



THE PORTFOLIO OF 12J FUNDS

METTA CAPITAL MODERATE RISK FUND I

THE 12J PORTFOLIO OF FUNDS

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- Exponential growth in number of 12Js
- New Generation of South African entrepreneurs

WHY METTA CAPITAL IS A COMPELLING INVESTMENT

- Risk-return profile
- Salient Points
- Value Realization
- Investment structure
- Board of Directors
- Advisors & service providers

METTA CAPITAL MODERATE RISK FUND PORTFOLIO

SUMMARY OF OFFER

- Investor Cash flow profile
- How to use Section 12J to minimize Capital Gains Tax
- Fees
- Why METTA Capital is a compelling investment
- Offer Details

HOW TO INVEST?

METTA CAPITAL IS AN EXCITING
EVOLUTION OF 12J.

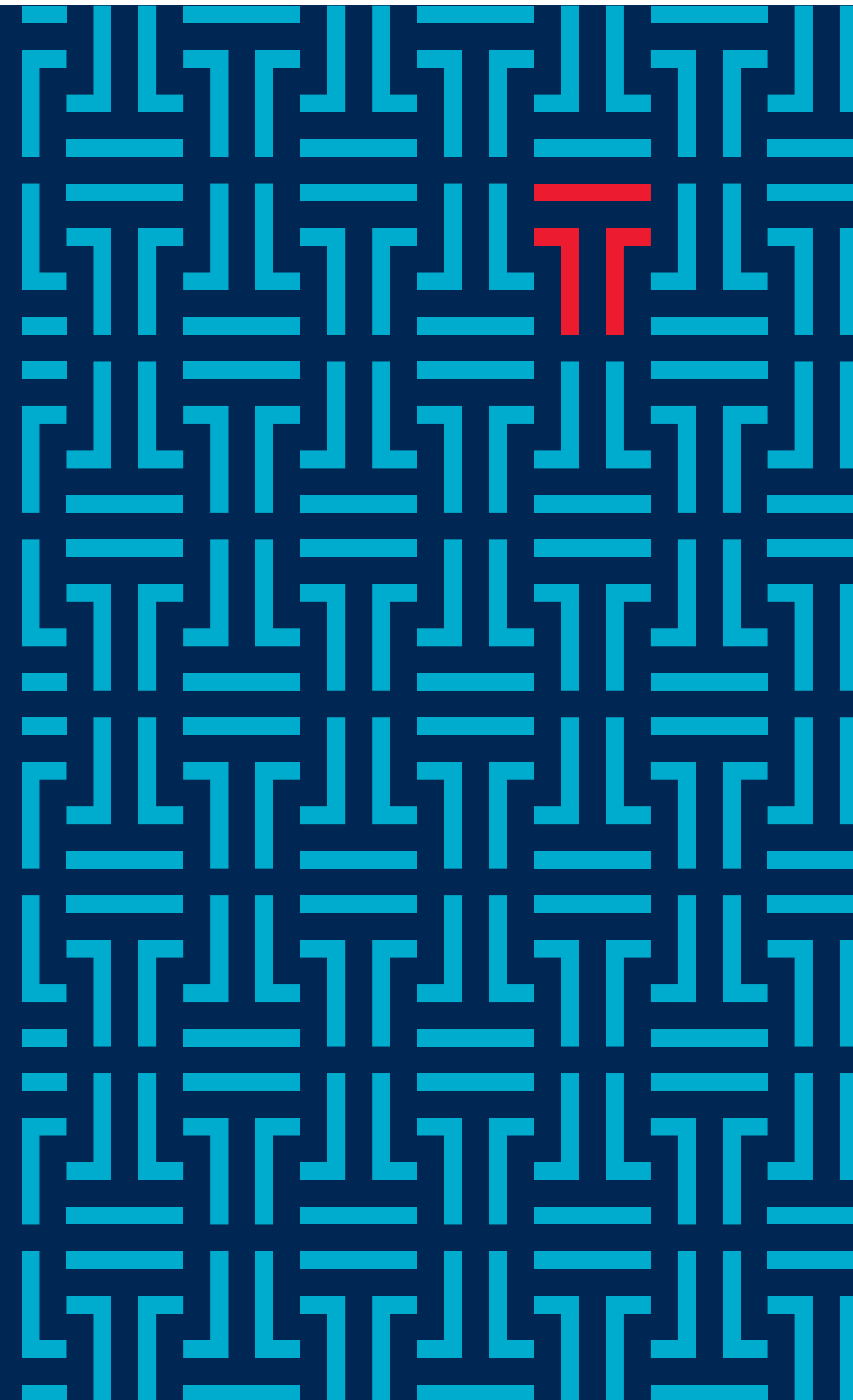
NEXT GEN OF 12J INVESTMENT
CONCEPTUALIZED AND BROUGHT TO
YOU BY THE PIONEERS OF 12J.





