

Stakeholder Report First Quarter of 2014

What started mostly as an entrepreneurial project in frontier markets has gradually evolved into something quite different. It is just as exciting and profitable but somewhat unexpected. Ultimately, it is closer to home and plays to our strengths.

It turns out that we are particularly good at two things: (i) building meaningful relationships with SMEs and entrepreneurs, and (ii) structuring innovative financial solutions to meet their growth requirements.

We did not expect to be drawn in this direction to such an extent but the market demand and apparent success that we are seeing is compelling. Sometimes you just have to focus on what you are good at and stick with what works.

Furthermore, the space that we are operating in is very topical in today's environment and people are demanding good solutions. We are having conversations on three continents, where the same things come up over and over again. The need for alternative financing. The ability to generate returns by using creative structures. The interplay of technology and finance.

Over the last two years, we have: structured working capital and trade finance facilities;

extended relationship loans; made a number of venture capital investments; and are currently working on a number of very exciting projects across these areas.

It is with great excitement (and mild trepidation) that we present our Relationship Finance venture. FPXA will build on its modest track record to build a pipeline of financial products and solutions for people that we treat as partners. Not counterparties or banking clients, but partners. Not for short-term gain, but for sustainable long-term business.

This probably calls for a brief note on our business model. We are not a "fin-tech" start-up (sorry, NASDAQ). We are not a traditional bank (they are the reason that a market opportunity exists in the first place). We are not an alternative currency concept (yikes). Instead, we are using our balance sheet to directly finance growth. It is what we call "Relationship Finance" and looks more like merchant banking of 50 years ago than anything around today.

Please accept this quarterly report as a summary of our recent activities and upcoming work. As always, we welcome your feedback and expressions of interest.

Relationship Finance

We provide innovative financing solutions. We are looking to interact with SMEs, start-ups, growth companies, and family businesses – all firms that require special relationships. We will provide capital in situations where traditional banks will not. Building on our track record, we are looking to grow a steady pipeline.

Current Book			
Lowest IRR	8%	Shortest Tenor	4 months
Highest IRR	28%	Longest Tenor	2 years, with amortization.

Default Rate	0%	In Arrears	0%
Current jurisdictions	USA, Switzerland, Brazil, Southern Africa.	Equity venture capital investments	2

Financial Instrument Product Suite
Working Capital Solutions
Trade Finance Solutions
Debt
Venture Capital
Equity
Low-Interest Debt

Key Selling Points
Relationship Finance
Operating Leverage
Flexibility & Innovation
Open to New Markets
Hybrid Venture Capital

Mukana Global

We make targeted investments to establish and grow high-potential, entrepreneurial companies in strategic industries across Southern Africa. Mukana Global is our trade name on the African continent. We are constantly exploring emerging and frontier markets for new opportunities.

See Mukana – Vavaki quarterly report.