REINET INVESTMENTS S.C.A.

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

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019 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 2019.

Key financial data

- **Reinet's net asset value of € 4.8 billion reflects a compound return of 10 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 March 2019 reflects a decrease of € 297 million or 5.8 per cent from € 5 127 million at 31 March 2018**
- **Net asset value per share at 31 March 2019: € 25.30 (31 March 2018: € 26.17)**
- **Share buyback programme: 5.02 million shares repurchased as at 31 March 2019 for a consideration of € 68 million**
- **Commitments totalling € 223 million in respect of new and existing investments made during the year, and a total of € 250 million funded during the year**
- **Dividends from British American Tobacco during the year amounted to € 148 million**
- **Reinet dividend of some € 35 million, or € 0.18 per share, paid during the year**
- **Proposed Reinet dividend of € 0.19 per share payable after the 2019 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'.

Reinet Investments S.C.A.
R.C.S. Luxembourg B 16 576
Registered office: 35, boulevard Prince Henri, L-1724 Luxembourg, Tel. (+352) 22 42 10, Fax (+352) 22 72 53
Email: info@reinet.com, website: www.reinet.com

CHAIRMAN'S COMMENTARY

Dear Shareholder,

Overview

Since inception, Reinet has invested some € 2.4 billion and generated an 8 per cent annual return for its investors based on the listed share price, with the underlying net asset value increasing at a rate of 10 per cent per annum.

At the annual general meeting in August 2018, shareholders gave their approval for Reinet to buy back up to 20 per cent of its own shares. Reinet subsequently initiated two share buyback programmes. The first ran from November 2018 to January 2019 when 3.2 million ordinary shares were repurchased for a cost of € 42 million or € 13.11 per share. The second programme commenced in February 2019; this programme aims to repurchase up to 5 million shares for a maximum cost of € 75 million. As at 31 March 2019, 1.8 million ordinary shares had been repurchased for a cost of € 26 million or € 14.28 per share. The adjusted net asset value per share stands at € 25.56 on 31 March 2019.

At 31 March 2019, the Company's net asset value amounted to € 4.8 billion, a decrease of € 297 million or 5.8 per cent compared to a year ago. This predominantly reflects the decrease in the share price of British American Tobacco from £ 41.31 at 31 March 2018 to £ 31.94 at 31 March 2019 which had a negative impact of € 674 million. The Company also spent € 68 million as part of the share buyback programmes up to the end of March 2019. Offsetting these decreases is an increase in the value of Pension Corporation of € 175 million, dividends received and receivable of € 148 million from British American Tobacco, together with the positive impact of the strengthening of the US dollar and sterling against the euro during the year.

Business developments

In the year under review, Reinet made investment commitments of € 223 million and invested a total of € 250 million in new and existing portfolio assets. Investments made include a new investment in Grab Holdings, a Singapore based technology company offering ride-hailing transport services, food delivery and payment solutions in Southeast Asia, of € 43 million. Reinet also supported the launch of the Prescient China Equity fund with a € 44 million investment, together with further amounts invested in support of our existing relationships with € 56 million to the Trilantic funds, € 22 million to Snow Phipps' third fund and our related co-investments and € 57 million to RLG Real Estate Partners.

The investment in British American Tobacco represented some 52.2 per cent of Reinet's net asset value at 31 March 2019, compared to 62.4 per cent a year ago. British American Tobacco continued its strong underlying performance, with Reynolds American, Inc. now fully included for the first full year. However, the market still reflects uncertainty in respect of the impact of the changes the industry is going through and anticipated regulatory developments. We are confident that British American Tobacco remains an attractive long-term investment and that the current industry challenges will be appropriately managed.

The investment in Pension Corporation represented some 30.6 per cent of Reinet's net asset value at 31 March 2019, compared to 25.4 per cent a year ago. Pension Corporation continues to perform well, writing some £ 7.1 billion of new business in 2018 compared to £ 3.7 billion in 2017, with its embedded value increasing from £ 2.9 billion to £ 3.6 billion, assets under management increasing from £ 25.7 billion to £ 31.4 billion and with a solvency ratio of 167 per cent at the end of 2018. The outlook remains positive for Pension Corporation as it is very well placed to compete for the ever-increasing pipeline of business coming to market in the UK. New business volume in 2019 to date has remained strong.

Last year I commented on our focus of investing to achieve long-term growth in net asset value in an increasingly more volatile global context. We will continue to invest in and support our portfolio of assets whilst looking to realise value from those smaller investments where the time and money spent is disproportionate to their ability to make a meaningful long-term impact on the net asset value.

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. General rising risk levels and uncertainty require us to place great emphasis on long-term outcomes and on investing in and supporting our portfolio where further funding may be required to reach their full potential.

Dividend

The Board of Directors of Reinet Investments Manager S.A. proposes a dividend of € 0.19 per share, payable in September 2019. This represents an increase of 5.6 per cent over the dividend paid last year.

Changes to the board of overseers

Following the retirement of Mr Denis Falck from the Board of Overseers at the 2018 annual general meeting, the shareholders approved the appointment of Mr Stuart Robertson with effect from 1 October 2018. Mr Robertson is a Chartered Accountant and a former partner at KPMG based in Zurich.

Outlook
With rising debt levels, global uncertainty and political divisions in both the USA and Europe, finding good opportunities for investment can be a challenge and protecting the downside becomes more important.

In times of uncertainty, Reinet's approach is to maintain value for its shareholders over the long-term. Our focus will remain on businesses that we understand and business partners that we know and trust. In addition, the buyback programme allows Reinet to repurchase shares at prices substantially below the intrinsic value of the underlying assets.

Reinet's Directors, Overseers and employees have continued to provide valuable support over the year, I thank them all for their commitment to Reinet's future development.

Johann Rupert

Chairman
Reinet Investments Manager S.A.
Luxembourg, 21 May 2019

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 2019 comprised:

