 290 891. The adjusted NAV is calculated by reversing any liability in respect of future repurchases of shares. As at 31 March 2020 there was no outstanding liability; at 31 March 2019 the liability amounted to € 49 million. The adjusted NAV is considered relevant as it eliminates the timing difference between the additional liability recorded for future share repurchases and the actual number of shares repurchased as at the year-end date.

	31 March 2020	31 March 2019
Shares in issue	**195 942 286**	195 942 286
Treasury shares	**(11 651 395)**	(5 022 672)
Net shares	**184 290 891**	190 919 614
	€ m	€ m
NAV (see page 4)	**4 403**	4 830
Reversal of future share buyback liability	**-**	49
Adjusted NAV	**4 403**	4 879
NAV per share	**€ 23.89**	€ 25.30
Adjusted NAV per share	**€ 23.89**	€ 25.56

COVID-19

In January 2020, the World Health Organisation ('WHO') announced a global health emergency because of a new strain of coronavirus known as COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The wide variability in expected financial, social and epidemiological outcomes regarding the outbreak has led to significant levels of market uncertainty mostly reflected in increased market, currency and commodity volatility. At the time of this report the full impact of the COVID-19 outbreak remains unknown and is continuously changing.

Reinet continues to value its investments in line with International Private Equity and Venture Capital Valuation ('IPEV') guidelines (including recent additional COVID-19 related guidance) and the approved year-end valuation procedures and methodologies. All investment valuations have been prepared using latest available data. Subsequent discussions have also taken place with fund managers to determine any significant changes in value and additional adjustments have been made to fair value calculations in respect of the impact of COVID-19 on 31 March 2020 valuations where known. The long term financial impact of COVID-19 is still unknown and as reliable data pertaining to the portfolio investments becomes available it will be taken into account in future fair value calculations.

A significant portion of the investment valuations take into account the market impacts of COVID-19 as at 31 March 2020. Management believes the fair values calculated as at 31 March 2020 for the remaining investment valuations are appropriate, following relevant IPEV guidance, and as up to date as possible using the latest available information.

INVESTMENTS

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

Since its formation in 2008, Reinet has invested some € 2.7 billion and at 31 March 2020 has committed to provide further funding of € 610 million to its current investments. Details of the funding commitments outstanding are given in the table on page 16. New commitments during the year under review amounted to € 526 million, and a total of € 350 million was funded during the year.

LISTED INVESTMENTS

BRITISH AMERICAN TOBACCO P.L.C.

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

Richard Burrows, Chairman and Jack Bowles, Chief Executive, writing in the BAT annual report for 2019 commented:

'Richard Burrows: 'I'm pleased to report a strong operational performance with growth in revenue, as well as both value and volume share. Notwithstanding a number of one-off charges that led to a decline in reported profit from operations, performance was strong on an adjusted basis, growing on the back of our combustibles business and our continued progress in New Categories. It has also been a busy year as we accelerate our ambition to transform our business. The Board and I are confident in the vision and focus of our new CEO, Jack Bowles, and his drive to satisfy evolving consumer preferences with new and innovative products. Jack has already made great progress in his stated aim to simplify the Group and he and his management team have spent significant time looking at how we can accelerate the progress already made in our New Categories business. This has been instrumental in the Board's endorsement of an evolution of our strategy and I am excited and energised about the possibilities for the future'.

Jack Bowles: 'In 2019, building on our foundations, we delivered strong operational results and cash generation, creating a solid base for delivering today and building a better tomorrow. I am especially pleased to report 6 per cent revenue growth (at current rates of exchange) of £ 1.4 billion to £ 25.9 billion. This growth was achieved while also increasing investment in the business, growing our New Categories business by 37 per cent, and increasing our value and volume share by 30bps and 20bps respectively. Operating cash conversion of 97 per cent demonstrates our commitment to maximising cash to reduce leverage and invest in the business. Of course, we live in an age of relentless change. Consumers' desires and tastes evolve, while societal attitudes are changing. These changes are providing us with growth opportunities we could not previously have imagined'.

The value of Reinet's investment in BAT amounted to € 1 802 million at 31 March 2020 (31 March 2019: € 2 523 million), being some 40.9 per cent of Reinet's NAV. The decrease in value reflects the decrease in the BAT share price on the London Stock Exchange from £ 31.94 at 31 March 2019 to £ 27.57 at 31 March 2020 together with the weakening of sterling against the euro in the same period. In addition, Reinet sold some 10 million BAT shares in the year under review for total proceeds of some € 392 million (£ 332 million) and thus holds 58.1 million BAT shares, representing some 2.53 per cent of BAT's issued share capital as at 31 March 2020.

During the year under review, dividend income recorded from BAT amounted to € 146 million (£ 129 million), being BAT's second, third and fourth 2019 quarterly dividends, together with the first 2020 quarterly dividend of some € 34 million (£ 31 million) with a record date of 27 March 2020. The first 2020 quarterly dividend will be paid on 13 May 2020 and has been included as a receivable in the NAV as at 31 March 2020, due to the record date falling within the financial year.

BAT is committed to building 'A Better Tomorrow' by reducing the health impact of its business through offering a greater choice of less risky products; this will be the focus for 2020 and beyond. In the 30 April 2020 news release *Richard Burrows stated: 'We remain committed to continuing the transformation of our business in 2020. Despite ongoing uncertainties resulting from the COVID-19 pandemic, the resilience of our supply chain in combination with the dedication of our teams means that I am confident we will continue to deliver. We maintain our commitment to high single figure constant currency adjusted diluted EPS growth.'*

Both the BAT share price and sterling foreign exchange rate remain volatile due to the impact of COVID-19. At 22 May 2020 the value of the 58.1 million BAT shares amounted to € 2 035 million (£ 1 824 million).

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

OTHER LISTED INVESTMENTS

As at 31 March 2020 and 2019, other listed investments comprised:

	31 March 2020	31 March 2019
	€ m	€ m
SPDR Gold shares	**31**	25
Selecta Biosciences, Inc.	**3**	1
Soho China Limited	**22**	18
Li Ning Company Limited	**-**	26
Twist Bioscience Corporation	**16**	12
	72	82

During the year, Reinet sold its remaining 18.4 million shares in Li Ning Company Limited for proceeds of € 28 million realising a gain of € 11 million.

SPDR GOLD SHARES

In 2015, Reinet invested € 22 million in SPDR Gold shares ('GLD'), the largest physically backed gold exchange traded fund in the world. Over the long term, gold can provide a hedge against inflation and offer some protection against value changes in turbulent economic and political times.

Reinet holds 230 000 shares with a market value of € 31 million as at 31 March 2020 (31 March 2019: € 25 million). The increase in value reflects the increase in the value of gold during the year.

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

SELECTA BIOSCIENCES, INC.

