



Interim results

1H FY2016

Presented by:

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Our corporate strategy and business definition remains unchanged...

- Long-term value investor with a primary focus on Agribusiness, specifically the food and beverage sectors
- Listed on the JSE – ZED - hybrid private equity vehicle
- Key characteristics of investment considerations:
 - Growth sectors or subsectors
 - Management with proven track record
 - High barriers to entry
 - Unique and defensible products (brands)
 - Simple (easy to understand)
 - Scalable business models
 - Focused execution

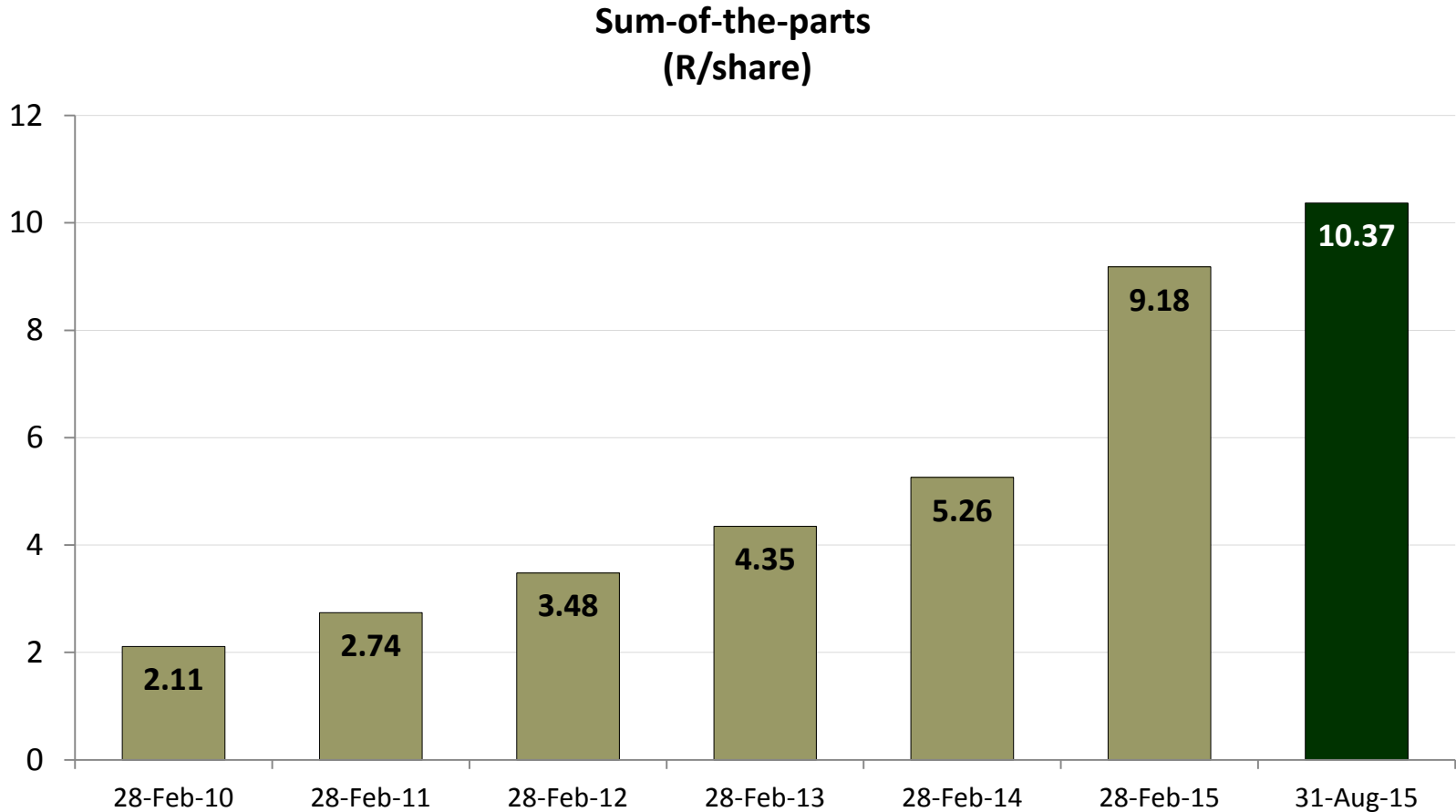
... with an expanded active strategy aimed at investing in and growing large businesses.