	31 March 2019		31 March 2018	
	€ m	**%**	€ m	%
Listed investments				
British American Tobacco p.l.c.	**2 523**	**52.2**	3 198	62.4
Other listed investments	**82**	**1.7**	26	0.4
Unlisted investments				
Pension Insurance Corporation Group Limited	**1 480**	**30.6**	1 305	25.4
Private equity and related partnerships	**772**	**16.0**	736	14.4
Trilantic Capital Partners	**216**	**4.5**	180	3.5
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
36 South macro/volatility funds	**32**	**0.7**	40	0.8
Asian private equity companies and portfolio funds	**243**	**5.0**	177	3.5
Milestone China Opportunities funds, investment holdings and management company participation	82		129	
Prescient China funds and investment management company	110		48	
Grab Holdings Inc.	51		-	
Specialised investment funds	**281**	**5.8**	339	6.6
Vanterra C Change TEM and holding companies	23		24	
NanoDimension funds and co-investment opportunities	26		54	
Fountainhead Expert Fund	-		17	
Snow Phipps funds and co-investment opportunities	105		90	
Palm Lane Credit Opportunities Fund	-		85	
GAM Real Estate Finance Fund	37		53	
Other fund investments	90		16	
United States land development and mortgages	**79**	**1.6**	83	1.6
Diamond interests	**46**	**1.0**	39	0.8
Other investments	**67**	**1.4**	59	1.2
Total investments	**5 049**	**104.5**	5 446	106.2
Cash and liquid funds	**360**	**7.5**	322	6.3
Bank borrowings and derivatives				
Borrowings	**(662)**	**(13.7)**	(661)	(12.9)
Net derivative assets	**135**	**2.8**	52	1.0
Other liabilities				
Minority interest, fees payable and other liabilities, net of other assets	**(52)**	**(1.1)**	(32)	(0.6)
Net asset value	**4 830**	**100.0**	5 127	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**	**2 048**	**2 523**	**4 571**
	GBP	-	-	1 418	1 695	2 172	3 867
Other listed investments	**EUR**	**36**	**-**	**74**	**19**	**82**	**101**
	USD	40	-	95	21	92	113
Unlisted investments							
Pension Insurance Corporation Group Limited	**EUR**	**633**	**-**	**663**	**-**	**1 480**	**1 480**
	GBP	545	-	545	-	1 274	1 274
Trilantic Capital Partners	**EUR**	**602**	**278**	**327**	**385**	**216**	**601**
Euro investment	EUR	87	20	67	118	51	169
US dollar investment(4)	USD	578	290	298	326	185	511
36 South macro/volatility funds	**EUR**	**93**	**-**	**93**	**12**	**32**	**44**
Euro investment	EUR	88	-	88	12	28	40
US dollar investment	USD	6	-	6	-	5	5
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company participation	**EUR**	**150**	**4**	**126**	**76**	**82**	**158**
	USD	169	5	165	89	92	181
Prescient China funds and investment management company	**EUR**	**73**	**-**	**68**	**-**	**110**	**110**
	USD	82	-	82	-	123	123
Grab Holdings Inc.	**EUR**	**45**	**-**	**43**	**-**	**51**	**51**
	USD	50	-	50	-	57	57
Specialised investment funds							
Vanterra C Change TEM and holding companies	**EUR**	**63**	**5**	**52**	**1**	**23**	**24**
	USD	71	6	65	1	26	27
NanoDimension funds and co-investment opportunities	**EUR**	**85**	**29**	**53**	**38**	**26**	**64**
Euro investment	EUR	4	-	4	1	3	4
US dollar investment	USD	91	32	59	42	26	68
Fountainhead Expert Fund	**EUR**	**18**	**-**	**15**	**13**	**-**	**13**
	USD	20	-	20	15	-	15
Snow Phipps funds and co-investment opportunities	**EUR**	**150**	**38**	**109**	**46**	**105**	**151**
	USD	168	43	125	50	118	168
Palm Lane Credit Opportunities Fund	**EUR**	**62**	**-**	**54**	**92**	**-**	**92**
	USD	70	-	70	107	-	107
GAM Real Estate Finance Fund	**EUR**	**116**	**35**	**54**	**55**	**37**	**92**
	GBP	100	30	70	47	32	79
United States land development and mortgages	**EUR**	**192**	**4**	**160**	**8**	**79**	**87**
	USD	215	5	210	9	89	98
Diamond interests(5)	**EUR**	**76**	**2**	**116**	**84**	**46**	**130**
	ZAR	1 230	40	1 190	1 229	754	1 983

(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 net asset value ('NAV') of the Company comprises total assets less total liabilities, and equates to total equity under International Financial Reporting Standards. The decrease in the NAV of € 297 million during the year reflects the decrease in the fair value of certain investments, including British American Tobacco p.l.c. Offsetting these decreases in value are dividends received and receivable from British American Tobacco p.l.c. and increases in the estimated fair value of certain investments, including Pension Insurance Corporation Group Limited and derivative assets. The Company also funded the purchase of its own ordinary shares through two approved buyback programmes.

The Company records its assets and liabilities in euro; the strengthening of sterling and the US dollar against the euro, offset by the weakening of the South African rand against the euro has resulted in an overall increase in the value of certain assets and liabilities in euro terms. Applying the current year-end exchange rates to the March 2018 assets and liabilities would have resulted in an increase in the March 2018 NAV of some € 168 million.

SHARE BUYBACK PROGRAMME

On 19 November 2018, the Company announced the commencement of a share buyback programme in respect of a maximum of 3.2 million ordinary shares for an aggregate maximum amount of € 55 million. The programme ran from November 2018 to January 2019 when 3.2 million ordinary shares were repurchased for a cost of € 42 million, plus transaction costs.

On 6 February 2019, the Company announced the commencement of a second share buyback programme in respect of a maximum of 5 million ordinary shares for an aggregate maximum amount of € 75 million closing on 31 May 2019. At 31 March 2019, 1.8 million ordinary shares have been repurchased for a cost of € 26 million, plus transaction costs.

All ordinary shares repurchased are held as treasury shares.

In accordance with IAS 32 paragraph 23, a liability of € 49 million has been recorded in respect of the maximum potential amount still to be paid in order to complete the current programme. Should the programme complete at current share price levels, the remaining consideration will be less than the liability provided for.

NET ASSET VALUE PER SHARE

The NAV per share and the adjusted NAV per share are calculated by dividing the NAV and adjusted NAV respectively by the number of shares outstanding (excluding treasury shares) of 190 919 614. The adjusted NAV is calculated by reversing the liability in respect of future repurchases of shares of € 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 31 March 2019.

	31 March 2019	31 March 2018
Shares in issue	**195 942 286**	195 942 286
Treasury shares	**(5 022 672)**	-
Net shares	**190 919 614**	195 942 286
	€ m	€ m
NAV (see page 4)	**4 830**	5 127
Reversal of future share buyback liability	**49**	-
Adjusted NAV	**4 879**	5 127
NAV per share	**€ 25.30**	€ 26.17
Adjusted NAV per share	**€ 25.56**	€ 26.17

INVESTMENTS

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

Since its formation in 2008, Reinet has invested over € 2.4 billion and at 31 March 2019 has committed to provide further funding of € 430 million to its current investments. Details of the funding commitments outstanding are given in the table on page 17. New commitments during the year under review amounted to € 223 million, and a total of € 250 million was funded during the year.

LISTED INVESTMENTS

BRITISH AMERICAN TOBACCO P.L.C.

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

Richard Burrows, Chairman of BAT and Nicandro Durante, Chief Executive of BAT, writing in its annual report for 2018 commented:

'Our 2018 results demonstrate not only that our combustible business is in good shape, but that our investment in a multi-category approach to our potentially reduced risk-product business is starting to pay off with encouraging results across all categories.

2018 reported revenue and profit from operations are up 25 per cent and 45 per cent respectively, and while this is of course due primarily to our first full year's inclusion of results from the US, we have nonetheless again exceeded our target of high single figure adjusted diluted constant currency EPS growth with an increase of 11.8 per cent.

While the business is continuing to perform well, it is impossible for us to ignore investor sentiment, which has been negatively impacted by the regulatory threats in the US and competitor dynamics in the potentially reduced-risk product categories. However, we are confident that our strategy of continuing to deliver shareholder returns today while investing in the future remains the right one.

