



Changes at Orthogonal Investments

Following the departure of Douw Steenekamp from Orthogonal Investments, we, together with our largest shareholder, Peregrine Holdings, are pleased to inform you of some organisational changes at Orthogonal.

Peregrine, through its wholly-owned subsidiary Citadel, will become the sole shareholder of Orthogonal Investments. It is Citadel's intention to offer its considerable client base the option to invest their funds directly with an experienced equity stock-picking entity (i.e. Orthogonal) rather than only through the multi-manager, third party offering currently available to them. It goes without saying that the entrepreneurial flair and boutique nature of Orthogonal will be preserved, whilst the balance sheet strength provided by this new arrangement will de-risk our business considerably.

We are delighted to announce that Vanessa Hofmeyr will be joining Dudu Tembo and Pierre Marais in the Orthogonal team to replace Douw Steenekamp. Vanessa is a well known veteran of the investment industry, having spent a large part of her career at Coronation and lately at Investec and Citadel. She has 23 years of experience in picking stocks and constructing portfolios and she will no doubt be making a significant contribution to our independent investment thinking.

We have also taken the decision to focus Orthogonal's activities firmly on equities for now, and will thus not in the foreseeable future be managing bond portfolios. This means that Rowan will be given the opportunity to manage our current bond mandates outside of the new structure, and he will not be part of the Orthogonal entity going forward.

It is worth emphasizing that our clients' assets will stay with the current legal entity, where it will very much be business as usual. There is, of course, no intention to change the way we manage these assets in any way. The philosophy, process and thinking applied by Rowan & the team will be continued by Vanessa, Pierre and Dudu. Our value-based logic will not be affected by this part change in ownership, nor by the replacement of Douw by Vanessa. Vanessa will likely formally join us here by August 1st.

We also anticipate that the change in ownership (i.e. the Orthogonal partners' shares - 50% of Orthogonal - being bought by our largest current shareholder, Peregrine) should reasonably be completed by the end of July.

We are excited about this new chapter and undertake to keep you informed of other changes that might accompany a revitalization such as this. In the fullness of time, these might include the hiring of another resource or two and some news about our intention to change the name of the Orthogonal trading entity to something more appropriate to the new ownership structure.

Please contact us at any time if you have any questions.

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