Maris Africa Fund Q2 2012

First Closing	9th June, 2009
Final Closing	8th December, 2010
Commitments	$26 million
Fund's domicile	Cayman Islands
Structure	One General Partner 55 Limited Partners
Investment focus	Sub Saharan Africa

Highlights	Lowlights
Record production at KGML	Weak South Sudan Pound impacts results
Strong growth in Tete, Mozambique	800% increase in Zimbabwe bank capital requirments
Angola construction sector expands	Bureaucratic delays in Lusophone Africa
South Sudan/Sudan resolve oil dispute	

On an equity basis, net income across all portfolio companies is 29% ahead of mid year forecasts and the fund is benefitting from strong management across its companies. This is despite the oil stoppage in South Sudan that has led to high fuel prices and a continued slide in the South Sudan currency against the USD. While civil servants have been paid on time in the capital Juba, military salaries have been cut and Equatoria Teak Company has had to combat theft of timber by soldiers. The quarter has seen fractious negotiations between Sudan and South Sudan, mediated by the African Union in Addis Ababa. On 4th August the two sides announced an agreement over transit fees for oil sent through two Sudan pipelines. This will be accompanied by a one-off $3bn payment to Sudan from South Sudan. Full details will not emerge until after Ramadan, and it may take up to six months to resume full oil production. Meanwhile border conflict continues.

In Kenya Karebe Gold Mining (KGML) achieved its highest levels of production in June. An agreement by African Barrick Gold to buy Aviva Mining Kenya for $30m describes this area of Western Kenya as an 'under-explored and highly-prospective land package'. Aviva's concessions, which border KGML's, contain high grade tailings deposits and numerous old mines, but have no producing assets.

Northern Mozambique's coal projects continue to grow and Tete has seen further land appreciation. We are considering an offer for OSS Mozambique's warehousing, and are starting construction on Mulitani, a serviced accommodation facility on the banks of the Zambezi in Tete. We are looking to replicate these businesses to serve the oil and gas developments off the north coast. A strong oil price has seen robust growth in Angola's construction sector and the manager, Pedro Salbany, has led an impressive turnaround for JCB dealership MTA. Less promisingly, Zimbabwe continues to introduce extraordinary new regulations that undermine confidence in the banking sector, though the lifting of European sanctions is opening the country to new investors.

In Tanzania, rising tea prices have helped the fund's latest investment in Tatepa, a tea and avocados producer. With land prices now prohibitively high in other emerging markets, interest in African agriculture is growing. Institutional and family office investors have been increasing their Africa exposure in general – in many cases from 1 to 2% of their overall portfolios. While this is a small difference for investors, it represents a significant increase for Africa and should benefit the fund's current strategy.

In September Keith Gardner will leave Maris Capital, having been part of its bolder ventures since 2007. Keith endured life in a Juba tent while developing Acacia Village; he has overseen the growth of Afritise from the start and has contributed to Maris' property developments. We wish him well for his wedding in September and for his future in European property investment.

PORTFOLIO COMPANIES AT 31/06/12 (Unaudited) *

EQUITY (US$m)

Invest Date	Name	Country	Equity	Sector	Cost	Fair Value	Realised Gain	% of Cost
06/09	KGML	Kenya	80%	Gold Mining	1.45	5.71	-	395%
06/09	NSS	S Sudan	72%	Telecoms	1.72	1.72	0.50	133%
06/09	Afritise	S Sudan	30%	Advertising	0.17	0.17	-	100%
09/09	OSS	S Sudan	47%	Lodging	1.02	1.02	0.38	153%
04/11	Untu	Zimbabwe	19%	SME Banking	0.51	0.51	-	100%
05/11	OSS M	Mozambique	50%	Mining Support	0.86	1.00	-	116%
06/11	MTA	Angola	33%	Construction	1.39	1.39	-	100%
03/12	Tatepa	Tanzania	11%	Agriculture	0.65	0.65	-	100%
04/12	Mulitani	Mozambique	97%	Lodging	0.85	0.85	-	100%
06/12	ETC/CETC	S Sudan	85%	Forestry	0.60	0.60	-	100%
Total					9.23	13.84	0.89	158%

DEBT (US$m)

Invest Date	Name	Country	Interest Rate	Sector	Cost	Fair Value	Realised Gain	% of Cost
06/09	KGML	Kenya	10%	Gold mining	0.69	0.81	-	118%
09/09	NSS	S Sudan	10%	Telecoms	0.04	0.05	-	120%
Total					0.73	0.86	-	118%

TOTAL INVESTMENT (US$m)