FDA regulatory proposals have driven some uncertainty in the US operating environment, our long track record of success in the face of regulatory change and our strong portfolio of brands give us confidence that we will be able to manage these issues. We are additionally reassured by the fact that, in order to withstand judicial review, any regulation of menthol in cigarettes must be developed through a comprehensive rule-making process, be based on a thorough scientific review and consider all unintended consequences.

Our Chief Executive, Nicandro Durante, retires at the beginning of April 2019. During his eight years in the role he has grown the business substantially, delivering consistent and strong growth in both earnings and dividends.

We would like to welcome Jack Bowles, our current CEO Designate, to the role of Chief Executive effective 1 April 2019. The Board was delighted to have been able to appoint such an experienced and dynamic successor from within BAT.'

During the year under review, dividend income recorded from BAT amounted to € 148 million (£ 131 million), being BAT's second, third and fourth 2018 quarterly dividends, together with the first 2019 quarterly dividend of some € 40 million (£ 35 million) with a record date of 22 March 2019. The first 2019 quarterly dividend will be paid on 8 May 2019 and has been included in the NAV as at 31 March 2019, due to the record date falling in the financial year.

Reinet sold some 44 thousand BAT shares in the year under review for total proceeds of some € 1 million (£ 1 million) and thus holds 68.0 million shares in BAT, representing some 2.96 per cent of BAT's issued share capital. The value of Reinet's investment in BAT amounted to € 2 523 million at 31 March 2019 (31 March 2018: € 3 198 million), being some 52.2 per cent of Reinet's NAV. The BAT share price on the London Stock Exchange decreased from £ 41.31 at 31 March 2018 to £ 31.94 at 31 March 2019.

BAT continues to perform well with the first full year of results from Reynolds American, Inc. contributing to the strong financial results in the year. However, the market still has concerns in respect of the impact of changes in the industry and of regulatory developments. We are confident that British American Tobacco remains an attractive long-term investment and that the current industry challenges will be appropriately managed.

In its 2018 annual report, BAT reports that it performs a periodic reassessment of the risks faced as a consequence of the UK's decision to exit the EU (Brexit), including potential risks relating to increased costs of capital, transactional and translational foreign exchange rate exposures, supply chain continuity, taxation and changes in customs duty, and talent acquisition and retention.

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

OTHER LISTED INVESTMENTS

As at 31 March 2019 and 2018, other listed investments comprise the following:

	31 March 2019	31 March 2018
	€ m	€ m
SPDR Gold shares	**25**	23
Selecta Biosciences, Inc.	**1**	3
Soho China Limited	**18**	-
Li Ning Company Limited	**26**	-
Twist Bioscience Corporation	**12**	-
	82	26

During the year under review, Reinet received listed shares in Soho China Limited and Li Ning Company Limited following a distribution of assets from a Milestone related investment holding company.

In addition, following the initial public offering of Twist Bioscience Corporation in the year, Reinet reclassified its holding in Twist Bioscience Corporation from 'NanoDimension funds and co-investment opportunities' to listed investments. The value of the unlisted holding was € 4 million at 31 March 2018, with an additional € 4 million invested during the year at the time of the initial public offering of Twist Bioscience Corporation.

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 € 25 million as at 31 March 2019 (31 March 2018: € 23 million).

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

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.

Reinet holds 715 000 shares with a market value of € 1 million as at 31 March 2019 (31 March 2018: € 3 million). The decrease in market value is due to the decrease in the share price during the year.

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

SOHO CHINA LIMITED

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

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 meters of commercial properties. Soho 3Q, a growing offering within Soho, is a flexible office co-working environment, with over 30 000 seats in 31 centres.

Reinet holds 47 million shares with a market value of € 18 million as at 31 March 2019.

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

LI NING COMPANY LIMITED

In August 2018, Reinet received some 34 million shares of Li Ning Company Limited ('Li Ning') with a value of € 31 million following a distribution of assets from a Milestone related investment holding company.

Li Ning is one of the leading sports brand companies in China, mainly providing sporting goods including footwear, apparel, equipment and accessories for professional and leisure purposes primarily under the Li Ning brand. Headquartered in Beijing, the group has brand marketing, research and development, design, manufacturing, distribution and retail capabilities. It has established an extensive supply chain management system and a retail distribution network in China.

During the year under review, Reinet sold some 15.4 million shares for proceeds of € 19 million realising a gain of € 4 million.

Reinet holds some 18.4 million shares with a market value of € 26 million as at 31 March 2019.

Further information on Li Ning is available at www.lining.com.

TWIST BIOSCIENCE CORPORATION

During the year under review, Reinet acquired some 357 143 shares in Twist Bioscience Corporation ('Twist'). The shares were acquired 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). Prior to this, in 2017, Reinet acquired some 235 354 shares in Twist for € 4 million ($ 5 million) as a result of a NanoDimension co-investment opportunity.

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.

As at 31 March 2019, Reinet holds some 592 497 shares in Twist with a market value of € 12 million.

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 net asset value 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.

In 2018, Pension Insurance Corporation wrote new pension business with premiums of £ 7.1 billion as a result of 30 new business transactions completed during the year, up from £ 3.7 billion in 2017 which represented 20 transactions. New business transactions in 2018 include BHS (£ 800 million of liabilities), Siemens (£ 1.3 billion of liabilities) and Rentokil (£ 1.5 billion of liabilities). The new business activity was supported by internal capital resources and £ 350 million of debt raised in September 2018.

At 31 December 2018, Pension Insurance Corporation held £ 31.4 billion in assets (31 December 2017: £ 25.7 billion) and had insured more than 192 000 pension fund members (31 December 2017: 151 000). Clients include FTSE 100 companies, multinationals and the public sector.

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

'In what was the 10th anniversary year of our first transaction, signed in the summer of 2008, Pension Corporation completed a record £ 7.1 billion of new business premiums.

The overall value of the business, as measured under Market Consistent Embedded Value ('MCEV') methodology, was £ 3 638 million (2017: £ 2 932 million) at year-end, an increase of 24 per cent in the year. The Group's IFRS profit before tax was £ 477 million (2017: £ 383 million), an increase of 25 per cent in the year. The investment portfolio was £ 31.4 billion (2017: £ 25.7 billion), reflecting strong new business flows, payments to existing policyholders and market movements. Finally, the solvency ratio of the Group's main subsidiary, Pension Insurance Corporation, was 167 per cent at 31 December 2018, particularly pleasing given the amount of new business we wrote.

New business levels were partly backed with a record £ 2.5 billion invested in secure long-term assets on a private basis, such as social housing, renewable energy and the university sector. We also reinsured £ 5.6 billion of longevity risk, a record amount, and our pool of highly rated reinsurance counterparties now stands at eleven. In total, Pension Insurance Corporation has now reinsured 74 per cent of total longevity risk (2017: 73 per cent).

Our purpose is straightforward to define: it is to pay the pensions of our current and future policyholders. Our business has therefore been built on an absolute focus on our policyholders and the standard of customer service they receive, so we were delighted to win another award for this from the Institute of Customer Service. We were also proud to be named an 'Outstanding Employer of the Year'.

In the current period, Reinet acquired additional shares from other Pension Corporation shareholders for an amount of £ 6.3 million. As a result, Reinet owns 43.72 per cent of Pension Corporation, up from 43.45 per cent at 31 March 2018.