	Before 2012	Since 2012
Industry:	<ul style="list-style-type: none">• Agribusiness	<ul style="list-style-type: none">• Agribusiness
Sub-sector:	<ul style="list-style-type: none">• Food and Beverages	<ul style="list-style-type: none">• Food and Beverages
Geography:	<ul style="list-style-type: none">• South Africa (Direct)• Rest of World (via portfolio)	<ul style="list-style-type: none">• South Africa (Direct)• Sub-Sahara Africa (Direct)• Rest of World (via portfolio)
Criteria:	<ul style="list-style-type: none">• Arbitrage• Undervalued	<ul style="list-style-type: none">• Arbitrage• Undervalued• Growth sectors• Consolidation
Influence:	<ul style="list-style-type: none">• Passive	<ul style="list-style-type: none">• Passive• Active

Invest in and build the businesses of tomorrow

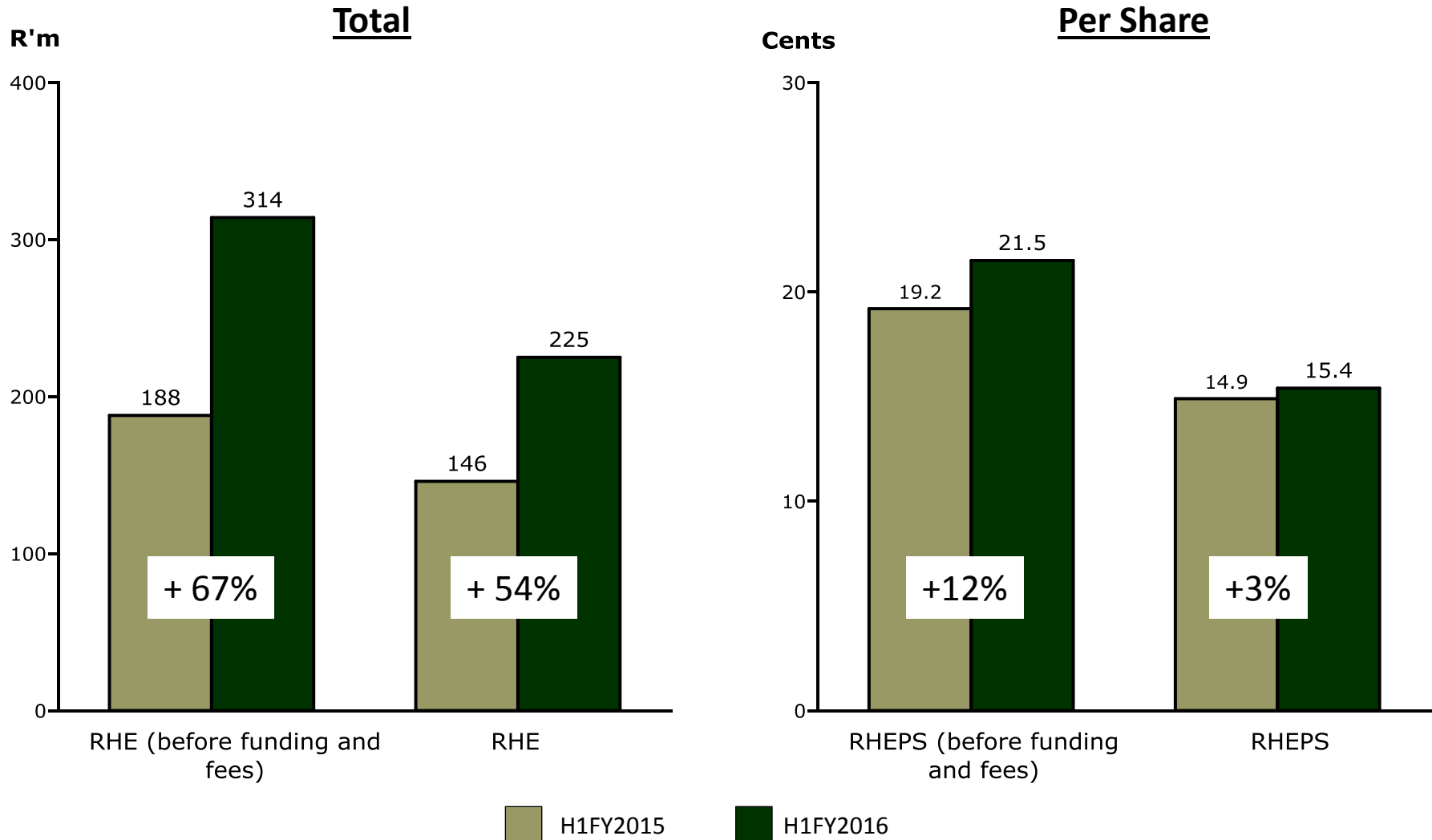
Interim results - SOTP

Zeder's SOTP value per share increased by 13% to R10.37 as on 31 August 2015.



Interim results – Earnings from investments

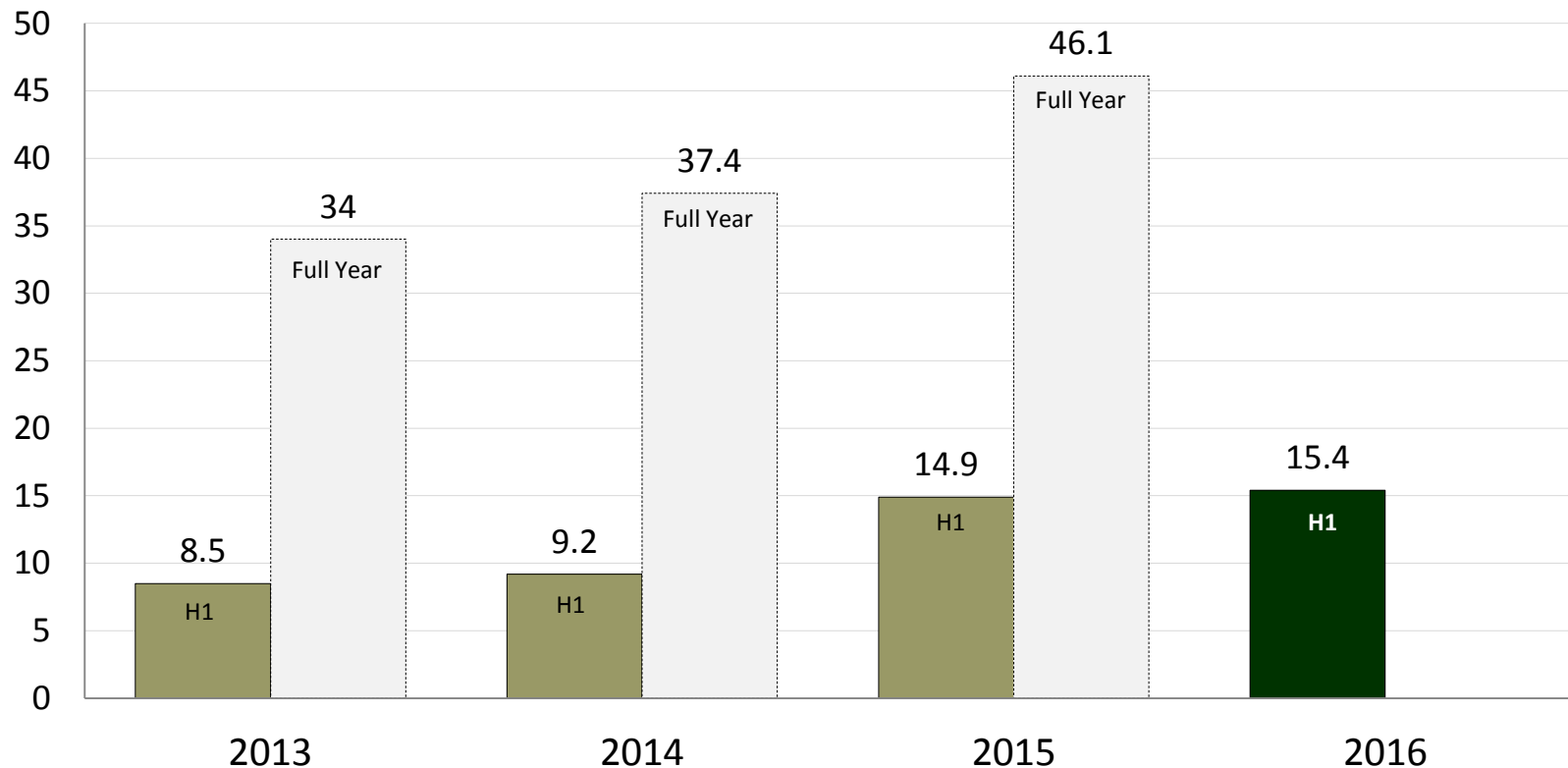
Earnings contribution from underlying portfolio companies increased substantially as a result of the Agri Voedsel merger...