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

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

In June 2016, Reinet invested € 4 million in Selecta acquiring 350 000 shares in its initial public offering on the Nasdaq. In January 2019, Reinet invested an additional € 0.5 million in Selecta acquiring 365 000 shares, and in December 2019, invested an additional € 1 million acquiring 680 480 shares and 340 230 warrants.

Reinet holds 1 395 480 shares and 340 230 warrants with a market value of € 3 million as at 31 March 2020 (31 March 2019: € 1 million). The increase in market value is due to the additional investment together with an increase in the share price during the year.

Further information on Selecta is available at www.selectabio.com.

SOHO CHINA LIMITED

Soho China Limited ('Soho') is a Chinese office developer focused on developing and leasing properties in the central business districts of Beijing and Shanghai. Soho developments are known for their modern architecture, with designs from architects such as Zaha Hadid and Japanese architect Kengo Kuma. The company has developed over five million square metres of commercial properties. Soho incorporates Soho 3Q, a flexible office co-working environment with over 30 locations in China.

In 2018, Reinet received 47 million shares of Soho with a value of € 16 million following a distribution of assets from a Milestone related investment holding company.

Reinet holds 47 million shares with a market value of € 22 million as at 31 March 2020 (31 March 2019: € 18 million). The increase in market value reflects the increase in the share price during the year.

Further information on Soho is available at www.sohochina.com.

TWIST BIOSCIENCE CORPORATION

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

In 2017, Reinet acquired 235 354 shares in Twist for € 4 million ($ 5 million) as a result of a NanoDimension co-investment opportunity. Subsequently, Reinet acquired 357 143 shares in Twist at the time of the initial public offering at a price of € 12 per share ($ 14 per share), for a total of € 4 million ($ 5 million).

As at 31 March 2020, Reinet holds 592 497 shares in Twist with a market value of € 16 million (31 March 2019: € 12 million). The increase in market value reflects the increase in the share price during the year.

Further information on Twist is available at www.twistbioscience.com.

UNLISTED INVESTMENTS

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

PENSION INSURANCE CORPORATION GROUP LIMITED

Pension Insurance Corporation Group Limited's ('Pension Corporation') wholly-owned subsidiary, Pension Insurance Corporation plc ('Pension Insurance Corporation'), is a specialist insurer of UK defined benefit pension funds. Pension Insurance Corporation provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. Pension Insurance Corporation provides secure and stable retirement income for its policyholders through market-leading customer service, comprehensive risk management and excellence in asset and liability management.

Pension Insurance Corporation's progress in 2019 includes £ 7.2 billion of defined benefit pension liabilities insured (2018: £ 7.1 billion), the highest to date, £ 8.3 billion of longevity reinsurance completed (2018: £ 5.6 billion) and £ 1.9 billion of direct, private placements completed (2018: £ 2.5 billion).

At 31 December 2019, Pension Insurance Corporation held £ 40.9 billion in financial investments (31 December 2018: £ 31.4 billion) and had insured more than 225 100 pension fund members (31 December 2018: 192 000). Clients include FTSE 100 companies, multinationals and the public sector.

In January 2020, Pension Corporation completed a capital raise of £ 750 million, of which Reinet subscribed for an aggregate amount of £ 438 million. Of this, £ 263 million (60 per cent) was invested in February 2020, with the remaining £ 175 million callable upon request by Pension Corporation within one year. As a result of this additional investment, Reinet's shareholding in Pension Corporation increased from 43.7 per cent to 46.4 per cent.

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

'2019 was another excellent year for Pension Insurance Corporation, in which we continued to meet the substantial and growing demand for pension risk transfer by focussing clearly on our purpose, as well as delivering excellent customer service, and maintaining a financially robust balance sheet. I want to thank our employees for the significant contribution they have made and I look forward to PIC's continued success.'

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 1 618 million at 31 March 2020 (31 March 2019: € 1 480 million). This value takes into account Pension Corporation's audited embedded value at 31 December 2019 of £ 3.9 billion (31 December 2018: £ 3.6 billion), valuation multiples drawn from industry data as at 31 March 2020, a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment and a value adjustment for the capital contributed in February 2020.

The increase in the estimated fair value over the financial year is due to the capital raise, together with the increase in Pension Corporation's embedded value. This is offset by a 10 per cent decrease in comparable company valuation multiples derived from public information of listed peer-group companies in the UK insurance sector and the weakening of sterling against the euro in the year. The valuation multiples used in determining the fair value decreased significantly as a result of the decline in the trading prices of listed peers in response to the COVID-19 pandemic, falling by some 30 per cent from 31 December 2019. The future estimated fair value of Pension Corporation will continue to be exposed to the peer group market multiples which are expected to remain volatile amid the COVID-19 related market impact.

The investment in Pension Corporation represented some 36.8 per cent of Reinet's net asset value at 31 March 2020, compared to 30.6 per cent a year ago.

In response to the COVID-19 pandemic, Pension Corporation has put in place full business continuity plans ensuring the ongoing payment of pensioners and protection of its investment portfolio. Pension Corporation is confident in its solvency and liquidity positions, as well as its ability to manage the portfolio through the consequences of any economic downturn.

Pension Corporation is financially strong, has a reputation for excellent customer service, and is operating in a growth market with increasing demand. Following the capital raise and strong results for 2019, Pension Corporation remains well positioned amongst the leaders in its sector.

Further information on Pension Corporation is available at www.pensioncorporation.com.

PRIVATE EQUITY AND RELATED PARTNERSHIPS

Where Reinet invests in funds managed by third parties its philosophy is to partner with the managers of such funds and to share in fees generated by funds under management. This is the case with funds managed by Trilantic Capital Partners, 36 South Capital Advisors, Milestone Capital, Prescient Investment Management China and Vanterra Capital. Under the terms of the investment advisory agreement (the 'Investment Advisory Agreement'), entered into by the Fund Manager and Reinet Investment Advisors Limited (the 'Investment Advisor'), Reinet pays no management fee to the Investment Advisor on such investments except in the case where no fee or a reduced fee below 1 per cent is paid to the third-party manager. In such cases, the aggregate fee payable to the Investment Advisor and the third-party manager is capped at 1 per cent.

TRILANTIC CAPITAL PARTNERS

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

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

Reinet TCP Holdings Limited invests in Trilantic Capital Partners IV L.P. and Trilantic Capital Partners IV (Europe) L.P., these funds are in the process of realising value from underlying investments.

Reinet invests in Trilantic Capital Partners V (North America) L.P. and Trilantic Energy Partners (North America) L.P. These US-based funds are focused on North American opportunities with Trilantic Energy Partners (North America) L.P. being especially focused on the energy industry sector.