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 1 480 million at 31 March 2019 (31 March 2018: € 1 305 million). This value takes into account Pension Corporation's audited embedded value at 31 December 2018 of £ 3.6 billion (31 December 2017: £ 2.9 billion), valuation multiples drawn from industry data and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The increase in estimated fair value over the year is due to the increase in Pension Corporation's embedded value which reflects primarily new business written in the year together with the strengthening of sterling against the euro in the year. This is offset by an 11 per cent decrease in comparable company valuation multiples derived from public information of listed peer-group companies in the UK insurance sector.

Pension Insurance Corporation continues to pursue new business opportunities with over £ 1.6 billion of liabilities insured to date in 2019 and a strong pipeline of new business opportunities.

Pension Insurance Corporation has considered the risks associated with the UK leaving the EU ('Brexit') and the potential impact that this may have on its business model and policyholders. This includes scenario assessments to assess whether appropriate controls are in place to ensure that contractual relationships with various stakeholders continue to operate as intended post Brexit – including the ability to pay policyholders, relationships with banking and reinsurance counterparties and legislation around data security. Scenarios have also been performed considering potential macro-economic impacts to ensure that adequate controls are in place to mitigate the potential balance sheet impacts of market movements in a worst-case Brexit scenario on its solvency and liquidity position.

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 funds. Trilantic Europe primarily targets investments in the industrials, consumer and leisure, telecommunication, media and technology, business services and healthcare sectors, and currently manages two funds.

Reinet and its minority partner invest in 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. In the year under review, distributions of some € 4 million were received (31 March 2018: € 21 million).

Reinet invests in Trilantic Capital Partners V (North America) L.P. and Trilantic Energy Partners (North America) L.P., which both completed their investment period in June 2018 with Reinet making capital contributions of some € 8 million and receiving distributions of some € 32 million in the year under review. These US-based funds are focused on North American opportunities with Trilantic Energy Partners (North America) L.P. being especially focused on the oil and gas sector.

During the year under review, Reinet also committed € 15 million ($ 17 million) to Trilantic Energy Partners II (North America) L.P. ('TEP II') and its general partner, and € 86 million ($ 96 million) to Trilantic Capital Partners VI North America ('Fund VI') and its general partner. TEP II completed its fund raising in 2018 with total commitments of € 389 million ($ 437 million), Fund VI currently has commitments of € 2.3 billion ($ 2.5 billion) and expects to close its fund raising in mid 2019. Reinet's commitments amount to € 39 million ($ 44 million) and € 228 million ($ 256 million) respectively.

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

'On 14 December 2018, we held subsequent closings with total capital commitments of $ 2.5 billion for Fund VI North America and $ 437 million for TEP II North America. On 3 December 2018, the LP Advisory Committee of Fund VI North America approved a six-month extension period for the fund. We are working with a discreet handful of investors, which have completed most, if not all, of their due diligence. Fund VI North America has closed on three investments to date and TEP II North America has closed on two investments to date. We appreciate the strong support received from our existing investors and welcome our new investors to the Trilantic North America family.

The US economy expanded by 2.9 per cent in 2018, after having posted growth rates of 2.2 per cent and 1.6 per cent in 2017 and 2016, respectively. We are not convinced that the US economy can sustain accelerated growth for a third year in a row in 2019, but we do believe that it will stay above 2 per cent. Important economic indicators are showing, among other things, strong consumer confidence, a reasonable expectation of job creation and wage growth, better labour force participation and moderate inflation.

In April 2019, we celebrate our 10th anniversary as an independent firm having closed our management buy-out transaction from Lehman Brothers.

In conclusion, patience and flexibility remain essential in our deployment of capital, whether in new transactions or follow-on capital for existing portfolio companies. Over the past year and half, we have been 'net sellers' and 'cautious buyers' (with 10 significant realisations against five new portfolio investments), but we believe the pendulum has begun to swing back closer to neutrality. This bodes well for our substantial dry powder, but we will continue adhering to our investment discipline, which we believe has been critical in protecting capital, enhancing value and maximising risk-adjusted returns.'

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

'2018 began with very strong GDP growth of 3 per cent in the EU. The year ended with full year actual growth of 0.8 per cent with member states such as Germany and Italy delivering around zero growth in Q4 2018. There are a number of factors to which the slowdown has been attributed. Policy change in the US caused a slowdown in global trade while political changes in Italy and Germany and unrest in France reduced investment appetite. Trilantic Europe anticipates EU GDP will continue to grow at a modest pace of around 1 per cent in 2019. Given a continued improvement in employment rates across the EU, combined with low wage pressure, the EU macroeconomic backdrop is, while unexciting, relatively sound.

The defining event in 2019 that will set the tone for European growth are the forthcoming elections of the EU delegates and presidents who will potentially shape a more divisive or cohesive set of economic policies. Against this European macroeconomic backdrop Trilantic Europe's portfolio, highly diversified by sector as well as geography, has performed well during 2018 and is forecasting further growth in 2019 based on the specific themes and attributes of each portfolio company. While providing support to our portfolio companies in the execution of their growth plans, Trilantic Europe will also continue its 15-year consistent top-down strategy of searching for value across the five sectors and geographies we cover.'

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 216 million at 31 March 2019 (31 March 2018: € 180 million) of which € 4 million (31 March 2018: € 7 million) is attributable to the minority partner. The estimated fair value is based on audited valuation data provided by Trilantic Management at 31 December 2018 adjusted for changes in the value of listed investments included in the portfolios. The increase in the estimated fair value is due to net capital contributions of € 29 million, the strengthening of the US dollar against the euro and increases in estimated fair values of underlying investments.

During the year under review, gains of € 11 million were realised and carried interest of € 16 million was received.

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

36 SOUTH MACRO/VOLATILITY FUNDS

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

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

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

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

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

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

Last year we saw sporadic outbreaks of idiosyncratic volatility in asset markets. However, they lacked the persistence and contagion normally associated with systemic events so any performance was not substantially realised. The price of volatility assets in general remains low, primary drivers being low interest rates and the willingness of Central Banks to inject liquidity into the markets at the first sign of stress.

Relatively becalmed markets and low volatility lead to disappointing Fund performances. However, notwithstanding this, the firm received significant new inflows as investors become increasingly nervous of the fragility of the financial markets.

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

The investment in the funds is carried at the estimated fair value of € 26 million, based on unaudited financial information received from the fund manager as at 31 March 2019 (31 March 2018: € 34 million). The estimated fair value of the investment in the fund management and distribution companies amounted to € 6 million (31 March 2018: € 6 million). The investments in total have an estimated fair value of € 32 million (31 March 2018: € 40 million). The change in valuation reflects the movement in the value of the underlying investments held by the funds.

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

ASIAN PRIVATE EQUITY 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 investment companies managed by Milestone Capital (together 'Milestone').

