



GPP

GAIA Professional Plan 2020

The **GAIA Professional Plan** (“GPP”) is the ideal investment product for professionals, high-net worth individuals, trusts and companies looking to invest surplus income for a period of five years or longer. The GPP targets **attractive but stable investment returns** through private equity investments that are cherry-picked by its fund manager, GAIA Private Equity. What makes this a unique investment, is that **you may deduct the full investment made into the GPP from your taxable income** during the year of investment. This concession has been made by SARS under Section 12J of the Income Tax Act.

Ability to outperform the after tax return achieved under listed benchmarks

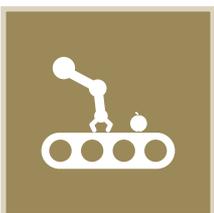
Higher but stable returns, whilst improving portfolio diversification

Attractive tax rebates for individuals, trusts and companies

Our investment themes

Agriprocessing –

Processing factories and Packhouses



Commercial-scale

Agriculture – Tree nuts, Citrus, Berries, etc.



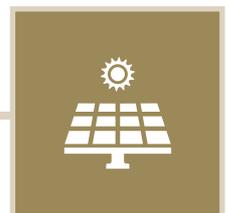
Water projects –

Treatment, Purification and Desalination



Renewable energy

– Solar, Wind, Storage and Niche technologies



What are Section 12J funds about?

One of the main challenges to the economic growth of small and medium-sized businesses is access to equity funding.

In 2009, SARS created a tax incentive through Section 12J of the Income Tax Act, 1962 to stimulate growth in the small business sector. Section 12J offers individuals, trusts and companies that are resident in South Africa, an attractive tax rebate on investments made through an approved Venture Capital Company ("VCC") approved under Section 12J. The tax rebate is up to 45% for individuals and trusts and 28% for companies. Your GPP investment will give you full exposure to these tax benefits.

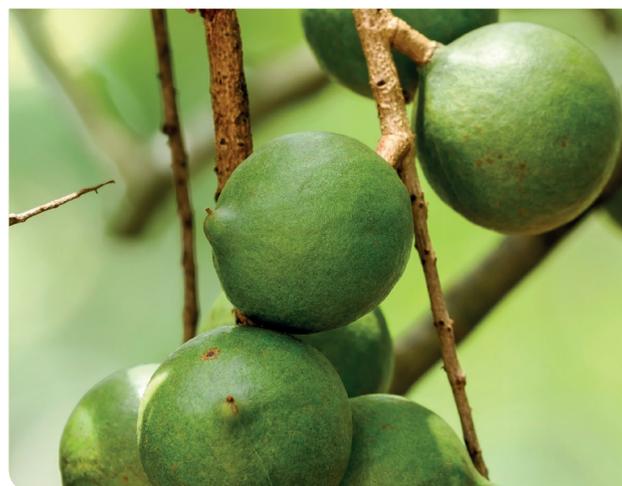
By way of illustration:

As an individual investor, you invest R1 million. This reduces your taxable income and you therefore receive a tax rebate from SARS of up to R450 000, depending on your own tax position. This means you receive the full R1 million investment exposure at a net cost of just R550 000. Seen differently, Section 12J can boost an individual's after tax investment return by up to 7.8% per year over a five-year period, or by 45% over five years.

As a company, you invest R1 million. This reduces the company's taxable income, which effectively reduces your income tax bill by R280 000. This means you receive the full R1 million investment exposure at a net cost of just R720 000. Seen differently, Section 12J can boost a company's after tax investment return by 6.8% per year over a five-year period, or by 39% over five years.