Reinet also invests in Trilantic Capital Partners VI Parallel (North America) L.P. (collectively with its parallel vehicles 'Fund VI') and Trilantic Energy Partners II Parallel (North America) L.P. (collectively with its parallel vehicles 'TEP II'). Fund VI completed its fund raising in mid-2019 with total commitments of € 2.5 billion ($ 2.75 billion). TEP II completed its fund raising in 2018 with total commitments of € 401 million ($ 437 million). These US-based funds are focused on North American opportunities with TEP II being especially focused on the energy industry sector.

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

'Trilantic North America has consistently delivered net institutional investor IRRs of approximately 15 per cent or more, across three consecutive funds over 16 years (including through the 2008 financial crisis) with conservative leverage at our portfolio companies.
The US economy expanded by 2.1 per cent in 2019, after having posted growth rates of 2.9 per cent, 2.2 per cent and 1.6 per cent in 2018, 2017 and 2016, respectively. As the new year began, we believed the US economy remained late-cycle, but that economic growth for 2020 (save for black swan events) would be range bound at +/- 2 per cent. By early March, COVID-19 had been deemed a pandemic and a Saudi-Russia supply disagreement has driven oil prices down severely. Governments around the world have taken extreme measures to contain the health crisis and mitigate economic fallout.
We feel fortunate to have over $ 2 billion of dry powder, including robust committed credit lines that will allow us to operate efficiently and opportunistically. Patience and discipline have been cornerstones of ours through many cycles and remain so today. That said, we have several headwinds that we are taking on with steadfast urgency, notably: (i) detailed liquidity reviews of all of our portfolio companies (regardless of debt load) to identify soft spots and break points; and (ii) developing real-time contingency plans to support our portfolio companies through this cycle in a thoughtful, rational and measured way. We also remain actively engaged with management teams of prospective new investment targets where our capital and expertise can be a solution.'

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

'The slowdown in growth in the global economy in 2019 has been attributed to weak spending on machinery and consumer durables combined with subdued industrial activity and policy-induced challenges to global trade. This lacklustre growth in 2019 was puzzling. Consumer confidence improved spending on consumer goods and services. Meanwhile unemployment rates fell to historical lows. As an explanation, most economists agreed that recent structural changes in the world's economy make GDP a less reliable tool to analyse macroeconomic performance and/or predict inflation and employment. However, consensus has yet to emerge on which metrics, if any, might be more appropriate. The outbreak of the coronavirus is now all but guaranteed to have a major global economic impact in 2020 and the question has shifted to how the world look in the longer term, especially for certain industries and countries. In this context, Trilantic Europe's number one priority remains the safety of our personnel and the employees of our portfolio companies. We are also working closely with our portfolio to evaluate the impact on the different business and take the appropriate mitigating measures. Whilst no portfolio company is immune to the current situation, we are nonetheless confident that its diversified and defensive nature together with our conservative approach to leverage leaves our portfolio in a good position to weather the significant headwinds. We are also working to capture new investment opportunities when market conditions settle, both as add-on acquisitions to the portfolio and as new investment platforms, as the current environment will no doubt also generate attractive investment opportunities for investors with experience over past cycles.'

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 167 million at 31 March 2020 (31 March 2019: € 216 million) of which € 3 million (31 March 2019: € 4 million) is attributable to the minority partner. The estimated fair value is based on audited valuation data provided by Trilantic Management at

31 December 2019 adjusted for changes in the value of listed investments included in the portfolios, cash movements up to 31 March 2020 and an additional adjustment to take into account the estimated impact of the effect of COVID-19 on the valuation of unlisted investments. Future valuations will take into account any new impacts of COVID-19 which could affect the valuation of underlying investments. The decrease in the estimated fair value is due to distributions of € 37 million and decreases in estimated fair values of underlying investments, offset by capital contributions of € 15 million and the strengthening of the US dollar against the euro.

During the year under review, gains of € 23 million (31 March 2019: € 11 million) and carried interest of € 6 million (31 March 2019: € 16 million) were realised.

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

36 SOUTH MACRO/VOLATILITY FUNDS

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

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

The Lesedi Fund; a positive-carry, long-volatility strategy with a primary focus of generating yield in 'normal markets', whilst retaining the potential to deliver larger positive returns in extreme market events. The fund invests in options that are expected to result in a positive return if the spot price remains the same, if volatility increases, and/or if there is a favourable movement of the price of the underlying asset.

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

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

'In last year's report we commented: 'If crises are inevitable it is only a matter of time before global volatility has a regime change which should significantly organically grow the AUM...'.The outbreak of coronavirus and the subsequent economic fall-out have created that volatility regime change which we expected and has significantly enhanced the profitability and AUM of 36 South's funds.
We are happy to be able to perform as expected for our clients who invest with us specifically for these times.'

The investment in the funds is carried at the estimated fair value of € 52 million (31 March 2019: € 26 million) and is based on unaudited financial information received from the fund manager as at 31 March 2020. The estimated fair value of the investment in the fund management and distribution companies amounted to € 9 million (31 March 2019: € 6 million). The investments in total have an estimated fair value of € 61 million (31 March 2019: € 32 million). The change in valuation reflects the movement in the value of the underlying investments held by the funds, and thus includes the market impact of COVID-19 up to 31 March 2020. The value of the investment in the funds increased by € 26 million since 31 March 2019 and by € 28 million since 31 December 2019, as a result of the increased volatility in the markets.

The investment in the Kohinoor Core Fund was redeemed after the year end for proceeds of € 41 million (carrying value at 31 March 2020: € 44 million).

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

ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

Milestone China Opportunities funds, investment holdings and management company participation

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

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

Yunli Lou, Managing Partner of Milestone Capital, commented:

'During 2019, Milestone continued working closely with its portfolio companies to drive operational excellence and help with various strategic initiatives. Among the active portfolio companies, one leading online retailer of beauty products started expansion into new product categories including toy, maternal and infant products and educational books in 2019, and launched new stores in other online platforms besides Tmall to diversify its business. It has submitted its IPO application for a Shanghai Stock Exchange listing and is now waiting for the regulatory review. One leading Chinese sportswear brand company achieved robust growth in 2019, with revenue up 32 per cent and core net profit up 77 per cent. Its stock price had a 178 per cent rally during 2019. One leading online education company streamlined its business model and turned profitable in 2019. Moreover, we strived to achieve liquidity and realise returns for our investors. We had a partial realisation from our investment in a sportswear company by selling shares through the open market on the Hong Kong Stock Exchange. We also fully exited from two healthcare investments. During 2019, we distributed gross proceeds to our investors representing 49.2 per cent of total committed capital.