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

Yunli Lou, Managing Partner of Milestone Capital, commented:

'During 2018 and the first quarter of 2019, Milestone continued working closely with our portfolio companies to drive operational excellence and help with various strategic initiatives. Among our active portfolio companies, one leading e-commerce platform for beauty products completed a restructuring and fundraising based on a significantly higher company valuation than that in previous investment rounds when Milestone made its investment, one oncology-focused biotech company was successfully dual-listed on the NASDAQ in addition to the Taipei Exchange's Mainboard, and one big data service provider and one leading online education company completed new rounds of financing. Moreover, we also strived to achieve liquidity and realise returns for our investors. We had a partial realisation from our investment in a leading Chinese sportswear company by selling shares through the open market on the Hong Kong Stock Exchange and received total proceeds that covered our investment cost in the company while preserving great upside value in our remaining stake.

2018 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 low-cost manufacturing, export-oriented economy, to innovation-based, consumption-led economy, the government continued its effort to crack down on corruption, tightened lending standards, and efforts to cool real estate prices and overseas investments. All these efforts led to lowered confidence levels and lowered investments and capital expenditure from both the public and private sectors. The domestic capital markets declined further for the year, with the Shanghai Composite Index declining 25.5 per cent and the Shenzhen Composite Index declining 33.9 per cent. The domestic stock market has wiped out $ 4.0 trillion of wealth since it reached the peak in 2015. For the full year 2018, the government reported a GDP growth of 6.6 per cent, the slowest pace since 2009. However, the absolute amount of GDP growth in dollar terms was the largest in China's history, reaching $ 1.2 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 € 82 million (31 March 2018: € 129 million) based on audited financial information provided by Milestone Capital at 31 December 2018 adjusted for movements in listed investments and cash movements up to 31 March 2019.

The change in estimated fair value reflects capital repayments of € 47 million, offset by capital contributions, the strengthening of the US dollar against the euro and increases in the value of listed investments. The capital repayments were made in the form of a distribution of existing holdings of shares in Soho and Li Ning with fair values of € 16 million and € 31 million respectively, these shares are now included in 'Other listed investments' and are shown on page 7.

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 was launched in October 2018. The 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, a South African-listed fund manager, with the team based in Shanghai.

Liang Du, Portfolio Manager of Prescient China, commented:

'Over the past financial year the Prescient China Balanced Fund was down 1.7 per cent in US dollar terms compared to the Chinese market falling by 5.5 per cent. The Chinese market was tumultuous over the past year, with the market falling by almost 30 per cent towards the end of 2018 before recovering strongly in the first quarter of 2019. For most of 2018, fears of an escalating trade war between China and the US, a slowing economy, as well as a massive shadow banking clampdown resulted in the equity market turning very negative, bringing valuations near historic lows in China. Although hard economic numbers have failed to improve (yet) in the first quarter of 2019, a relaxation of shadow banking limits, a recovering property market, an increase in the MSCI index inclusion factor and a general improvement in sentiment all contributed to a very strong first quarter. Our own models are currently bullish on the Chinese market, with cheap valuations, positive sentiment as well as supportive policies, the Balanced Fund is currently overweight in Chinese equities.

We also launched the Prescient China Equity Fund at the end of October 2018 during the turmoil. The Equity Fund has had a great start rising by 28 per cent since its launch. The Chinese market is of course not without its risks, should the economy slow meaningfully from here, or the global economy go into a recession, we will adjust our positioning accordingly.'

In October 2018, Reinet invested € 44 million ($ 50 million) in the Prescient China Equity Fund.

Reinet's total investment is carried at an estimated fair value of € 110 million based on unaudited financial information provided by the fund manager at 31 March 2019 (31 March 2018: € 48 million). The increase in estimated fair value over the year under review is the result of the additional investment, together with increases in the value of underlying listed investments and the strengthening of the US dollar against the euro in the year.

Further information on Prescient China 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, Indonesia, the Philippines, Malaysia, Thailand, Vietnam, Myanmar and Cambodia.

In July 2018, Reinet invested € 43 million ($ 50 million) in Grab. As at 31 March 2019, the investment in Grab is held at the estimated fair value of € 51 million, calculated based on multiples drawn from industry data.

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 € 23 million at 31 March 2019, based on audited financial information as at 31 December 2018, adjusted for cash movements and changes in prices of listed investments (31 March 2018: € 24 million).

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

NanoDimension funds and co-investment opportunities

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

Aymeric Sallin, Founder of NanoDimension Management Ltd, commented:

'2018 was a transformative year for the three NanoDimension funds. For NanoDimension I there were some important events that took place as we work towards winding up in the next two years. NanoDimension II increased in value from $ 100 million to $ 219 million, with over $ 120 million in realised value giving us the opportunity to return almost the entire capital called. A major driver was ARMO which completed one of the most successful IPOs of 2018. The 14 remaining companies have exciting potential. NanoDimension III has successfully raised approximately $ 350 million and is off to a solid start with seven investments made. We have also extended our operation in Europe based on the campus of EPFL, Switzerland.

Twist had a successful IPO on 31 October 2018, and we believe Click, Inscripta, and Orca are on exciting trajectories. These companies have tremendous potential and illustrate our mission at NanoDimension to invest in companies developing transformational technologies in, and at the convergence of physical sciences and life sciences. Advancements in semiconductors, lasers, microfluidics, computation, and data analysis are enabling a better understanding of biology, more personalised manufacturing to help realise the potential of personalised medicine, and true point-of-care diagnostics.'

Reinet's co-investment in Twist has been reclassified as a listed investment following the initial public offering in October 2018.

During the current year, Reinet sold its remaining unlisted co-investment for € 20 million ($ 22 million), realising a gain of € 5 million ($ 6 million) in the year and an overall loss of € 3 million ($ 4 million).

At 31 March 2019, the estimated fair value of Reinet's investment in the three funds amounted to € 26 million (31 March 2018: € 32 million for the three funds). The estimated fair value is based on audited valuation data received from the fund manager as at 31 December 2018. The decrease in estimated fair value reflects capital distributions received of € 17 million, offset by capital contributions made, 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.

Fountainhead Expert Fund

The Fountainhead Expert Fund was liquidated in December 2018 with proceeds of € 13 million ($ 15 million) being received by Reinet.

The original investment in the fund was € 15 million ($ 20 million). At 31 March 2018, the estimated fair value of the investment was € 17 million ($ 21 million); the decrease in value reflects decreases in the value of underlying investments during the period up to the liquidation date.

Snow Phipps funds and co-investment opportunities

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

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

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

'Since our founding in 2005, Snow Phipps has consistently followed the same 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.

In 2018, we continued to execute this investment strategy in Snow Phipps III, despite a highly competitive and highly priced deal-making environment. We completed one new platform investment as well as five strategic and complementary add-on acquisitions. In September 2018, Snow Phipps III acquired BlackHawk Industrial, a leading distributor of metalworking and industrial MRO products serving over 6 000 customers in North America. We also had a successful exit in the fund in 2018, selling Winchester Interconnect to Aptiv PLC, and we have returned over $ 245 million to Snow Phipps III investors. In addition, for Snow Phipps II, L.P., we completed one add-on acquisition during 2018, and we returned more than $ 35 million from one investment. In 2018, we deployed over $ 120 million in Snow Phipps II and Snow Phipps III equity commitments combined. We continue to build value in the current Snow Phipps portfolio.'

During the year under review, an investment (held both through Snow Phipps III, L.P. and as a co-investment) was sold for € 47 million ($ 54 million), realising a gain of € 31 million ($ 35 million).