SECTION 12J

THE **12J** PORTFOLIO OF FUNDS

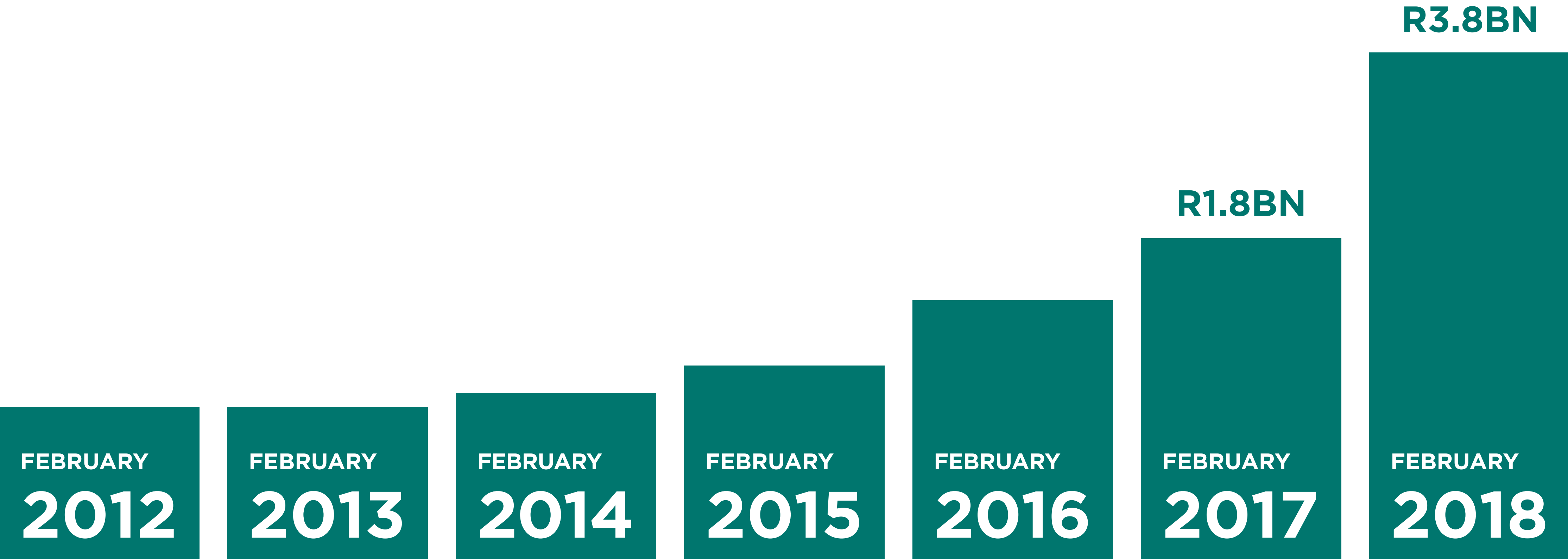


TAX BENEFITS

- Unlimited investment amount per investor
- Fully deductible in the tax year of investment
- Not subject to recoupment if held for five years
- Sunset clause for new 12Js in June 2021

INVESTOR	INDIVIDUAL	TRUST	CORPORATE
GROSS INVESTMENT	R 1 000 000	R 1 000 000	R 1 000 000
TAX RELIEF	(450 000)	(450 000)	(280 000)
NET INVESTMENT	550 000	550 000	720 000
EFFECTIVE % TAX RELIEF	45%	45%	28%

EXPONENTIAL GROWTH IN NUMBER OF 12Js





CURRENTLY THERE ARE
OVER 90 12J'S



WE ANTICIPATE 100 12JS TO BE REGISTERED BY FEB 2018



westbrooke



CCP
managers

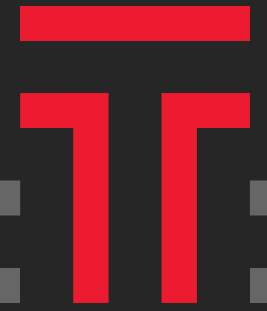


A TARGETED ENTRY POINT FOR INVESTING IN
NEW GENERATION OF SOUTH AFRICAN
ENTREPRENEURS,
MADE MORE ATTRACTIVE AND ACCESSIBLE
BY VIRTUE OF THE TAX BENEFITS.