2019 was a turbulent year in terms of global geopolitics, US-China relations, China internal economic challenges, as well as the Chinese domestic capital markets. While the Chinese economy struggled to find ways to transition from a low-cost manufacturing, export-oriented economy, to an innovation-based, consumption-led economy, the government continued its effort to crack down on corruption, tightened lending standards, and an effort to cool real estate prices and overseas investments. All these efforts led to lowered confidence levels and lowered investments and capital expenditure in the private sector, as the total investment amount fell 49.8 per cent during 2019. However, the domestic capital markets rebounded during the year, with the Shanghai Composite Index increasing 23.7 per cent and the Shenzhen Composite Index increasing 37.1 per cent, partly because of the market sentiment recovery. For the full year 2019, the government reported a GDP growth of 6.1 per cent, the slowest pace since 1991. However, the absolute amount of GDP growth in dollar terms was the largest in China's history, reaching $ 1.3 trillion, or the equivalent of adding a Mexico, the 15th largest economy in the world. We believe the current uncertain environment and adjustments in the Chinese economy are healthy and will lay the foundation for the next stage of development.'

The investment in Milestone is held at the estimated fair value of € 60 million (31 March 2019: € 82 million) based on audited financial information provided by Milestone Capital at 31 December 2019 adjusted for movements in listed investments and cash movements up to 31 March 2020. The Chinese stock markets decrease in response to COVID-19 is reflected in the valuation of underlying listed investments.

No adjustment has been made by Reinet in respect of the impact of COVID-19 on the valuation of underlying unlisted investments following discussion with the fund manager, as this is not expected to be significant. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying unlisted investments.

The decrease in the estimated fair value reflects capital repayments of € 37 million, offset by capital contributions, the strengthening of the US dollar against the euro and increases in the value of underlying investments.

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

Prescient China funds and investment management company

Reinet invests in the Prescient China Balanced Fund, the Prescient China Equity Fund and the management company.

Prescient China Balanced Fund invests in equities, bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels. It invests principally in instruments listed on the Shanghai and Shenzhen Stock Exchanges.

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

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

Liang Du, Portfolio Manager of Prescient, commented:

'The year ending March 2020 was a tumultuous one for the Chinese market overall, for most of the year the Chinese market was caught in continued trade war negotiations which culminated in the signing of the trade deal in early January 2020 before the coronavirus hit the Chinese market in late January 2020. Over the year the market fell by 8 per cent, with the economy showing the largest contraction in the past 3 decades. With the fall in the market the Prescient China Funds also had a negative year performing similarly to the markets.

The fall in the market however brings with it lower valuations, and for long term investors presents an even more attractive entry point. Overall the Chinese government seems to have the virus under control, both life, and fast moving economic indicators all indicate a healthy recovery from the extremely large impact of the virus so far. Given the global spread of the virus in March 2020, the market environment will remain challenging, having said that both valuation and policy are quite supportive in China. The Prescient China team will continue to stick to our philosophy, process and style of investing to deliver value over the long term.'

Reinet's total investment is carried at an estimated fair value of € 102 million based on unaudited financial information provided by the fund manager at 31 March 2020 (31 March 2019: € 110 million). The decrease in estimated fair value over the year under review is the result of decreases in the value of underlying investments offset by the strengthening of the US dollar against the euro in the year. The Chinese stock markets decrease in response to COVID-19 is reflected in the valuation at 31 March 2020.

Markets remain volatile, and at 30 April 2020 the fair value of the investment amounted to € 108 million.

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

Grab Holdings Inc.

Grab Holdings Inc. ('Grab'), is one of the most frequently used mobile platforms in Southeast Asia. Grab provides access to safe and affordable transport, food and package delivery, mobile payments and financial services. Grab currently offers services in Singapore, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Vietnam.

Reinet invested € 43 million ($ 50 million) in Grab. As at 31 March 2020, the investment in Grab is held at the estimated fair value of € 45 million (31 March 2019: € 51 million), calculated based on recent transactions. No additional adjustment has been made by Reinet in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of the investment.

Further information on Grab is available at www.grab.com.

SPECIALISED INVESTMENT FUNDS

Vanterra C Change TEM and holding companies

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

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

The investment is carried at the estimated fair value of € 19 million at 31 March 2020 (31 March 2019: € 23 million), based on audited financial information as at 31 December 2019, adjusted for cash movements and changes in prices of listed investments. No adjustment has been made by Reinet to the valuation of unlisted investments held by Vanterra C Change TEM in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying unlisted investments.

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

NanoDimension funds and co-investment opportunities

Reinet is a limited partner in NanoDimension I, II and III limited partnerships and one co-investment opportunity alongside NanoDimension III. ND Capital (NanoDimension) is a venture capital firm that invests in disruptive technologies across the life and physical sciences, and at times a hybrid of these. The core belief is that scientific disciplines will continue to converge and that some of the biggest breakthroughs will be based on this. The focus of each fund is to invest in and support the establishment, technology development and scale up, growth and commercialisation of portfolio companies. Investments range from molecular diagnostics, immuno-oncology, cell and gene therapies, organs on chip, DNA synthesis, energy storage and electrical propulsion system for aviation.

Aymeric Sallin, Founder of NanoDimension, commented:

'2018 was transformative for our group and 2019 confirmed this solid trajectory. Our operation and team grew as we were able to attract outstanding talents in both Silicon Valley and Switzerland.
NanoDimension I – Crocus Technology, the largest investment of the partnership, is entering the market with a portfolio of disruptive magnetic sensors.
NanoDimension II - for the year ended 31 December 2019, the total value of our portfolio both realised and unrealised grew by approximately $ 105 million from the year before.
NanoDimension III - deal flow was excellent, and we closed the year with a total of 10 investments, with a good balance between Life Science, Physical Science and Hybrid investments and across various stages.
Over the past few weeks, the world has changed as COVID-19 impacts our lives and businesses. Investing at the convergence of technologies require labs, factories and hospitals to run clinical trials to help patients. Limited access to facilities is impacting certain of our companies. On a positive note, our major positions are very well financed to see them through the coming months. More than ever, we remain committed to investing at the convergence of technologies which can address some of our society's most important challenges.'

At 31 March 2020, the estimated fair value of Reinet's investment in the three funds and the co-investment amounted to € 52 million (31 March 2019: € 26 million for the three funds). The estimated fair value is based on audited valuation data received from the fund manager as at 31 December 2019 adjusted for movements in listed investments and cash movements up to 31 March 2020. No adjustment has been made by Reinet in respect of the impact of COVID-19 on the valuation of underlying unlisted investments following discussion with the fund manager, as this is not expected to be significant. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying unlisted investments.

The increase in estimated fair value reflects capital contributions of € 14 million, together with increases in the value of underlying investments and the strengthening of the US dollar against the euro in the year.