Reinet's investment in the two funds and associated co-investments is carried at an estimated fair value of € 105 million at 31 March 2019 (31 March 2018: € 90 million). The increase in the estimated fair value being due to additional capital contributed of € 26 million ($ 29 million) invested in two new co-investment opportunities alongside the funds, an increase in the estimated fair value of underlying investments and the strengthening of the US dollar against the euro in the year, offset by the distribution noted above.

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

Palm Lane Credit Opportunities Fund

The Palm Lane Credit Opportunity Fund was liquidated in the year under review with proceeds of € 92 million ($ 107 million) being received by Reinet.

The original investment in the fund was € 54 million ($ 70 million). At 31 March 2018, the estimated fair value of the investment was € 85 million ($ 105 million); the increase in value reflects increases in the value of underlying investments during the period up to the liquidation date.

Reinet realised an overall gain of € 32 million ($ 37 million) in respect of this investment.

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 2018, REFF held 9 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 2018 and, as at the end of 2018, 16 investments had been fully realised. One further investment has been fully realised following the year-end.

UK real estate values have remained relatively stable in spite of the slowing UK economy. Uncertainty around the outcome of the Brexit negotiations will continue to weigh on the UK economy, however the real estate market has shown some strong, albeit isolated, areas of growth.'

The investment is carried at the estimated fair value of € 37 million at 31 March 2019 (31 March 2018: € 53 million) based on audited valuation data provided by the fund manager at 31 December 2018.

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

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 € 90 million at 31 March 2019 based on valuation statements received from the fund managers (31 March 2018: € 16 million).

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.

Reinet's investment in RLG is carried at an estimated fair value of € 81 million at 31 March 2019 (31 March 2018: € 6 million). The movement in value is due to additional capital invested in the period of € 57 million, together with an increase in the underlying property value of € 18 million.

UNITED STATES LAND DEVELOPMENT AND MORTGAGES

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

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

Bill Lanius, Chief Executive Officer of Arendale Holdings Corp, commented:

'The United States land development and mortgages business is invested in numerous properties in the U.S, with a geographical concentration in the south-eastern region. Investments are held in two distinct portfolios. The "Legacy" portfolio primarily consists of residential communities located in growth-oriented suburban areas. Those home sites are developed by the Company and typically marketed to production homebuilders. The "Arendale" portfolio includes golf course communities where the purchase of real estate and club memberships are discretionary, lifestyle decisions of individual customers, as well as other residential communities.

The golf course-related real estate assets did not perform to the budgets prepared at the time the investments were made, and required more capital than anticipated. In February 2019, the sale of the largest such holding (Silver Sun Partners) was successfully completed.'

The investment is carried at the estimated fair value of € 79 million as at 31 March 2019 (31 March 2018: € 83 million).

The current valuation is based on audited financial statements as at 31 December 2018 adjusted for cash movements up to 31 March 2019. The decrease in the estimated fair value reflects repayments received during the year, offset by the strengthening of the US dollar against the euro during the year.

The investment in Silver Sun Partners (residential golf communities and adjacent land held for sale to future homeowners) was sold in a single transaction in the current year; the estimated fair value of the investment had however been written down to zero by Reinet in previous years.

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

DIAMOND INTERESTS

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

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

'The South African rand has remained volatile during the past year which potentially plays a major factor in the revenue and profitability of the diamond business but is hedged to some degree. The rough diamond market overall has experienced some price stability, however we have continued to see high attendance and strong demand at sale tenders held both in South Africa and Antwerp.

During the last quarter Jagersfontein completed the construction phase and commenced with commissioning of a new section of the plant which is estimated to add some 30 per cent capacity to the volume of material that can be treated. This plant is designed to enable the processing of lower grade material more profitably.

Rooipoort continued to recover a higher than expected amount of carats in the current operational area. However, on average the USD/ct achieved remained lower than the projected average due to the lack of high quality diamonds that were recovered. The highlight find and sale of the year was a 40.44ct fancy intense yellow diamond.'

In total, these projects are carried at their estimated fair value of € 46 million at 31 March 2019 (31 March 2018: € 39 million) based on discounted cash flow projections. The increase in estimated fair value mainly reflects the impact of a re-evaluation of the remaining life of each project, known as 'life of mine', offset by repayment of loans and interest in the year amounting to € 3 million, and the weakening of the South African rand against the euro in the year.

Reinet has borrowed ZAR 443 million to fund its investments in these projects and entered into a forward exchange contract to sell ZAR 230 million (31 March 2018: ZAR 230 million) in order to mitigate currency risk.

OTHER INVESTMENTS

Other investments are carried at their estimated fair value of € 67 million at 31 March 2019 (31 March 2018: € 59 million). The increase in the estimated fair value of other investments relates mostly to additional capital invested and the strengthening of sterling and 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 2019 exchange rates.

The table below summarises Reinet's outstanding investment commitments at 31 March 2019.

	31 March 2018[(1)] € m	Exchange rate effects[(2)] € m	Committed during the year[(3)] € m	Funded during the year[(3)] € m	**31 March 2019[(3)] € m**	31 March 2019 %
Selecta	-	-	1	(1)	**-**	-
Twist	-	-	4	(4)	**-**	-
Pension Corporation	1	-	6	(7)	**-**	-
Private equity and related partnerships						
Trilantic Capital Partners						
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies[(4)]	212	19	101	(56)	**276**	64.2
Asian private equity companies and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company participation	6	1	-	(3)	**4**	0.9
Prescient China funds and investment management company	-	-	45	(45)	**-**	-
Grab Holdings Inc.	-	-	45	(45)	**-**	-
Specialised investment funds						
Vanterra C Change TEM and holding companies	5	-	-	-	**5**	1.2
NanoDimension funds and co-investment opportunities	32	3	-	(6)	**29**	6.7
Fountainhead Expert Fund[(5)]	16	2	(18)	-	**-**	-
Snow Phipps funds and co-investment opportunities	41	4	15	(22)	**38**	8.8
GAM Real Estate Finance Fund	34	1	-	-	**35**	8.1
Other fund investments[(6)]	89	-	1	(57)	**33**	7.7
United States land development and mortgages	2	1	-	2	**5**	1.2
Diamond interests	3	(1)	-	-	**2**	0.5
Other investments	4	-	5	(6)	**3**	0.7
	445	30	205	(250)	**430**	100.0

(1) Commitments calculated using 31 March 2018 exchange rates.
(2) Reflects exchange rate movements between 31 March 2018 and 31 March 2019.
(3) Amounts calculated using 31 March 2019 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 2019, additional commitments payable by minority partner amount to € 3 million in respect of Trilantic.
(5) Remaining commitments of € 18 million cancelled.
(6) 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 2019 can be summarised as follows:

Cash and liquid funds	€ 360 m
Undrawn borrowing facility	€ 290 m
Cash required for unfunded commitments (refer to table on previous page)	(€ 430 m)
Cash required to meet ZAR borrowing obligations	(€ 27 m)

The undrawn borrowing facility comprises a revolving facility with Bank of America, N.A. of € 290 million (£ 250 million) (see below).