Interim results – Recurring headline earnings

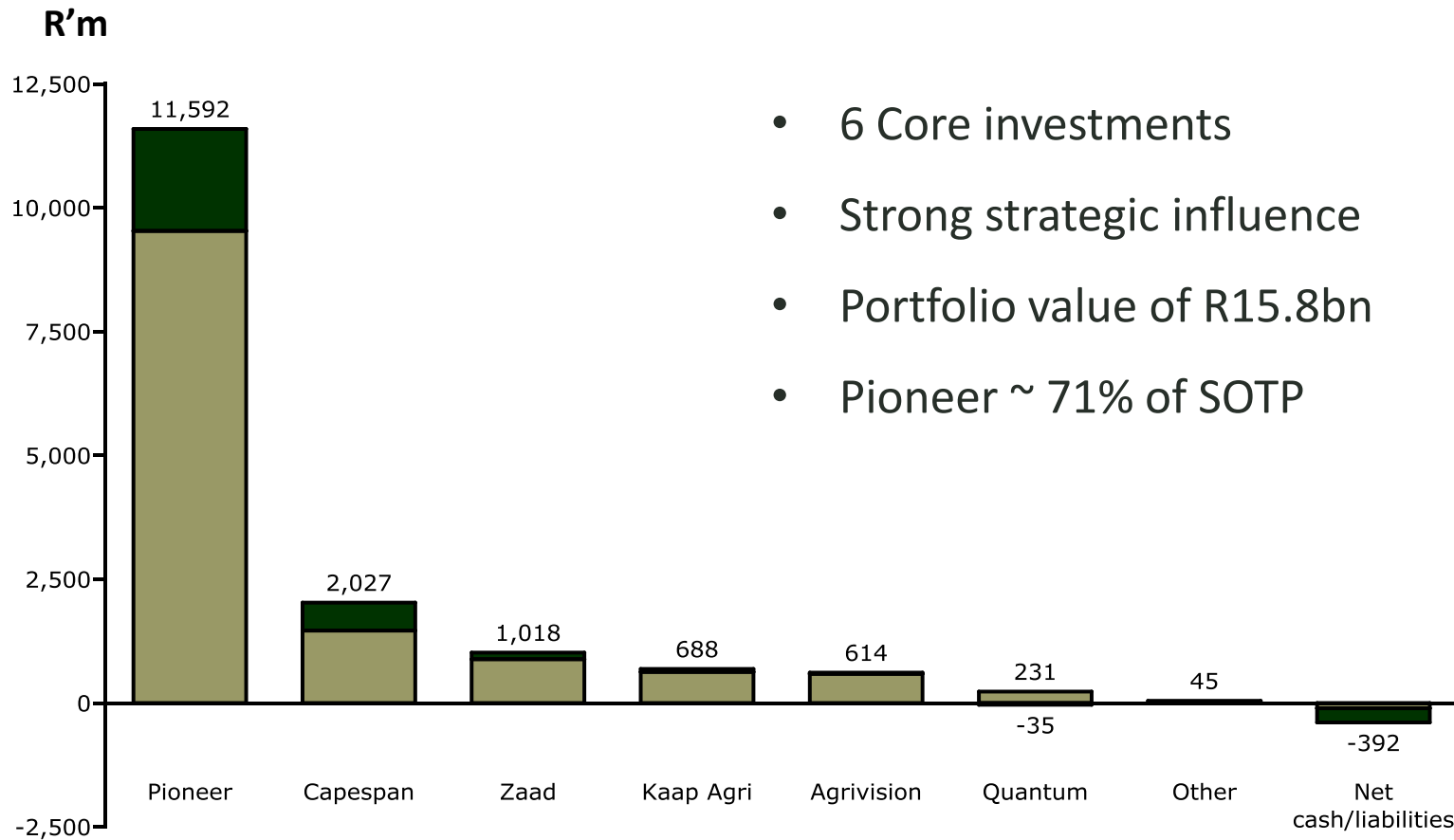
... while, on a per-share basis, recurring headline earnings increased by 3.4% compared to first 6 months in prior reporting year.