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

Snow Phipps funds and co-investment opportunities

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

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

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

‘Snow Phipps was founded in 2005 to pursue an operationally focused strategy of investing in lower middle-market companies with attractive organic and acquisition-driven growth dynamics and defensible market positions. In our latest fund, Snow Phipps III, L.P., we continue with our successful approach of partnering with dedicated senior executives (our Operating Partners) and strong management teams to deliver highly attractive returns for investors.
Snow Phipps’ operational and add-on acquisition-focused approach to value creation served us well in the highly competitive investment and operating environment throughout 2019. We remained disciplined with respect to pursuing new platform investments given the elevated state of valuations, and during the year primarily focused on value-enhancing operational and commercial initiatives. We are seeking to leverage technology where we can to create operational efficiencies as well as support growth strategies. In addition, our portfolio companies completed numerous add-on acquisitions that were both highly strategic as well as financially accretive. In 2019, Snow Phipps III, L.P. and Snow Phipps II, L.P. portfolio companies completed two and four add-on acquisitions, respectively, and deployed $ 19.3 million of equity commitments combined. We continue to work closely with our management teams to execute our operationally driven approach to building value across the current Snow Phipps portfolio. Our current focus is navigating through the Covid-19 crisis. Where necessary, our portfolio companies have drawn on revolving lines of credit and acted swiftly to execute significant operational actions and prioritize liquidity, while also preparing to operate in new ways in light of the evolving environment. Our portfolio companies are focused on commercial opportunities to support customers creatively however we can. In addition, Snow Phipps’ funds have ample liquidity to support our existing portfolio companies and are positioning ourselves for post crisis opportunities.’

Reinet’s investment in the two funds and associated co-investments is carried at an estimated fair value of € 118 million at 31 March 2020 (31 March 2019: € 105 million). The estimated fair value is based on audited valuation data received from the fund manager as at 31 December 2019 adjusted for cash movements up to 31 March 2020 and an additional adjustment to take into account the estimated impact of the effect of COVID-19. Future valuations will take into account any new impacts of COVID-19 which could affect the valuation of underlying investments.

The increase in the estimated fair value reflects capital contributions of € 9 million, together with increases in the value of underlying investments and the strengthening of the US dollar against the euro in the year.

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

GAM Real Estate Finance Fund

The GAM Real Estate Finance Fund (‘REFF’) was created to take advantage of opportunities resulting from a funding gap between the expected demand for commercial real estate finance and its availability from banks, other traditional lenders and equity investors. Its investment strategy focuses on the origination of commercial real estate loans primarily in Western Europe, and with primary focus on the UK. At December 2019, REFF held three investments.

Andrew Gordon and Martin Farinola, Investment Directors GAM, commented:

‘The Real Estate Finance Fund invested in a diversified portfolio of 25 self-originated, private loans secured by commercial and residential real estate in the UK, Ireland and Belgium. The fund’s investment objectives are to generate an attractive dividend yield while protecting against a material, downward adjustment in real estate values. The fund continued to pay dividends at or above the target rate during 2019 and, as at the end of 2019, 22 investments had been fully realised.
A slowing UK economy and uncertainty around the impact of Brexit restricted both capital and rental growth, with the retail sector suffering in particular.’

The investment is carried at the estimated fair value of € 13 million at 31 March 2020 (31 March 2019: € 37 million) based on audited valuation data provided by the fund manager at 31 December 2019. No adjustment has been made by Reinet in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying investments.

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

Other fund investments

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

Other fund investments are valued in total at their estimated fair value of € 96 million at 31 March 2020 (31 March 2019: € 90 million) based on the latest available valuation statements received from the fund managers. No adjustment has been made by Reinet in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying investments.

Included in this section is a limited partner investment in RLG Real Estate Partners L.P. ('RLG'), a property fund which is managed by a subsidiary of Compagnie Financière Richemont SA. RLG invests in and develops real estate properties, including luxury brand retail developments situated in prime locations throughout the world. The fair value of this investment is underpinned by an independent third party valuation with an effective date of 31 March 2020.

UNITED STATES LAND DEVELOPMENT AND MORTGAGES

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

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

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

'This past fiscal year was transformative for the United States land development and mortgages business which completed a divestiture of its luxury golf course communities and related country club operations. These underperforming assets had required significant capital support in prior years. Additional transactions consummated during 2019, along with a successful execution of the aforementioned strategic initiative, allowed our business unit to generate cash flow and return previously deployed capital to Reinet. We enter the new fiscal year as a considerably more streamlined operation with greater ability to respond to changing economic circumstances.'

The investment is carried at the estimated fair value of € 41 million as at 31 March 2020 (31 March 2019: € 79 million).

The current valuation is based on audited financial statements as at 31 December 2019 adjusted for cash movements up to 31 March 2020. No adjustment has been made by Reinet in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying investments. The decrease in the estimated fair value reflects repayments received during the year of € 23 million together with decreases in the valuation of underlying assets due to the use of a more conservative approach to valuing the remaining assets, based on additional information and events, and plans to position the assets for future sales. These decreases are offset by the strengthening of the US dollar against the euro during the year.

DIAMOND INTERESTS

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

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

'Both Jagersfontein and Rooipoort market their rough diamonds in both South Africa, specifically targeting the local diamond beneficiation market, and Antwerp which is the main diamond hub in the world of diamonds.

During the year Jagersfontein fully commissioned a new section of the plant, which enabled it to ramp up production levels. This additional plant is specifically designed to enable the profitable processing of the lower grade material.

Rooipoort has commenced the transition of its operations to another area of the farm; and to increase diamond production levels Rooipoort has also engaged with contract-miners to mine certain areas.

Overall rough diamond prices have been under pressure in the past year due to the sluggish world economy with consumer demand slowing for luxury goods without reduction in supply to the market. Diamond prices were put under additional pressure due to the economic impact of COVID-19 and its related lockdowns around the globe. To date lower US dollar prices being achieved has been offset to some degree by the softening of the South African Rand against the US dollar.

Production at both sites has been affected by the national lockdown in South Africa due to COVID-19 containment measures which was implemented on the 26 March 2020. Both sites re-commenced operations from 16 April 2020 at approximately 50 per cent capacity under stringent requirements as set out by the government of South Africa.'

In total, these projects are carried at their estimated fair value of € 29 million at 31 March 2020 (31 March 2019: € 46 million) based on discounted cash flow projections. The decrease in estimated fair value reflects the repayment of loans and interest in the year together with the impact of the weakening of the South African rand against the euro and the US dollar, an estimate of the current impact on the mining sector of the lock down in South Africa and the fall in diamond prices, mostly in response to COVID-19; these changes are reflected in the valuation at 31 March 2020.

Reinet has borrowed ZAR 443 million to fund its investments in these projects and entered into a forward exchange contract to sell ZAR 300 million (31 March 2019: ZAR 230 million) in order to mitigate currency risk.

OTHER INVESTMENTS

Other investments are carried at their estimated fair value of € 76 million at 31 March 2020 (31 March 2019: € 67 million). No adjustment has been made by Reinet in respect of the impact of COVID-19. Future valuations will take into account any impacts of COVID-19 which could affect the valuation of underlying investments. The increase in the estimated fair value relates mostly to additional capital invested, increases in underlying investment valuations and the strengthening of the US dollar against the euro in the year.

