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**AFRICAN PHOENIX INVESTMENTS LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 1946/021193/06)  
Ordinary share code: AXL ISIN: ZAE000221370  
("Phoenix" or "the Company" or "the Group")

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**QUARTERLY UPDATE AS AT 30 JUNE 2019**

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In accordance with paragraph 15.4(g) of the Listings Requirements of JSE Limited, the Company's 30 June 2019 quarterly portfolio update is set out hereafter. Capitalised terms not defined in this announcement will bear the meaning as defined in the circular distributed to shareholders on 18 February 2019 ("**Circular**").

**UPDATE ON OPERATIONS**

**Investment in API Capital Fund**

Phoenix acquired a 99.99% stake in API Capital Fund, a South African *en commandite* partnership on 4 April 2019. Phoenix invested capital of R500 million in the Fund managed by API Capital Proprietary Limited ("**API Capital**"). API Capital which, per the Circular, is required to hold at least 1% of Phoenix A shares, has acquired 1.4% of Phoenix A shares before the required timeline.

**Deal pipeline**

Phoenix has received the API Capital quarterly report to the Limited Partner for the quarter ended 30 June 2019. The board of directors ("**Board**") notes that API Capital has made significant progress in implementing its investment plan. The detailed investment pipeline including details of the deal structures, investment thesis, deal status and proposed entry pricing have been shared with the Limited Partner.

**Sale of The Standard General Insurance Company Limited ("**Stangen**")**

Following the announcement on 28 June 2019 that the Company has entered into a sale and purchase agreement for the sale of its 100% holding in Stangen to King Price Financial Services Proprietary Limited, significant progress has been made on concluding the conditions precedent to the transaction. In this regard, the Company has received approval from the Competition Authorities and still awaits regulatory approval from the Financial Services Authorities.

**Preference share repurchase**

*Scheme Repurchase*

The Scheme Repurchase became unconditional following the granting of a court order on 5 June 2019 approving the special resolution pertaining to the Scheme Repurchase. The scheme was implemented in June 2019 per the timetable released on SENS on 7 June 2019. The Scheme Repurchase Consideration was paid to Preference Shareholders, excluding Dissenting Shareholders who have exercised their Appraisal Rights in accordance with section 164 of the Companies Act.

*Appraisal Rights*

As announced on 24 July 2019, the Company received a notice of motion in which a Dissenting Shareholder has made an application to court in terms of section 164(14) of the Companies Act for, among others, a determination of the fair value of the Affected Shares. The Board has considered the application and has filed a notice of intention to oppose, which motion and answering affidavit will be filed on 11 September 2019.

**FINANCIAL PERFORMANCE**

**Net Asset Value (NAV)**

At 30 June 2019, Phoenix's net asset value per share increased to 94.0 cents (53.0 cents at 31 March 2019).

R'000	Notes	Unaudited 30 June 2019	Reviewed 31 March 2019
Investments	1	1 062 441	572 777
Other non-current assets		1 860	2 238
Cash and cash equivalents	2	341 464	1 289 633
Other current assets		33 494	49 674
<b>Total Assets</b>		<b>1 439 259</b>	<b>1 914 322</b>
Liabilities	3	97 526	28 651
Preference shareholders' equity		-	1 129 803
Ordinary shareholders' equity		1 341 733	755 868
<b>Total Equity and Liabilities</b>		<b>1 439 259</b>	<b>1 914 322</b>
Number of A Shares ('000)		1 427 005	1 427 005
NAV per A share (cents)	4	94.0	53.0
Diluted NAV per A share (cents)	4	93.7	53.0

## Notes

### 1. Investments

R'000	30 June 2019	31 March 2019
Stangen*	520 000	527 585
GEMS	44 613	45 192
API Capital Fund^	497 828	-
<b>Total</b>	<b>1 062 441</b>	<b>572 777</b>

\* Stangen is valued at the expected sale consideration and expected dividend proceeds as detailed in the SENS announcement on 28 June 2019.

^ The R500 million investment in the API Capital Fund has increased with Fund income such as interest income since the investment was made and reduced by Fund expenses such as the management fee paid to the fund manager for the quarter ended 30 June 2019.

### 2. Cash

The decrease in the cash balance between 31 March 2019 and 30 June 2019 is predominantly due to:

- i) Cash of R500 million invested in the API Capital Fund.
- ii) Payment of R460 million for the repurchase of preference shares in June 2019.

### 3. Liabilities

Liabilities include an amount of R47 million for the settlement of the 1 252 598 Preference Shares that have lodged their Appraisal Rights per Section 164(14) of the Companies Act. This has been calculated at a value of R37.50 per share.

### 4. NAV per share

NAV per share has increased from 31 March 2019 primarily due to the repurchase of the Preference Shares in June 2019. Shareholders are referred to the detail above regarding the Preference Share repurchase. The accounting treatment applied is consistent with the accounting treatment per the *pro forma* financial statements included in the Circular.

The Diluted NAV per A share takes into account the impact of the issued B shares assuming a conversion to A shares were to take place on 30 June 2019.

Johannesburg  
5 September 2019

**Sponsor**  
Merchantec Capital