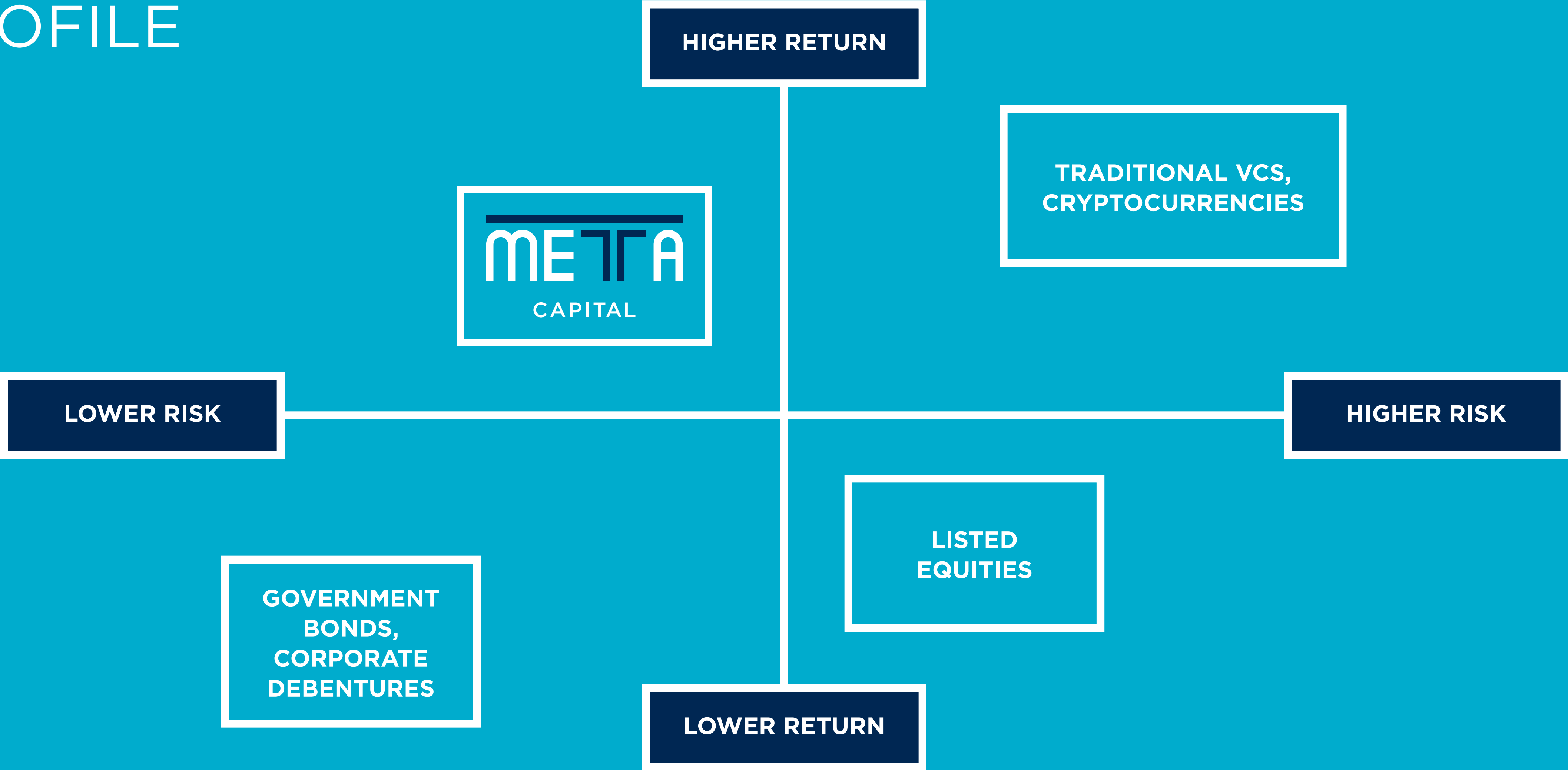


WHY METTA CAPITAL IS A COMPELLING INVESTMENT

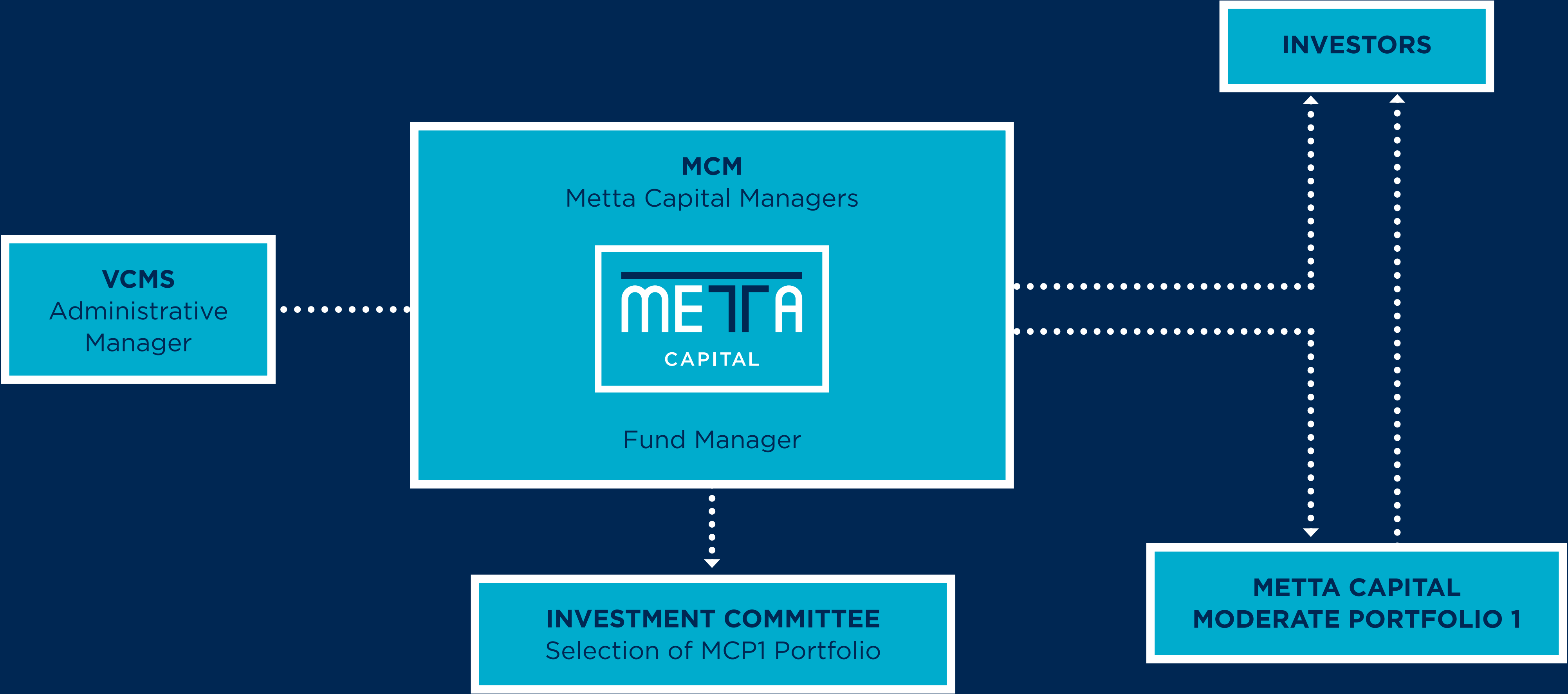
THE 12J PORTFOLIO OF FUNDS



RISK-RETURN PROFILE



INVESTMENT STRUCTURE



INVESTMENT STRUCTURE



Flow-through of dividends from underlying investment portfolio companies (subject to dividend withholding tax as applicable).



VALUE REALISATION

- The portfolio of 12J's will proactively seek realisation opportunities from underlying investee companies.
- All underlying investments to be realised in years 5-7.
- Proceeds on realisation to flow through to investors as dividends, as and when realisation events occur (subject to dividend withholding tax as applicable).
- Original capital invested to be returned to investors by end of year 7.

MANAGEMENT TEAM



**MICHAEL
SOLOMON TEKE**

BA (ED) B.ED, BA
(HONS), MBA



**MALCOLM
SEGAL**

B.COM CA (SA)
CPA (ISR)



**JEFF
MILLER**

B.COM B.ACC
CA (SA)



**DOUGLAS
RAYMOND
SMOLLAN**

B.COM, MBL



**NICK
DENNIS**

B.COM (HONS)



**DR. ADRIAN
SAVILLE**

BA (HONS)
M.COM (CUM
LAUDE), PHD

ADVISORS & SERVICE PROVIDERS

MANAGER AND
PROMOTER



ATTORNEY AND TAX
ADVISOR



CORPORATE ADVISOR



COMMERCIAL BANK



COMPLIANCE OFFICER



COMPANY SECRETARY

LIGHT AND
LIVINGSTONE INC.