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

COMMITTED FUNDS

Funding commitments are entered into in various currencies including sterling, US dollar and South African rand and are converted into euro using 31 March 2020 exchange rates.

The table below summarises Reinet's outstanding investment commitments at 31 March 2020.

	31 March 2019[1] € m	Exchange rate effect[2] € m	Committed during the year[3] € m	Funded during the year[3] € m	**31 March 2020[3] € m**	31 March 2020 %
Selecta	-	-	1	(1)	**-**	-
Pension Corporation	-	-	493	(296)	**197**	32.3
Private equity and related partnerships						
Trilantic Capital Partners						
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies[4]	276	4	15	(15)	**280**	45.9
Asian private equity companies and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company participation	4	-	-	(2)	**2**	0.3
Specialised investment funds						
Vanterra C Change TEM and holding companies	5	-	-	(1)	**4**	0.7
NanoDimension funds and co-investment opportunities	29	-	5	(14)	**20**	3.3
Snow Phipps funds and co-investment opportunities	38	1	5	(9)	**35**	5.8
GAM Real Estate Finance Fund	35	(1)	-	(2)	**32**	5.2
Other fund investments[5]	33	-	(1)	-	**32**	5.2
United States land development and mortgages	5	-	-	-	**5**	0.8
Diamond interests	2	-	(2)	-	**-**	-
Other investments	3	-	10	(10)	**3**	0.5
	430	4	526	(350)	**610**	100.0

(1) Commitments calculated using 31 March 2019 exchange rates.
(2) Reflects exchange rate movements between 31 March 2019 and 31 March 2020.
(3) Amounts calculated using 31 March 2020 exchange rates, which may differ from actual exchange rates on the transaction date.
(4) Commitments noted represent only Reinet's share of the investments at 31 March 2020, additional commitments payable by minority partner amount to € 3 million in respect of Trilantic.
(5) Includes remaining commitment of € 32 million to RLG Real Estate Partners L.P.

CASH AND LIQUID FUNDS

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

Reinet's liquidity is measured by its ability to meet potential cash requirements, including unfunded commitments on investments and the repayment of borrowings, and at 31 March 2020 can be summarised as follows:

Cash and liquid funds	€ 501 m
Undrawn borrowing facility	€ 281 m
Cash required for unfunded commitments (refer to table on previous page)	(€ 610 m)
Cash required to meet ZAR borrowing obligations	(€ 22 m)

The undrawn borrowing facility comprises a revolving facility with Bank of America, N.A. of € 281 million (£ 250 million) (see below).

Medium-term bank borrowings of € 568 million will be settled by the exercise of put options over BAT shares or the proceeds of the sale of BAT shares, or may be rolled over or replaced by other borrowings or settled by available cash.

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

BANK BORROWINGS AND DERIVATIVES

BORROWINGS

In September 2019, Reinet extended its borrowing facilities with Bank of America, N.A. to December 2022. The borrowing facilities allow Reinet to drawdown the equivalent of up to £ 250 million in a combination of currencies to fund further investment commitments. At 31 March 2020, these facilities had not been drawn upon (31 March 2019: € nil).

During early 2017, Reinet entered into a £ 500 million, medium-term financing arrangement with Merrill Lynch International, which runs to 2022. At 31 March 2020, the estimated fair value of the borrowing was € 568 million (£ 504 million) (31 March 2019: € 581 million (£ 500 million)). The £ 500 million financing transaction includes the purchase by Reinet of put options over approximately 15.5 million BAT shares for a premium of some € 92 million (£ 79 million) payable over the life of the transaction (the 'Premium Loan'). At 31 March 2020, the Premium Loan is carried as a liability at an estimated fair value of € 35 million (£ 31 million) (31 March 2019: € 54 million (£ 46 million)). Some 3.4 million BAT shares have also been pledged to collateralise the Premium Loan and future interest payments. As part of the medium-term financing arrangement and Premium Loan a portion of BAT shares are on loan to Merrill Lynch International. Reinet retains the economic benefit of all shares on loan.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 March 2020, the estimated fair value of the borrowing was € 22 million (31 March 2019: € 27 million); the decrease in the estimated fair value is due to the weakening of the South African rand against the euro during the year. This loan was extended in the year and now matures in March 2022.

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

As part of the aforementioned £ 500 million medium-term financing arrangement, Reinet purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds received as a result of the put options being exercised could be used to repay the amounts borrowed in full. The put options are carried at their estimated fair value of € 152 million at 31 March 2020 (31 March 2019: € 136 million). The increase in the carrying value of the put options reflects the decrease in value of the underlying BAT shares, offset by the decrease in the time to maturity and the weakening of sterling against the euro in the year. The cost of the put options is considered as part of the overall cost of financing and is included in the fair value adjustment on outstanding contracts in the income statement on page 18.

In the year under review, Reinet settled an outstanding forward exchange contract amounting to ZAR 230 million realising a loss of € 1.2 million. Reinet then entered into a new forward exchange contract to sell ZAR 300 million (31 March 2019: ZAR 230 million), which is carried at its estimated fair value of € 3 million (asset) at 31 March 2020 (31 March 2019: € 1 million (liability)). The change in value reflects the weakening of the South African rand against the euro in the year.

OTHER ASSETS/(LIABILITIES)

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

Other assets comprise the BAT dividend receivable of € 34 million (31 March 2019: € 40 million) with a record date of 27 March 2020.

The minority interest liability amounts to € 4 million (31 March 2019: € 6 million) and is in respect of the minority partner's share in the gains and losses not yet distributed arising from the estimated fair value movement of investments in which they have interests.

Fees payable and other liabilities comprise principally an accrual of € 16 million in respect of the half-yearly management fee payable as at 31 March 2020 (31 March 2019: € 19 million), a provision for deferred taxes of € 4 million (31 March 2019: € 7 million) relating to realised and unrealised gains arising from the investments in Trilantic and Snow Phipps, and withholding and corporate taxes of € 5 million (31 March 2019: € 11 million) relating to the investment in United States land development and mortgages. Accruals and other payables amount to € 4 million

(31 March 2019: € 49 million relating to the share buyback programme).

No provision has been made in respect of a performance fee as at 31 March 2020 (31 March 2019: € nil) as the conditions required to pay a fee had not been met at that date.