Medium-term bank borrowings of € 635 million will be settled by the exercise of put options over BAT shares or the proceeds of the sale of BAT shares, or may be rolled over or replaced by other borrowings or settled by available cash.

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

BANK BORROWINGS AND DERIVATIVES

BORROWINGS

In December 2016, Reinet entered into borrowing facilities with Bank of America N.A., which permit it to drawdown the equivalent of up to £ 250 million in a combination of currencies to fund further investment commitments. At 31 March 2019, these facilities had not been drawn upon (31 March 2018: € 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 2019, the estimated fair value of the borrowing was € 581 million (£ 500 million) (31 March 2018: € 561 million (£ 493 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 2019, the Premium Loan is carried as a liability at an estimated fair value of € 54 million (£ 46 million) (31 March 2018: € 70 million (£ 61 million)). Some 4.4 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. The Company retains the economic benefit of all shares on loan.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 March 2019, the estimated fair value of the borrowing was € 27 million (31 March 2018: € 30 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 matures in March 2020.

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

As part of the aforementioned £ 500 million medium-term financing arrangement, Reinet purchased put options which provide protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds received as a result of the put options being exercised could be used to repay the amounts borrowed in full. The put options are carried at their estimated fair value of € 136 million at 31 March 2019 (31 March 2018: € 54 million). The increase in the carrying value of the put options reflects the decrease in value of the underlying BAT shares and the strengthening of sterling against the euro in the year, offset by the decrease in the time to maturity. 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 19.

In the year under review, Reinet settled outstanding forward exchange contracts amounting to ZAR 230 million realising a loss of € 0.4 million. Reinet then entered into a new forward exchange contract to sell ZAR 230 million (31 March 2018: ZAR 230 million), which is carried at its estimated fair value of € 1 million (liability) at 31 March 2019 (31 March 2018: € 2 million (liability)). The change in value reflects the weakening of the South African rand against the euro in the year.

OTHER LIABILITIES

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

The minority interest liability amounts to € 6 million (31 March 2018: € 7 million) and is in respect of a minority partner's share in the gains and losses not yet distributed to them arising from the estimated fair value movement of investments in which they have interests.

Fees payable and other liabilities comprise principally an accrual of € 49 million being the maximum amount outstanding in respect of the current share buyback programme, an accrual of € 19 million in respect of the half-yearly management fee payable as at 31 March 2019 (31 March 2018: € 23 million), a provision for deferred taxes of € 7 million (31 March 2018: € 11 million) relating to realised and unrealised gains arising from the investments in Trilantic and Snow Phipps, and withholding and corporate taxes of € 11 million (31 March 2018: € 28 million) relating to the investment in United States land development and mortgages. Accruals, other payables and other receivables net to € nil (31 March 2018: € 1 million).

No provision has been made in respect of a performance fee as at 31 March 2019 (31 March 2018: € nil) as the conditions required to pay a fee had not been met at that date.

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

Amounts payable are offset by other assets which comprise the BAT dividend receivable of € 40 million (31 March 2018: € 38 million) with a record date of 22 March 2019.

INCOME STATEMENT	**Year ended 31 March 2019**		Year ended 31 March 2018	
	€ m	**€ m**	€ m	€ m
Income				
BAT dividends	**148**		208	
Interest and other investment income	**30**		52	
Realised gain on sale of BAT shares	**1**		-	
Realised gains/(losses) on investments	**74**		(11)	
Realised loss on foreign exchange contracts	**(-)**		(1)	
Carried interest earned on investments	**16**		14	
Total income		**269**		262
Expenses				
Management fee	**(43)**		(51)	
Operating expenses, foreign exchange and transaction-related costs	**(9)**		(6)	
Interest expense	**(8)**		(10)	
Tax income (expense)	**16**		(24)	
Total expenses		**(44)**		(91)
Realised investment income, net of expenses		**225**		171
Fair value adjustments				
BAT – unrealised loss on shares held	**(673)**		(1 051)	
- reversal of unrealised gain on shares sold (1)	**(1)**		-	
Other investments	**224**		9	
Derivative instruments – fair value adjustment on outstanding contracts	**83**		26	
Borrowings – unrealised gains on outstanding loans	**(18)**		34	
Total fair value adjustments		**(385)**		(982)
		(160)		(811)
Effect of exchange rate changes on cash balances		**15**		(32)
Net loss		**(145)**		(843)
Minority interest		**-**		-
Loss attributable to the shareholders of the Company		**(145)**		(843)

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

INCOME

Dividend income from BAT during the period amounted to € 148 million (£ 130 million) (31 March 2018: € 208 million (£ 180 million)). The movement is mainly due to BAT paying quarterly dividends in 2018 rather than interim and final dividends as in previous years. The dividends received from BAT during the year represent the second, third and fourth 2018 quarterly dividend paid and the first 2019 quarterly dividend declared in March 2019 and paid in May 2019.

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 € 8 million (loss) (31 March 2018: € 11 million (gain)).

Realised gains on investments of € 74 million were mainly in respect of realised gains of € 4 million on Li Ning, € 11 million on Trilantic, € 16 million on Milestone, € 12 million on NanoDimension, € 31 million on Snow Phipps, € 32 million on Palm Lane Credit Opportunity Fund, offset by realised losses of € 32 million on other investments.

Losses of € 0.4 million were realised on the settlement of the euro/South African rand foreign exchange contracts during the year.

Carried interest of € 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 2019 amounts to € 43 million (31 March 2018: € 51 million).

No performance fee is payable for the year ended 31 March 2019 (31 March 2018: € nil) as the conditions required to pay a fee had not been met at that date. The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Company's prospectus, published on 10 October 2008, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2019, 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'), € 3 million in respect of transaction fees, and other expenses, including legal and other fees, which amounted to € 5 million.

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

The net tax income of € 16 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic investments, offset by a reduction in the deferred tax provision related to unrealised gains, expected distributions and accrued interest in respect of the Trilantic, Snow Phipps and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in 68.0 million BAT shares decreased in value by € 673 million during the year under review. Of this, € 741 million was attributable to the decrease in value of the underlying BAT shares in sterling terms offset by € 68 million due to the strengthening of sterling against the euro during the year under review.

The unrealised fair value adjustment of € 307 million in respect of other investments includes an increase in the estimated fair value of the investment in Pension Corporation of € 168 million, other listed investments of € 14 million, Trilantic funds of € 7 million, Prescient China funds and investment management company of € 20 million, United States land development and mortgages of € 6 million, Diamond interests of € 10 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 € 82 million reflecting, in part, the decrease in value of BAT shares in the year and the strengthening of sterling against the euro. The estimated fair value of the forward exchange contracts liability decreased by € 1 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 € 3 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 loss of € 21 million arose in respect of the sterling borrowing, mainly due to the strengthening of sterling against the euro.