The tax impact can be demonstrated by the following example, which is for illustration purposes only:

Investor type	Individual/Trust (R)			Company (R)		
	0%	10%	15%	0%	10%	15%
Gross investment	1 000 000			1 000 000		
Tax rebate	(450 000)			(280 000)		
Net investment	550 000			720 000		
Effective tax relief	45%			28%		
Assumed investment return (net of fees and taxes) (per annum)	0%	10%	15%	0%	10%	15%
Investment value (before tax) after five years	1 000 000	1 610 510	2 011 357	1 000 000	1 610 510	2 011 357
Less: Assumed dividend withholding tax	(200 000)	(322 102)	(402 271)	-	-	-
Investment value after tax	800 000	1 288 408	1 609 086	1 000 000	1 610 510	2 011 357
Effective investment return (per annum)	7.8%	18.6%	23.9%	6.8%	17.5%	22.8%



The minimum investment is R250 000, but there is no upper limit. SARS limits the annual deduction to R5 million for companies and R2.5 million for other investors. The only proviso is that in order for the tax rebate to apply, the investor must hold the investment for at least five years from the date of investment.

Section 12J places a number of obligations on the fund manager, both in terms of record-keeping and in terms of how it may invest. These include *inter alia* that the investments made must be unlisted equity investments in South African resident companies, trading mainly inside South Africa and with gross assets not exceeding R50 million. The investee company's core business may not include trading in immovable property, banking, insurance, professional services (e.g. financial and advisory services), gambling, liquor, tobacco, arms and ammunition.

Your investment opportunity

Typically, Private Equity Funds have high minimum investment requirements (R100+ million). The GAIA Professional Plan now offers individuals, trusts and companies the opportunity to gain access to this asset class through a minimum investment of R250 000.

Your investment will be applied to obtain shares in GAIA Venture Capital Limited, an investment holding company and an approved FSP (licence no. 48515) and registered VCC (no. 0065). You will receive a share certificate, an investor certificate (for tax purposes) and GAIA Private Equity will in turn invest the funds in companies that meet the requirements as set by the Income Tax Act.

You receive the tax rebate immediately, but must hold the investment for at least five years from the date of your investment, in order for the tax rebate not to be cancelled.

The investment criteria we have set when evaluating the investment opportunities are:

We target attractive, but stable and (as) predictable (as possible) gross investment returns in excess of 12% per annum;

We seek an influential equity stake – a majority or significant minority shareholding;

We invest in South African businesses with experienced management and a strong partnership mentality, where a proof of concept has been demonstrated and where capital for further growth is required;

We target an investment size of between R10 million and R40 million;

Our investments have an investment time horizon of five to seven years, with a focused exit strategy; and

We have a preference for businesses that have a positive environmental, social and governance impact and our initial focus will fall on the infrastructure and agricultural sectors.

To date, **100+ investors** have invested **over R130 million** with us and in turn we have already made investments across **eight investee companies**. We expect to pay **regular dividends** from 2020 onwards.

Our story

In 2007, three South African family offices joined forces and started their own private equity investment company. During the past 10 years, we have made a host of investments in the agricultural, infrastructure, renewable energy, financial services, mining exploration and other sectors. These entities have operations focused mainly inside South Africa and require growth capital to expand. Through a number of successful initiatives, we have managed to achieve a growth rate on our own capital invested in excess of 50% per annum. We have successfully divested from some businesses and have shifted our focus to the economic sectors of agriculture and infrastructure.

Our supporting businesses

GAIA Group

We established GAIA in 2012 as a specialist Infrastructure Asset Manager. GAIA has invested approximately R3.5 billion through 12 transactions which are spread across eight utility-scale assets. GAIA's clients include unlisted segregated mandates and R500 million in the listed infrastructure fund – GAIA Infrastructure Capital.

GAIA has been a pioneer in convincing South African institutional investors to support infrastructure as an asset class. In November 2015, GAIA listed GAIA Infrastructure Capital as the first infrastructure investment company on the main board of the JSE. In 2016, our efforts were recognised as we received an Africa Investor Award for the Infrastructure investment initiative of the year. GAIA Infrastructure Capital has obtained support from five institutions and 900+ shareholders.

Agristar Holdings

We established Agristar Holdings in 2012. Agristar is a vertically integrated macadamia nut business, headquartered in Mpumalanga. Agristar's owners have been farming successfully on a commercial scale for the past 35 years.