ADMINISTRATIVE
MANAGER



AUDITORS





METTA CAPITAL MODERATE RISK FUND I

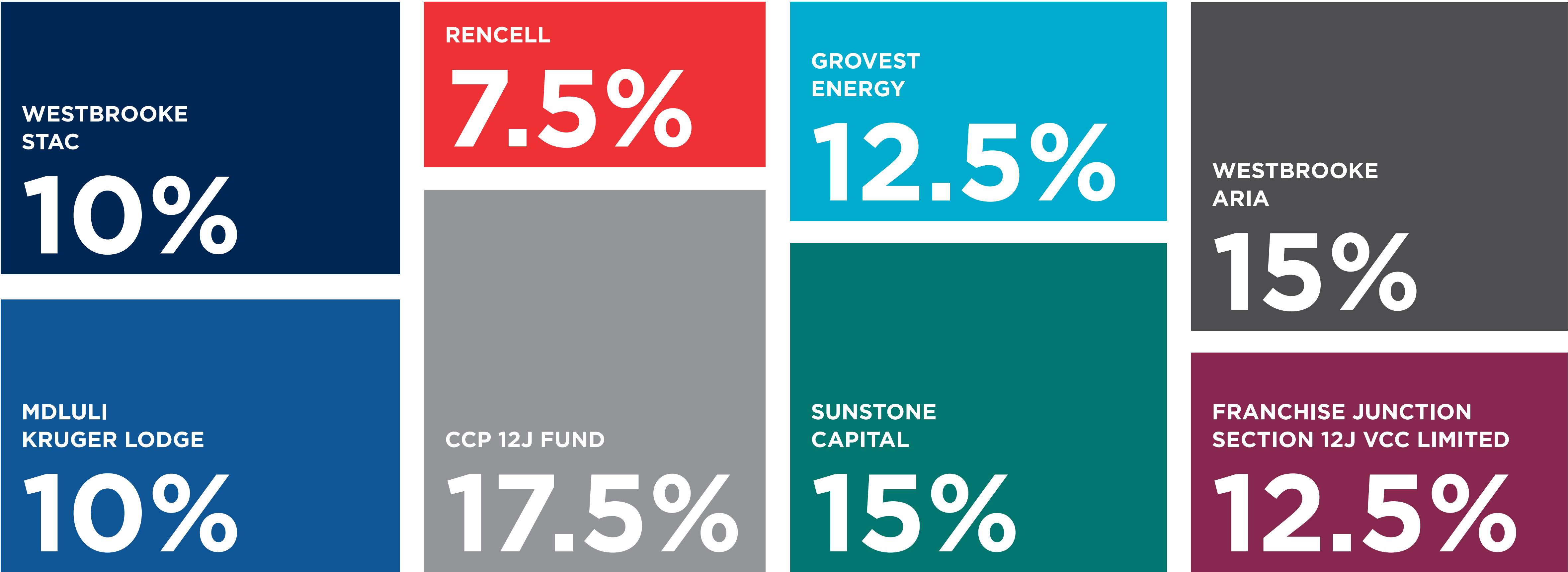
THE **12J** PORTFOLIO OF FUNDS



MCP 1 PORTFOLIO SNAPSHOT

FUND NAME	FUND SIZE	METTA INVESTMENT	PERCENTAGE PORTFOLIO PARTICIPATION
	R m	R m	%
CCP 12J Fund	550	35	17.5
Franchise Junction Section 12 J VCC Limited	75	25	12.5
Grovest Energy Limited	50	25	12.5
Mdluli Safari Lodge	45	20	10.0
Rencell Limited	40	15	7.50
Sunstone Capital	60	30	15.0
Westbrooke Stac	500	20	10.0
Westbrooke Aria	500	30	15.0
	TOTAL	200	100

FUND ALLOCATION



SUNSTONE CAPITAL LIMITED

Susntone Capital's business model is to provide large corporate fleet operators with rental vehicles, allowing them to move away from the operationally inefficient, intensive and excessive documentation processes of traditional hire purchase finance providers thus enhancing efficiencies and customer service and saving administrative costs.

Targeted Return: 16% IRR

Target Average Dividend Yield: 16%

Sustainability of Earnings and Cash Flows: Annuity Rentals

Fund Vintage: 2018

Targeted Capital Raise: R60m

Metta Capital Allocation: R30m (15% of fund)

Sector Focus: Logistics

Realisation Strategy:

- Listing of Sunstone on an Alternative Exchange
- Disposal of Qualifying Companies to a trade buyer
- Sale of Rental Asset fleet
- Securitisation of Income streams

Other: Promoters invested on same terms as Metta

Fund Manager: Sunstone Capital Managers Proprietary Limited



RENCELL LIMITED

Rencell is pioneering the future of mobile handset ownership and usage in South Africa. Its disruptive strategy is to replace existing company owned fleets of mobile devices with rented branded devices which it has refurbished and upgraded.

It has a highly flexible and service oriented business model unparalleled in the market.

Targeted Return: 22%

Target Average Dividend Yield: 7.5%

Sustainability of Earnings and Cash Flows: Annuity Rental Income

Fund Vintage: 2018

Targeted Capital Raise: R40m

Metta Capital Allocation: R15 m (7.5% of fund)

Sector Focus: Telecommunications

Realisation Strategy:

- Listing of Rencell on an Alternative Exchange
- Disposal of Qualifying Companies to a trade buyer
- Sale of Rental Asset fleet
- Securitisation of Income streams

Other: Promoters invested on same terms as Metta

Fund Manager: Rencell Management Services Proprietary Limited



GROVEST ENERGY LIMITED

The investment strategy is to develop a portfolio of income producing alternative energy assets, including hydro, wind and solar with creditworthy off takers supported by long-term power purchasing agreements.

The company will acquire equity in energy projects that are below permitting thresholds thus avoiding protracted development periods and the need for project debt finance.

Targeted Return: 16% IRR

Target Average Dividend Yield: 7%-10%

Sustainability of Earnings and Cash Flows: Long term {20 years} Power-Purchasing Agreements (PPA)

Fund Vintage: 2018

Targeted Capital Raise: R50m

Metta Capital Allocation: R25m (12.5% of fund)

Sector Focus: Energy

Realisation Strategy:

- Listing of Grovest Energy on an Alternative Exchange
- Disposal of Qualifying Companies to a trade buyer
- Sale of PPAs
- Securitisation of Income streams

Other: Promoters invested on same terms as Metta

Fund Manager: Eco Energy Group Proprietary Limited



WESTBROOKE ARIA LIMITED

Westbrooke Alternative Rental Income Assets (ARIA) strategy is to invest in a portfolio of asset-backed rental businesses with contractual revenue streams across a diverse space of South African corporate customers.