Recurring headline earnings from portfolio companies
(cents per share)



Portfolio distribution

Pioneer remains the largest investment but remainder of portfolio increasing in size and significance.



- 6 Core investments
- Strong strategic influence
- Portfolio value of R15.8bn
- Pioneer ~ 71% of SOTP

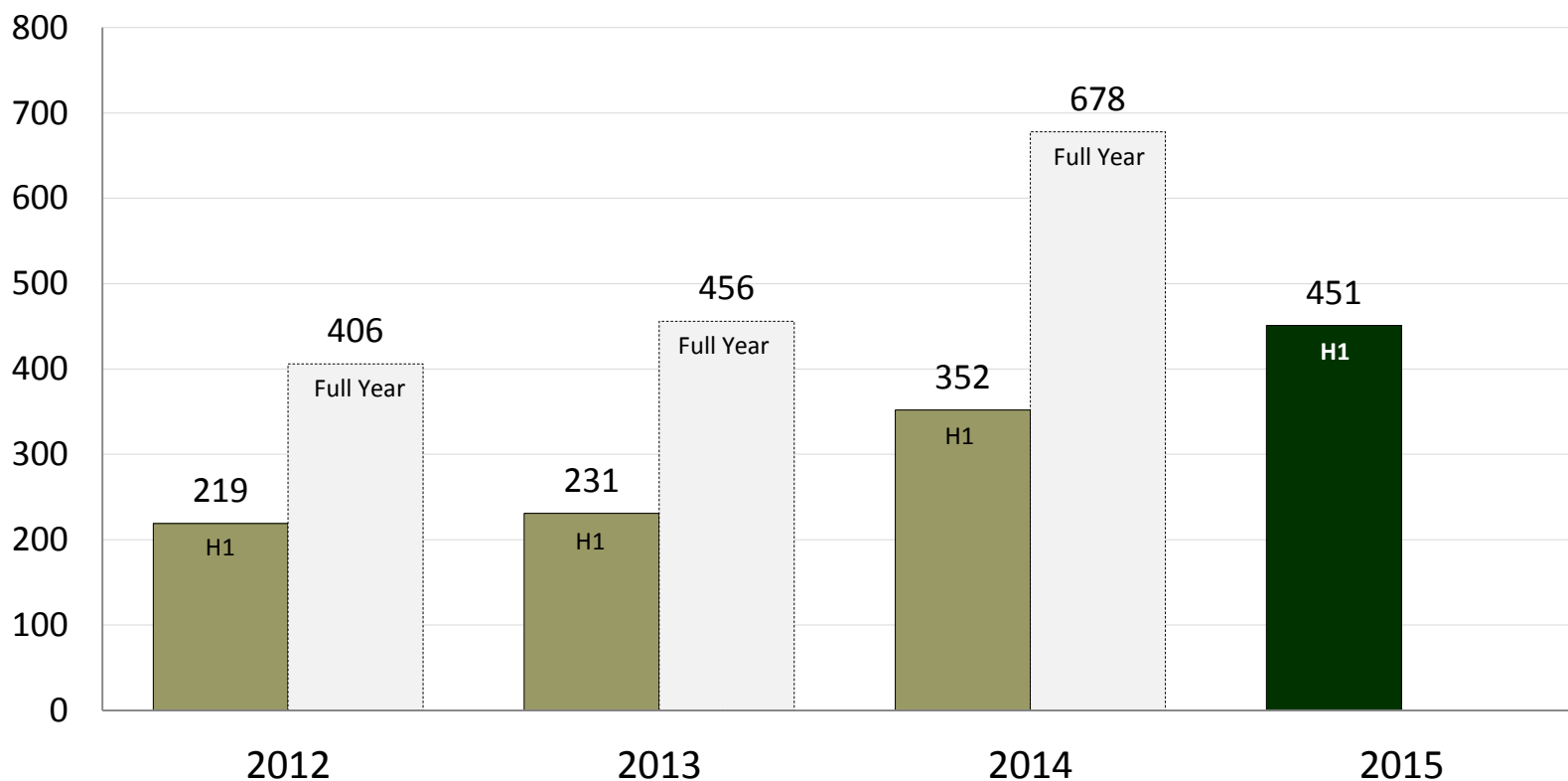
As reported for 28 Feb 2015

As adjusted for 31 Aug 2015

Pioneer delivered strong results and reported an increase of 39% in Adjusted HEPS for their 6 months ended 31 March 2015...



Recurring headline earnings from portfolio companies
(cents per share)



... and the trend in operational margin improvement has to be commended.



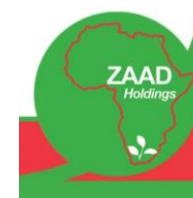
	1H 2012 *	1H 2013	1H 2014	1H 2015
Operating Profit (R'm)	624	581	855	1,166
<i>Gross Margin</i>	<i>28.9%</i>	<i>29.3%</i>	<i>30.3%</i>	<i>32.3%</i>
<i>Operating Margin</i>	<i>6.8%</i>	<i>7.2%</i>	<i>9.7%</i>	<i>12.3%</i>
Headline earnings per share (cents)	219	230	325	451

Capespan is growing as an organisation with significant strategic alignment underway.

	2011	2012	2013*	2014
Revenue (R'm)	2 759	5 232	7 149	7 392
Recurring headline earnings (R'm)	64	99	139	159
Recurring headline earnings (c/share)	21	31	44	49

Zeder successfully concluded the buy-out of all minority shareholders excl. management in Capespan during the period under review – R500m

Zaad continues to grow revenues from existing business while investing in new opportunities, both locally and internationally.



	2012	2013	2014	2015
Revenue (R'm)	249	294	465	947
Recurring headline earnings (R'm)	28	36	54	77
Recurring headline earnings (c/share)	314	349	406	444

Invest, expand and grow in South Africa, Africa, Europe and Middle East

Kaap Agri delivered satisfactory results for 1st 6 months and is benefiting from non-agri growth.