The Agristar team owns some 2 000 hectares of macadamia nut orchards that were developed from the ground up. We also process (drying, sorting, cracking and packaging) and export our own nuts and those of other out-growers. Annually, Agristar exports some 4 000 tons of dry-nut-in-shell macadamias to long-standing international clients. To keep up with growing supply, we are in the process of expanding the processing facilities.

The team

Renier de Wit

BCom (Actuarial Science), Fellow of Institute of Actuaries (London UK), Senior Executive Program for Africa (Harvard Boston USA)

Renier is an actuary by training and has spent 12 years with the Sanlam Group where he held various roles in mergers and acquisitions, product development, valuations and financial reporting. He spent the bulk of

his time in Sanlam Emerging Markets where he conducted mergers and acquisitions across the African continent and in India. Renier is the Managing Director of GAIA Private Equity and the go-to person in the team.

Botha Schabort

Pr Eng, Hons B Eng, MBA

Botha started as a civil engineer specialising in project management and construction. After obtaining an MBA he joined JSE-listed stockbroker Senekal Mouton and Kitshoff where he later served as Director. Botha was a founding shareholder and Director of the JSE-listed PSG Group Limited and PSG Investment Bank Holdings Limited, where he was Managing Director until 2000.

Botha has extensive investment experience in the areas of international property development, renewable energy projects, mining exploration, private equity and technology. Along with Leon de Wit, he founded GAIA Infrastructure Partners in 2012. He is a Director of various companies and the Chairman of GAIA Private Equity.

Leon de Wit

BCom (Maths), Fellow of Institute of Actuaries (London UK), Owner President Management Program (Harvard Boston USA)

Leon started at Sanlam Limited, after which he spent most of his career offering actuarial consulting services to many of the largest retirement funds in South Africa. He joined PSG Group Limited in its early years and was responsible for Channel Life Limited. In 2002, he left formal employment and moved to a wine farm in

Stellenbosch where he engages in special projects and community development programmes. Leon and Botha Schabort have worked on funding of renewable energy projects by South African institutions since 2011, culminating in the establishment of GAIA Infrastructure Partners in 2012.

Philip van Rooyen

B Agric Admin, MBA

Philip is a large-scale commercial farmer and property developer with operations focused primarily in the Mpumalanga province. Aside from being a significant producer of macadamia nuts in South Africa, he is widely regarded as being a pioneer in

establishing our macadamia industry which is highly respected globally. Philip is the founder of Agristar Holdings and has been exporting product to Asia since the 1990s.

Mich Nieuwoudt

Pr Eng, B Eng (Electronic), MBA

Mich started his career in the petrochemical industry with Polifin and the defence industry with Thales, before joining PSG Investment Bank in 1999. In 2003, he joined Siemens Business Services, where he gained international experience across Europe. Mich joined Square One Group in 2005 where he was responsible for group operations. In 2008, Mich

teamed-up with Botha Schabort. He worked on the Eden Island Project and mining operations in West Africa before focusing on the expansion of SAGIT Energy Ventures, a renewable energy developer. Mich is the Chief Investment Officer of the JSE-listed GAIA Infrastructure Capital.

Kasper van Rooyen

BEng (Ind), BCom Hons, MBA

Kasper is an industrial engineer by training and joined SAGIT Energy Ventures and GAIA Fund Managers during the early part of his career. Kasper returned to his roots to continue farming on a commercial scale for Agristar Holdings.

The nature of the businesses that GAIA support is not only capital intensive, but also highly skills intensive. The team is supported by highly qualified professionals that operate from the offices in Cape Town, Johannesburg and Nelspruit.

You have the comfort that your investment is managed by a highly experienced and professional investment team. As an approved representative of a discretionary financial services provider, GAIA Private Equity operates in a tightly regulated environment. We have a pipe-line of transaction opportunities ready that will gain you speedy access to infrastructure, agriculture and other sectors.

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GAIA Venture Capital Limited

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FSP number: 48515

SARS VCC number: 0065

Your Investment Partner

GAIA Venture Capital Limited is managed by GAIA Private Equity (Pty) Ltd, a representative of GAIA Fund Managers (Pty) Ltd, an authorised FSP (no 46028)