Targeted Return: 17%

Target Average Dividend Yield: 6%

Sustainability of Earnings and Cash Flows: Rental Annuities

Fund Vintage: 2018

Targeted Capital Raise: R500m

Metta Capital Allocation: R30m (15% of fund)

Sector Focus: Industrials

Realisation Strategy:

- Self-liquidation of portfolio
- Sale of Qualifying Companies

Fund Manager: Westbrooke Alternative Asset Managers



WESTBROOKE STAC LIMITED

Westbrooke Student Accommodation (STAC) strategy is to invest a portfolio of property-backed student accommodation operations situated near higher-learning institutions across South Africa.

Targeted Return: 17%

Target Average Dividend Yield: 5%-6%

Sustainability of Earnings and Cash Flows: Rental Annuities

Fund Vintage: 2018

Targeted Capital Raise: R500m

Metta Capital Allocation: R20m (10% of fund)

Sector Focus: Hospitality

Realisation Strategy:

- Listing of Westbrooke Stac as a REIT
- Disposal of Qualifying Companies to a trade buyer
- Disposal of underlying assets in Qualifying Companies

Fund Manager: Westbrooke Alternative Asset Managers



FRANCHISE JUNCTION SECTION 12J VCC LIMITED

Franchise Junction strategy is to acquire a portfolio of income producing franchise assets in various sectors including but not limited to Retail and Retail Specialty, Restaurants, Quick Service Restaurants, Automotive and Hospitality.

Targeted Return: 22% IRR

Target Average Dividend Yield: 8%

Sustainability of Earnings and Cash Flows: Profits generated from trading

Fund Vintage: 2018

Targeted Capital Raise: R75m

Metta Capital Allocation: R25m (12.5% of fund)

Sector Focus: Franchising

Realisation Strategy:

- Listing of Franchise Junction on an Alternative Exchange
- Disposal of Qualifying Companies to a trade buyer
- Disposal of Assets in Qualifying Company

Other: Promoter invested on same terms as Metta

Fund Manager: The Franchise Co.



MDLULI SAFARI LODGE LIMITED

MSL is a joint venture between the Mdluli Community and Mdluli Safari Lodge Limited to develop and manage a 4 star, 100 bed lodge on 850 hectares of land within the borders of the Kruger National Park owned by the Mdluli community.

The lodge will service the chronic shortage of demand for well-maintained, upmarket accommodation in the Kruger National Park primarily for foreign tour operators.

Targeted Return: 16% IRR

Target Average Dividend Yield: 9%

Sustainability of Earnings and Cash Flows: Short-term rentals

Fund Vintage: 2018

Targeted Capital Raise: R45m

Metta Capital Allocation: R20m (10% of fund)

Sector Focus: Hospitality

Realisation Strategy:

- Disposal of Qualifying Companies
- Hold for term of lease

Other: Sub-lease for ten years

Fund Manager: Venture Capital Management Services Proprietary Limited



CCP 12J FUND LIMITED

CCP strategy is to invest in a portfolio of mining projects, comprising repurposed mine dumps, expected to earn a mezzanine type return rather than traditional equity type returns due to lower risk profiles

Targeted Return: 20% IRR

Target Average Dividend Yield: 2%

Sustainability of Earnings and Cash Flows: Profitability generated from salvage of commodities to guaranteed off-taker [mine owner]

Fund Vintage: 2018

Targeted Capital Raise: R550m

Metta Capital Allocation: R35m (17.5% of fund)

Sector Focus: Junior Mining

Realisation Strategy:

- Refinancing of the VCCs interest in a Qualifying Company
- Sale of qualifying company to mine owner
- Discounting/securitising a parcel of projects; or
- Listing of CCP 12J on an Alternative Exchange