MINORITY INTEREST

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

CASH FLOW STATEMENT	**Year ended 31 March 2019**		Year ended 31 March 2018	
	€ m	**€ m**	€ m	€ m
Investing activities				
Purchase of investments, net of repayments	**(217)**		(58)	
Proceeds from sales of investments	**255**		88	
Net cash and liquid funds generated by/(used in) investing activities		**38**		30
Financing activities				
Dividend paid	**(35)**		(32)	
Payment for settlement of derivative contracts	**(-)**		(1)	
Cost of share buyback programmes	**(68)**		-	
Movements in bank borrowings	**(18)**		(117)	
Net cash and liquid funds (used in)/generated by financing activities		**(121)**		(150)
Operating activities				
Dividends received	**146**		170	
Carried interest earned on investments	**16**		14	
Interest expense	**(8)**		(10)	
Operating and related expenses	**(40)**		(42)	
Taxation paid	**(8)**		(18)	
Net cash and liquid funds generated by operating activities		**106**		114
Net cash inflow/(outflow)		**23**		(6)
Opening cash and liquid funds position		**322**		360
Effects of exchange rate changes on cash balances		**15**		(32)
Closing cash and liquid funds position[(1)]		**360**		322

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

INVESTING ACTIVITIES

Investments totalling € 217 million were made during the year, including Pension Corporation, Trilantic, Snow Phipps, Prescient China Equity Fund, Grab and RLG Real Estate Partners. Amounts invested were partially offset by repayments in respect of loans and interest received from Jagersfontein and Rooipoort, and distributions from Trilantic, Snow Phipps, Fountainhead Expert Fund, Palm Lane Credit Opportunities Fund and other investments.

Proceeds from the sale of investments include € 2 million from the sale of BAT shares, and proceeds from sale of investments in Li Ning, Trilantic, Milestone, NanoDimension and co-investment opportunities, Snow Phipps, Fountainhead Expert Fund, Palm Lane Credit Opportunities Fund and other investments.

FINANCING ACTIVITIES

A dividend of some € 35 million was paid to shareholders in September 2018 (September 2017: € 32 million).

€ 0.4 million was paid in respect of the settlement of euro/South African rand foreign exchange contracts during the year.

In addition, Reinet paid out € 68 million in respect of the share buyback programmes in the year.

OPERATING ACTIVITIES

Dividends received from BAT during the year ended amounted to € 146 million (£ 129 million) (31 March 2018: € 170 million (£ 147 million)). The dividends received from BAT during the year represent the first, second, third and fourth 2018 quarterly dividends paid.

Carried interest of € 16 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 2018 and no performance fee is payable in respect of the current year.

Net US tax payments of € 8 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 € 38 million over the year to € 360 million as the amounts received in respect of 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 € 0.18 per share totalling some € 35 million was paid in September 2018, following approval at the annual general meeting on 28 August 2018.

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, 27 August 2019.

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

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

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

The last day to trade the Company's shares cum-dividend in Europe will be Wednesday, 28 August 2019 and in South Africa, Tuesday, 27 August 2019. The Company's shares will trade ex-dividend from Thursday, 29 August 2019 in Europe and from Wednesday, 28 August 2019 in South Africa. The record date for the Company's shares in Europe and in South Africa will be Friday, 30 August 2019.

The dividend on the Company's shares in Europe will be paid on Wednesday, 4 September 2019 and is payable in euro.

The dividend on the Company's shares in South Africa will be paid in South African rand on Wednesday, 4 September 2019. Further details regarding the dividend payable to South African holders may be found in a separate announcement dated 21 May 2019 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, 27 August 2019 and Friday, 30 August 2019, both days inclusive.

CAPITAL STRUCTURE

At 31 March 2019, the Company had 195 941 286 ordinary registered shares and 1 000 management registered shares of no par value in issue.

At 31 March 2019, the Company held 5 022 672 ordinary shares as treasury shares. The voting and dividend rights attached to treasury share are suspended. Therefore, the total number of voting rights at 31 March 2019 was 190 919 614.

FINANCIAL STATEMENTS

The consolidated audited financial statements at 31 March 2019, on which this announcement is based, have been approved by the Board of the General Partner on 14 May 2019 and are subject to shareholder approval at the annual general meeting to be held in August 2019. The printed Reinet Annual Report and Accounts will be available upon request from mid-July 2019.

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.

21 May 2019

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

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

On 19 November 2018, the Company announced the commencement of a share buyback programme in respect of a maximum of 3.2 million ordinary shares for an aggregate maximum amount of € 55 million. The programme ran from November 2018 to January 2019 when 3.2 million ordinary shares were repurchased for a cost of ZAR 667.22 million (€ 42 million), plus transaction costs.

On 6 February 2019, the Company announced the commencement of a second share buyback programme in respect of a maximum of 5.0 million ordinary shares for an aggregate maximum amount of ZAR 1 219.74 million using the closing euro/rand exchange rate prevailing as at 31 March 2019 of 16.2632 (€ 75 million). As of 31 March 2019, 1.8 million ordinary shares have been repurchased for a cost of ZAR 419.43 million (€ 26 million), plus transaction costs. As of 17 May 2019, 3.1 million ordinary shares have been repurchased for a cost of ZAR 710.05 million (€ 44.2 million), plus transaction costs.

All ordinary shares repurchased are held as treasury shares.

	31 March 2019	31 March 2018
Shares in issue	**195 942 286**	195 942 286
Treasury shares	**(5 022 672)**	-
Net shares	**190 919 614**	195 942 286

Net asset value

Using the closing euro/rand exchange rate prevailing as at 31 March 2019 of 16.2632 and a rate of 14.5837 as at 31 March 2018.

	31 March 2019	31 March 2018
Net asset value	**ZAR 78 551 m**	ZAR 74 771 m
Reversal of future share buyback liability	ZAR 797 m	-
Adjusted net asset value	**ZAR 79 348 m**	ZAR 74 771 m

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

Net asset value per ordinary share

	31 March 2019	31 March 2018

Net asset value per share	**ZAR 411.46**	ZAR 381.66
Adjusted net asset value per share	**ZAR 415.69**	ZAR 381.66

Loss for the year

Using the average euro/rand exchange rate for the year ended 31 March 2019 of 15.9065 and the average rate of 15.1882 for the year ended 31 March 2018.

	31 March 2019	31 March 2018
Loss for the year	**ZAR 2 306 m**	ZAR 12 804 m

The loss for the year reflects the decrease in the net asset value in euro terms.

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 2019	31 March 2018
Unadjusted earnings per share	**(€ 0.74)**	(€ 4.30)
Headline earnings per share *	**(€ 0.74)**	(€ 4.30)
Unadjusted earnings per share	**(ZAR 11.77)**	(ZAR 65.31)
Headline earnings per share *	**(ZAR 11.77)**	(ZAR 65.31)

* There are no dilutive instruments

Subject to approval by the shareholders at the annual general meeting, which is scheduled to take place on 27 August 2019, a dividend of € 0.19 per ordinary share will be paid to ordinary shareholders on 4 September 2019. The rand dividend amount per ordinary share will be calculated by reference to the euro/rand exchange rate prevailing on 20 August 2019, the currency conversion date.

The dividend paid in September 2018 amounted to ZAR 2.9861 per equivalent ordinary share, calculated as € 0.18 per ordinary share at an exchange rate of 16.5893. The proposed dividend of € 0.19 per ordinary share converted into rand at the current exchange rate of 16.10 amounts to ZAR 3.059, an effective increase of 2.4 per cent. This will be updated on 20 August 2019 with the actual exchange rate.