	2011	2012	2013	2014
Revenue (R'm)	2 624	4 233	5 530	6 528
Recurring headline earnings (R'm)	78	103	129	158
Recurring headline earnings (c/share)	106	148	183	224

Continue to invest and expand in Core-Agri offering while simultaneously investing in higher growth adjacencies

Agrivision Africa remains in J-curve but has increased revenues and continues to grow.



Agrivision Africa

	2013	2014	Δ (%)
Revenue (R'm)	138	353	156
Operating (loss)/profit (R'm)	(2.4)	5.1	n/a
Recurring headline loss (R'm)	(10.9)	(11.7)	n/a



Successfully completed strategic equity participation of \$30m (~R360m)

Portfolio review

Following a period of extreme challenges in the industry, Quantum delivered improved results.



	2013	2014	Δ (%)
Revenue (R'bn)	3.5	3.6	3.1
Recurring headline (loss)/earnings (R'm)	(80)	26	n/a

Very strong interim results released – R62m headline earnings

We remain optimistic about the prospects of the group.

- Strong existing portfolio and management teams
- Internal focus offers additional opportunities
- Platform growth and adjacency expansion attractive
- Strategic investment and diversification when appropriate



Thank you



**Fee discussions
under way**



Fee summary

- 2½ years ago, Zeder shareholders engaged with PSG to change the fee structure
- Key shareholder concerns:
 - Fee was based on NAV, which shareholders felt could be open to manipulation
 - Effectively no performance fee element
- The current fee structure became effective in March 2013
- Basic terms of the current fee structure:
 - Base fee calculated at 1.5% of Zeder's market cap;
 - Performance fee of 20% of the Zeder share price outperformance of the GOVI + 4%:
 - Capped at the base fee – however, the excess reduces the high watermark



Are fees justified?

- **Shareholders should measure Zeder like a unit trust**
- Fact: all asset managers charge fees to manage their assets
 - In many instances performance fees are earned if they outperform their benchmarks
 - Flagship funds of asset managers charge 3% and more
- Since inception (1 Dec 2006) relative returns compounded per annum:
 - Top unit trust: 19.2% (charge fees of 2.7% p.a.)
 - Zeder: 18.6%
 - JSE: 12.5%
 - 100th best fund: 11.0% (charge 1.7%)
 - *More than a 1,000 unit trusts*
- Is the Govi + 4% (~12.5%) a reasonable benchmark?
 - JSE year to date: 5.7%
 - JSE in 2014: 7.6%
 - JSE since inception: 12.5% p.a.



Current issues with the fees?

- Due to the specific accounting of an investment company our fees are highlighted significantly more than in the unit trust world
- Due to Zeder's strong performance, the size and consequent payment of the management fees are putting pressure on its cash flow
- Three months ago we embarked on a process to amend the fee structure to address the cash flow concerns, by engaging various Zeder shareholders



Proposed amendments

- There will be no change to the fee calculation
- Payment of fees (both management and performance fees) will from now on always be in the form of Zeder shares
 - All cash flow generated from Zeder's underlying investments will then be available to pay dividends or to grow the Zeder business
- Other issues relating to shares issued in lieu of cash fees:
 - Shares will only be issued to PSG at a maximum discount of 15% to the SOTP per share of Zeder
 - If the current discount of ~27% remains it would result in PSG effectively only earning a 1.29% base fee
 - The shares will not form part of future fee calculations
 - Shareholders need to give a blanket approval that PSG will not trigger a mandatory offer should our interest increase above 35% as a result of the issue of the shares



Process

- Need to get additional support of major shareholders
- Shareholders and regulatory authorities to approve by early 2016
- New fee structure effective for the Feb 2017 financial year
- *PSG cannot vote on proposed amendments*

[Note inserted on 27 Nov 2015: Please note that no progress has been made to date and it is uncertain whether we will proceed or not]



Thank you
Questions?