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

INCOME STATEMENT	**Year ended 31 March 2020**		Year ended 31 March 2019	
	€ m	**€ m**	€ m	€ m
Income				
BAT dividends	**146**		148	
Interest and other investment income	**25**		30	
Realised gain on sale of BAT shares	**187**		1	
Realised (losses)/gains on investments	**(9)**		74	
Realised loss on foreign exchange contracts	**(1)**		-	
Carried interest earned on investments	**6**		16	
Total income		**354**		269
Expenses				
Management fee	**(41)**		(43)	
Operating expenses, foreign exchange and transaction-related costs	**(9)**		(9)	
Interest expense	**(8)**		(8)	
Tax income	**9**		16	
Total expenses		**(49)**		(44)
Realised investment income, net of expenses		**305**		225
Fair value adjustments				
BAT – unrealised loss on shares held	**(352)**		(673)	
- reversal of unrealised gain on shares sold (1)	**(164)**		(1)	
Other investments	**(162)**		224	
Derivative instruments	**19**		83	
Borrowings	**19**		(18)	
Total fair value adjustments		**(640)**		(385)
		(335)		(160)
Effect of exchange rate changes on cash balances		**-**		15
Net loss		**(335)**		(145)
Minority interest		**-**		-
Loss attributable to the shareholders of the Company		**(335)**		(145)

(1) The reversal of the gain on shares sold represents the unrealised gain as at 1 April 2019 and 1 April 2018 on the BAT shares sold during the years ended 31 March 2020 and 31 March 2019 respectively.

INCOME

Dividend income from BAT recorded during the year ended 31 March 2020 amounted to € 146 million (£ 129 million) (31 March 2019: € 148 million (£ 130 million)). The decrease is mainly due to the lower number of BAT shares held following sales in 2019 and 2020, offset by the increased dividend declared by BAT and payable in May 2020. The dividends received from BAT during the year represent the second, third and fourth 2019 quarterly dividend paid and the first 2020 quarterly dividend declared in March 2020 and paid in May 2020.

Interest income is earned on bank deposits, investments and loans made to underlying investments. Included in other investment income are the foreign exchange movements on fees payable, other liabilities and other assets of € nil (31 March 2019: € 8 million (loss)).

Realised losses on investments of € 9 million were mainly in respect of other investments realised, offset by realised gains on investments in Trilantic and Milestone.

A loss of € 1.2 million was realised on the settlement of the euro/ South African rand foreign exchange contract during the year.

Carried interest of € 6 million (31 March 2019: € 16 million) was attributable to Reinet in respect of investments realised by the Trilantic funds.

EXPENSES

The management fee for the year ended 31 March 2020 amounts to € 41 million (31 March 2019: € 43 million).

No performance fee is payable for the year ended 31 March 2020 (31 March 2019: € nil) as the conditions required to pay a fee had not been met at that date. The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Company's prospectus, published on 10 October 2008 (the 'Company Prospectus'), including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2020, less the sum of all performance fees paid in respect of previous periods.

Operating expenses of € 9 million include € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner'), € 2 million in respect of transaction fees, and other expenses, including legal and other fees, which amounted to € 6 million.

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

The net tax income of € 9 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic investments, offset by a reduction in the deferred tax provision related to unrealised gains, expected distributions and accrued interest in respect of the Trilantic, Snow Phipps and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in 58.1 million BAT shares decreased in value by € 352 million during the year under review. Of this, € 282 million was attributable to the decrease in value of the underlying BAT shares in sterling terms and € 70 million was due to the weakening of sterling against the euro during the year under review.

The unrealised fair value adjustment of € 162 million in respect of other investments includes decreases in the estimated fair value of the investments in Pension Corporation of € 178 million, Trilantic funds of € 50 million, United States land development and mortgages of € 25 million and Diamond interests of € 20 million, offset by increases in the estimated fair value of investments in 36 South, NanoDimension, Snow Phipps and other fund investments of € 54 million and certain other investments. The above amounts include the effect of changes in foreign exchange rates due to the strengthening of sterling and the US dollar against the euro and the weakening of the South African rand against the euro in the year under review.

The put options increased in value by € 16 million reflecting the decrease in value of BAT shares in the year offset by the weakening of sterling against the euro. The estimated fair value of the forward exchange contracts increased by € 3 million, reflecting the weakening of the South African rand against the euro.

Borrowings are carried at estimated fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. An unrealised gain of € 5 million arose in respect of the South African rand borrowing due to the weakening of the South African rand against the euro during the year. An unrealised gain of € 14 million arose in respect of the sterling borrowing, mainly due to the weakening of sterling against the euro.

MINORITY INTEREST

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

CASH FLOW STATEMENT	**Year ended 31 March 2020**		Year ended 31 March 2019	
	€ m	**€ m**	€ m	€ m
Investing activities				
Purchase of investments, net of repayments	**(338)**		(217)	
Proceeds from sales of investments	**532**		255	
Net cash and liquid funds generated by investing activities		**194**		38
Financing activities				
Dividend paid	**(36)**		(35)	
Payment to minority partner	**(2)**		(1)	
Payment for settlement of derivative contracts	**(1)**		-	
Cost of share buyback programmes	**(105)**		(68)	
Movements in bank borrowings	**(18)**		(18)	
Net cash and liquid funds used in financing activities		**(162)**		(122)
Operating activities				
Dividends received	**153**		146	
Carried interest earned on investments	**6**		16	
Interest expense	**(8)**		(8)	
Operating and related expenses	**(41)**		(39)	
Taxation paid	**(1)**		(8)	
Net cash and liquid funds generated by operating activities		**109**		107
Net cash inflow		**141**		23
Opening cash and liquid funds position		**360**		322
Effects of exchange rate changes on cash balances		**-**		15
Closing cash and liquid funds position[(1)]		**501**		360

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

INVESTING ACTIVITIES

Investments totalling € 338 million were made during the year, including Pension Corporation, Trilantic, NanoDimension and Snow Phipps. Amounts invested were partially offset by repayments in respect of loans and interest received from Jagersfontein and Rooipoort and United States land developments and mortgages, as well as distributions from Trilantic, Snow Phipps, Milestone, REFF and other investments.

Proceeds from the sale of investments include € 392 million from the sale of BAT shares, and € 140 million in respect of proceeds from the sale of investments in Li Ning, Trilantic, Milestone, REFF and other investments.

FINANCING ACTIVITIES

A dividend of some € 36 million was paid to shareholders in September 2019 (September 2018: € 35 million).

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

In addition, Reinet paid out € 105 million in respect of the share buyback programmes in the year.

OPERATING ACTIVITIES

Dividends received from BAT during the year ended 31 March 2020 amounted to € 153 million (£ 133 million) (31 March 2019: € 146 million (£ 129 million)). The dividends received from BAT during the year represent the first, second, third and fourth 2019 quarterly dividends paid.

Carried interest of € 6 million was received in respect of the investment in Trilantic.

Interest of € 6 million was paid in respect of the sterling-denominated loans and € 2 million in respect of the South African rand-denominated loan in the year.

No performance fee was payable for the year ending 31 March 2019 and no performance fee is payable in respect of the current year.