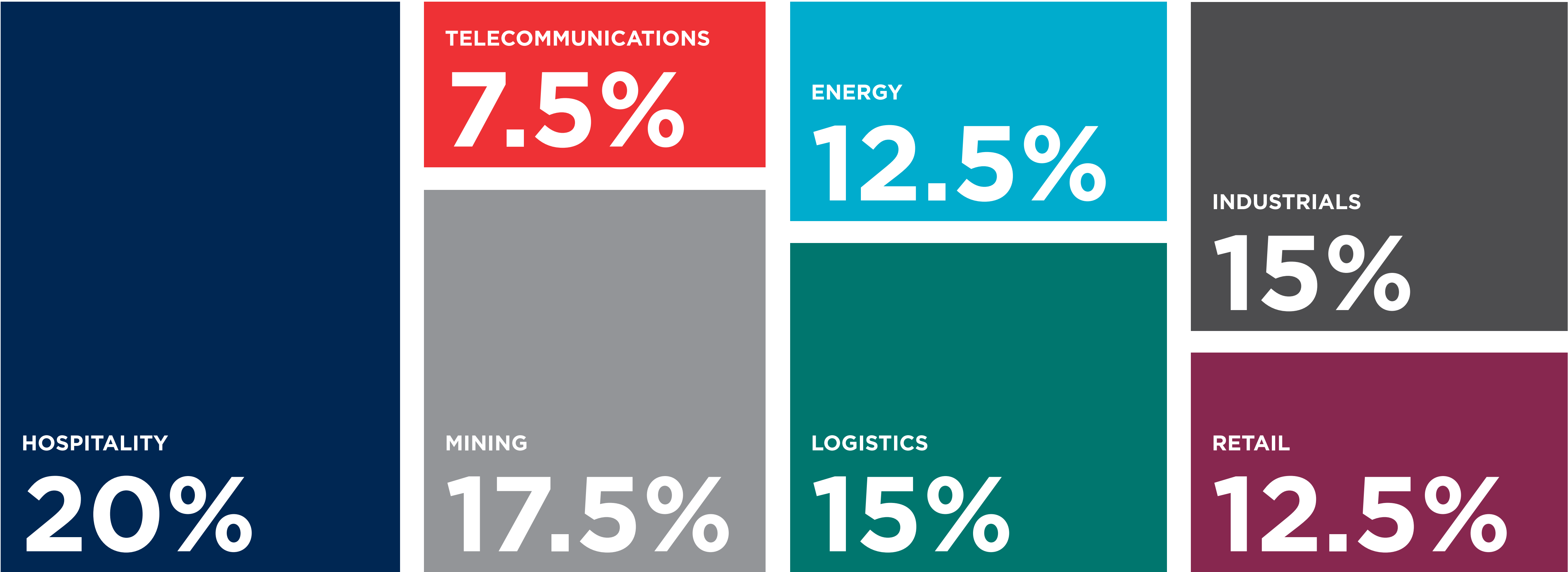
Other:

- Mine owner to absorb first loss
- Promoters invested on same terms as Metta

Fund Manager: CCP Managers 12J Proprietary Limited



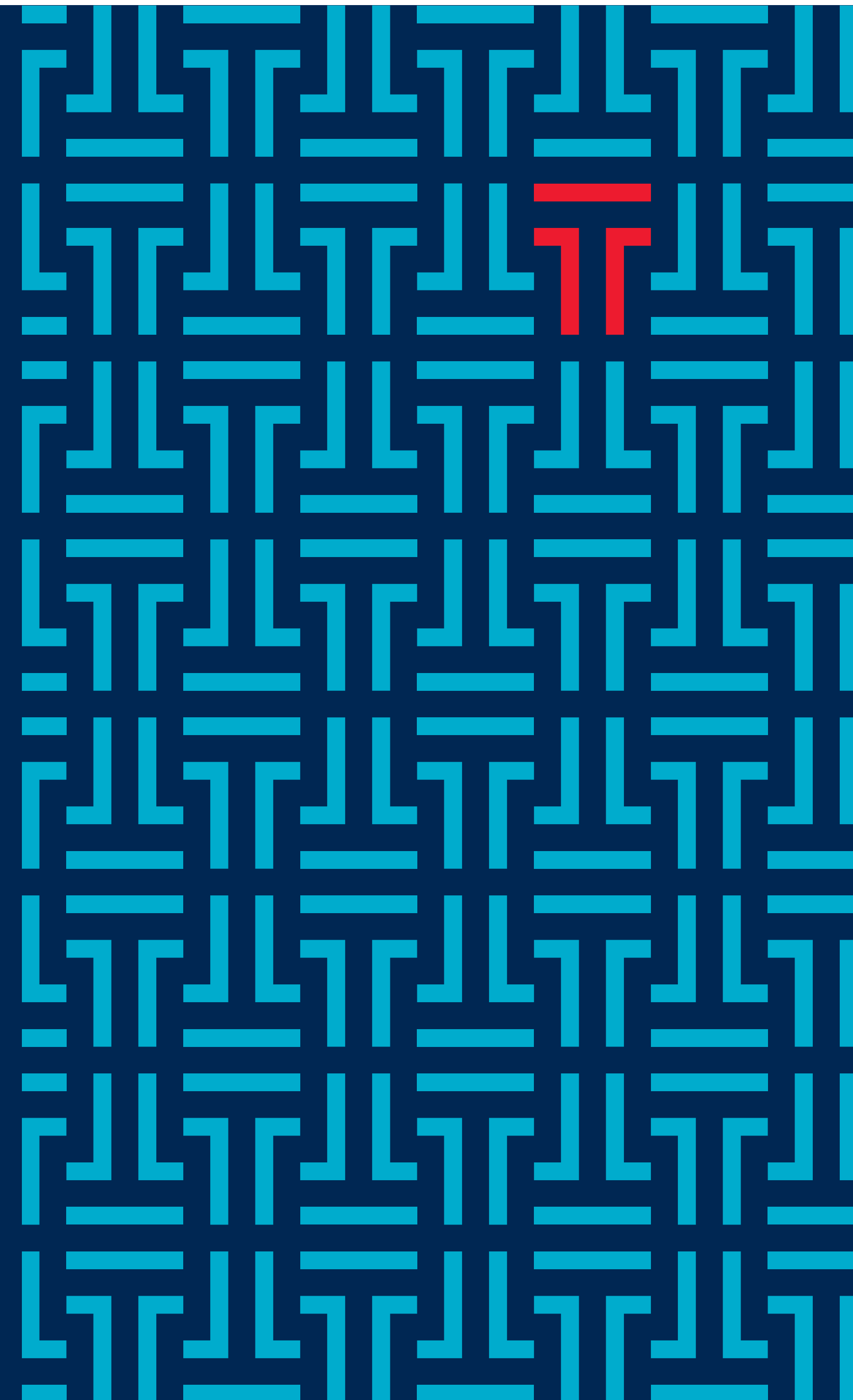
INDUSTRY DIVERSIFICATION





SUMMARY OF OFFER

THE 12J PORTFOLIO OF FUNDS



INVESTOR CASH FLOW PROFILE - INDICATIVE

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
	R	R	R	R	R	R	R
Investment	-1 000 000						
Tax Benefit	450 000						
Net Outflow	-550 000						
Dividends Received		58 665	61 232	67 465	70 123	72 048	73 973
Capital Returned*		-	-	-	-	-	995 706
Capital Gains Tax		-	-	-	-	-	-179 227
Platform Fee		-5 000	-5 000	-5 000	-5 000	-5 000	- 5 000
Net Cash Flows	-R550 000	R53 665	R56 232	R62 465	R65 123	R67 048	R885 452
IRR	16%						
X Money	2.16						

*Assuming all investments realised in Year 6

HOW TO USE SECTION 12J TO MINIMIZE CAPITAL GAINS TAX

			With Section 12J	Without Section 12J	Variance
Sale of Asset:	R 4.5 m		4 500 000	4 500 000	
Cost of Asset:	R 2.0 m		2 000 000	2 000 000	
Capital Gains made on sale of asset:	R 2.5 m		2 500 000	2 500 000	
Capital Gains		40%	1 000 000	1 000 000	
Income from Trade R 100 k x 12	R 1.2 m		1 200 000	1 200 000	
Taxable Income before Section 12 J allowance	R 2.2 m		2 200 000	2 200 000	
Investment in MCP 1	R 1.0 m		1 000 000	-	
New Taxable Income	R 1.2 m		1 200 000	2 200 000	
Tax at 45% [R 1.2m] =		45%	540 000	990 000	
Cash Flow			2 960 000	3 510 000	(550 000)
Investment in MCP 1			1 000 000	-	1 000 000
			3 960 000	3 510 000	450 000

FEES

WEIGHTED AVERAGE FEES

Capital Raising Fee:	1.60% once off
Management Fee:	1.86% p.a.
Performance Fee:	Various - on average 20%

PLATFORM FEE

METTA:	0.50% p.a.
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WHY METTA CAPITAL IS A COMPELLING INVESTMENT

1

**SINGLE ENTRY
POINT**

2

MODERATE RISK

3

**TARGETED
BLENDED RETURN
OF 16% IRR NET
FEES AND TAXES**

4

**DIVERSIFIED
INVESTMENT
PORTFOLIO**

5

**DIVERSIFIED
INDUSTRY SPREAD**

6

**DIVERSIFIED FUND
MANAGERS**

7

**SECTION 12J TAX
DEDUCTION**

8

**EXPERIENCED FUND
MANAGEMENT
TEAM AND
INVESTMENT
COMMITTEE**

9

**HIGHER
PROBABILITY
OF ACHIEVING
TARGETED
RETURNS**

10

**HALF YEARLY
REPORTING TO
INVESTORS**

OFFER DETAILS

FUND MANAGER

Metta Capital Managers Proprietary
Limited

SECTOR

Section 12J Venture Capital Companies

TARGETED CAPITAL RAISE

R 200 000 000 +

OPENING DATE OF OFFER

25 January 2018

CLOSING DATE OF OFFER

23 February 2018

BLENDED TARGETED IRR

16%

DIVIDEND FLOWS

5% to 8% bi-annually

MINIMUM INVESTMENT AMOUNT

R 500 000

HOW TO INVEST?

Download and complete the Mandate and Application form available on

www.mettacapital.co.za

Bank: Standard Bank

Branch: Sandton

Branch code: 051 001

Account name: Metta Capital Managers

Account number: 301 995 702

Reference “Initials, Surname of Investor”



THANK YOU

THE 12J PORTFOLIO OF FUNDS