Net US tax payments of € 1 million were paid in the year under review. This amount includes taxes withheld by US paying agents in respect of gains and carried interest received, together with estimated taxes paid on gains and income which will be taxable in the US.

Cash and liquid funds increased by € 141 million over the year to € 501 million as the amounts received in respect of sales of BAT shares, dividends and distributions from investments exceeded amounts repaid in respect of bank borrowings and derivative liabilities, amounts invested in new investments, payment of the dividend, the cost of share buyback programmes, management fee and operating expenses.

DIVIDEND

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

A cash dividend of some € 36 million or € 0.19 per share (excluding treasury shares held), was paid in September 2019, following approval at the annual general meeting on 27 August 2019.

The General Partner has proposed a cash dividend of € 0.19 per share subject to shareholder approval at the annual general meeting, which is scheduled to take place in Luxembourg on Tuesday, 25 August 2020.

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

In 2013 the Company sought clarification from the South African Revenue Service ('SARS') as to the treatment of any dividends to be declared by the Company and paid to holders of depository receipts issued by Reinet Securities SA in respect of the Company's ordinary shares. This ruling from SARS was renewed for a further 5 years on 8 March 2018 in respect of any dividends to be declared by the Company and paid to holders of the Company's ordinary shares listed on the Johannesburg Stock Exchange ('Reinet South African Shares'). SARS confirmed to the Company that any such dividends would be treated as 'foreign dividends' as defined in the Income Tax Act No. 58 of 1962. Accordingly, any such dividends would be subject to South African dividends withholding tax at 20 per cent in the hands of holders of Reinet South African Shares unless those holders of Reinet South African Shares are otherwise exempt from the tax. Non-resident holders of Reinet South African Shares will be required to fill in the appropriate SARS declaration form, if they wish to be exempted from the tax.

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

The last day to trade the Company's shares cum-dividend in Europe will be Wednesday, 26 August 2020 and in South Africa, Tuesday, 25 August 2020. The Company's shares will trade ex-dividend from Thursday, 27 August 2020 in Europe and from Wednesday, 26 August 2020 in South Africa. The record date for the Company's shares in Europe and in South Africa will be Friday, 28 August 2020.

The dividend on the Company's shares in Europe will be paid on Wednesday, 2 September 2020 and is payable in euro.

The dividend on the Company's shares in South Africa will be paid in South African rand on Wednesday, 2 September 2020. Further details regarding the dividend payable to South African holders may be found in a separate announcement dated 29 May 2020 on the Johannesburg Stock Exchange News Service ('SENS').

No cross-border movements of Reinet ordinary shares will be permitted between the clearing and settlement systems for the Dutch and Luxembourgish stock exchanges (Euroclear Nederland, Euroclear Bank and Clearstream) and the clearing and settlement system for the Johannesburg Stock Exchange (Strate) between Tuesday, 25 August 2020 and Friday, 28 August 2020, both days inclusive.

CAPITAL STRUCTURE

At 31 March 2020, the Company had 195 941 286 ordinary shares and 1 000 management shares of no par value in issue.

At 31 March 2020, the Company held 11 651 395 ordinary shares as treasury shares. The voting and dividend rights attached to treasury shares are suspended. Therefore, the total number of voting rights at 31 March 2020 was 184 290 891.

FINANCIAL STATEMENTS

The consolidated audited financial statements at 31 March 2020, on which this announcement is based, have been approved by the Board of the General Partner on 28 May 2020 and are subject to shareholder approval at the annual general meeting to be held in August 2020. The printed Reinet Annual Report and Accounts will be available upon request from mid-July 2020.

SHARE INFORMATION

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

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

Sponsor
RAND MERCHANT BANK (a division of FirstRand Bank Limited)

29 May 2020

Website: www.reinet.com

Notes for South African editors

Acknowledging the interest in Reinet's results on the part of South African investors, set out below are key figures from the results expressed in rand.

Shares in issue

Reinet has repurchased 11 651 395 ordinary shares between November 2018 and November 2019 under four share buyback programmes. The cost of the ordinary shares repurchased amounts to ZAR 2 784.74 million, plus transaction costs.

As at 31 March 2020, there was no share buyback programme in progress.

All ordinary shares repurchased are held as treasury shares.

	31 March 2020	31 March 2019
Shares in issue	**195 942 286**	195 942 286
Treasury shares	**(11 651 395)**	(5 022 672)
Net shares	**184 290 891**	190 919 614

Net asset value

Using the closing euro/rand exchange rate prevailing as at 31 March 2020 of 19.7039 and a rate of 16.2632 as at 31 March 2019.

	31 March 2020	31 March 2019
Net asset value	**ZAR 86 756 m**	ZAR 78 551 m
Reversal of future share buyback liability	-	ZAR 797 m
Adjusted net asset value	**ZAR 86 756 m**	ZAR 79 348 m

The increase in the net asset value reflects the weakening of the South African rand against the euro during the year, offset by the decrease in the net asset value in euro terms.

Net asset value per share

	31 March 2020	31 March 2019
Net asset value per share	**ZAR 470.73**	ZAR 411.46
Adjusted net asset value per share	**ZAR 470.73**	ZAR 415.69

Loss for the year
Using the average euro/rand exchange rate for the year ended 31 March 2020 of 16.4361 and the average rate of 15.9065 for the year ended 31 March 2019.

	31 March 2020	31 March 2019
Loss for the year	**ZAR 5 506 m**	ZAR 2 306 m

The loss for the year reflects the decrease in the net asset value in euro terms together with the weakening of the South African rand against the euro.

Headline earnings per share
To comply with the South African practice of providing Headline earnings per share data, the relevant data is as follows:

	31 March 2020	31 March 2019
Unadjusted earnings per share	**(€ 1.79)**	(€ 0.74)
Headline earnings per share *	**(€ 1.79)**	(€ 0.74)
Unadjusted earnings per share	**(ZAR 29.42)**	(ZAR 11.77)
Headline earnings per share *	**(ZAR 29.42)**	(ZAR 11.77)

* There are no dilutive instruments

Subject to approval by the shareholders at the annual general meeting, which is scheduled to take place on 25 August 2020, a dividend of € 0.19 per ordinary share will be paid to ordinary shareholders on 2 September 2020. The rand dividend amount per ordinary share will be calculated by reference to the euro/rand exchange rate prevailing on 18 August 2020, the currency conversion date.

The dividend paid in September 2019 amounted to ZAR 3.2381 per equivalent ordinary share, calculated as € 0.19 per ordinary share at an exchange rate of 17.04250. The proposed dividend of € 0.19 per ordinary share converted into rand at the current exchange rate of 20.1720 amounts to ZAR 3.8327, an effective increase of 18.4 per cent. This will be updated on 18 August 2020 with the actual exchange rate.