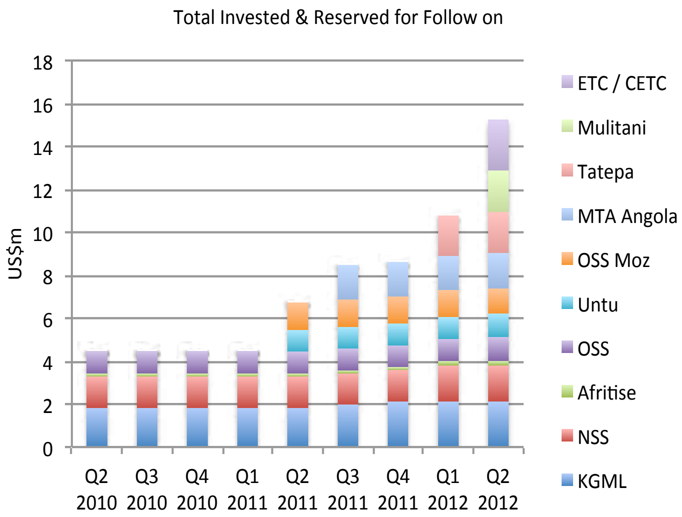
Invest Date	Name	Country	Equity	Sector	Cost	Fair Value	Realised Gain	% of Cost	Total Approved
06/09	KGML	Kenya	80%	Gold Mining	2.13	6.52	-	306%	2.13
06/09	NSS	S Sudan	72%	Telecoms	1.68	1.73	0.50	133%	1.69
06/09	Afritise	S Sudan	30%	Advertising	0.21	0.22	-	104%	0.29
09/09	OSS	S Sudan	47%	Lodging	1.02	1.18	0.38	153%	1.02
04/11	Untu	Zimbabwe	19%	SME Banking	0.51	0.51	-	100%	1.01
05/11	OSS M	Mozambique	50%	Mining Support	0.86	1.00	-	116%	1.26
06/11	MTA	Angola	33%	Construction	1.39	1.39	-	100%	1.66
03/12	Tatepa	Tanzania	11%	Agriculture	0.65	0.65	-	100%	1.90
04/12	Mulitani	Mozambique	97%	Lodging	0.85	0.85	-	100%	1.92
06/12	ETC/CETC	S Sudan	85%	Forestry	0.60	0.60	-	100%	2.36
Total					9.95	14.69	0.89	158%	15.24

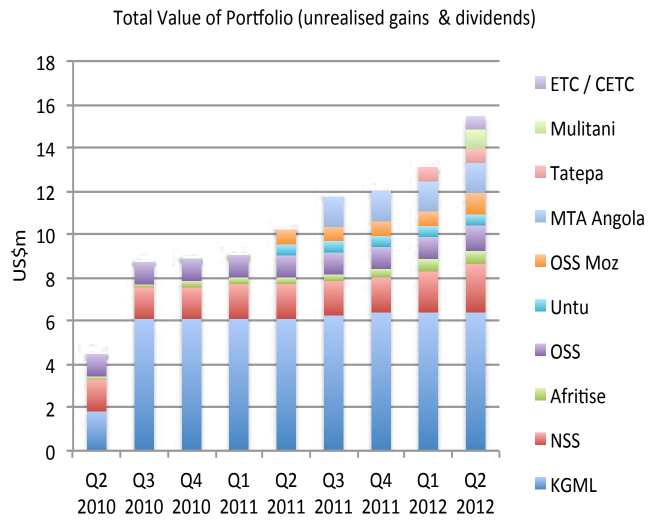
*Revaluations subject to final advisory board review

FUND SUMMARY (US$m)

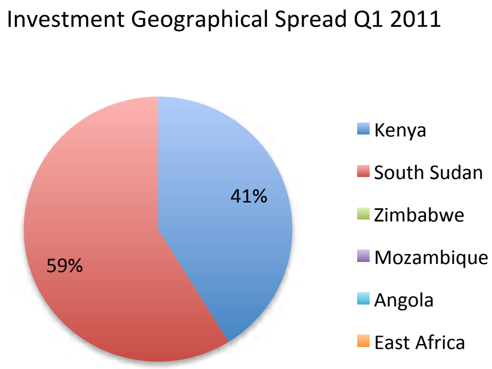
Capital committed	26.09
Capital called	14.42
Advisory fee since first close	(2.01)
Establishment and operating costs	(0.32)
Late entry interest payments	0.10
Gain on revaluation	4.61
Dividends accrued	0.89
Value of fund	17.69
Fair Value/Capital called	1.23x
Capital distributed	-
Reserved for follow on	5.29
Available for drawdown	11.67

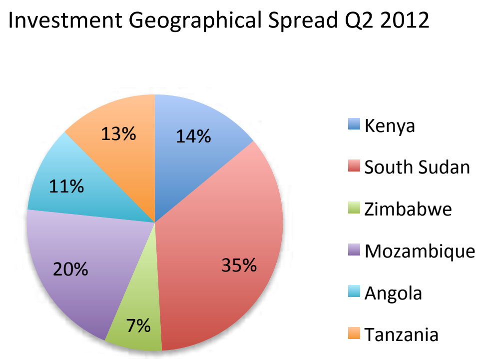
PORTFOLIO DEVELOPMENT





GEOGRAPHICAL DEVELOPMENT





INVESTMENT PIPELINE

We are looking to replicate investments such as MTA (JCB Angola) and Acacia Village (serviced accommodation) in other African geographies. We are also seeking to offer services to the growing East African oil and gas sector and are in negotiations with specialist partners to serve major new investments in Mozambique, Tanzania and further afield in Somaliland. We are also looking to increase our holdings in certain investee companies.

PORTFOLIO COMPANY

NEW INVESTMENT - MULITANI

Mulitani will offer serviced accommodation on the banks of the Zambezi to serve demand from clients associated with the major coal developments in Tete, Northern Mozambique. Phase 1 will include 32 single bedroom apartments and we will increase capacity in phase 2.

MARIS AFRICA FUND COMMITMENT

Transaction Date	April 2012
Development Stage	Start-Up
Fund Ownership	97%
Total Equity Cost	$885,250
Follow On	c$1,034,750
Fund Board Membership	A Fimister

Highlights
Land purchased
Design nearing completion
Strong demand for rooms in Tete
MD appointed

Lowlights
Land purcase taken long than expected
Competition set to increase

The process of land acquisition is complex and slow in Tete, but the company has finally completed the purchase of 6 hectares adjacent to the Zambezi river. The design process, including room layout and compound arrangement, is near completion (see below). We are working towards 32 single bed apartments with a bar, restaurant, pool area and ancillaries. We are examining options for phase 2 concurrently - with the potential for more apartments, or stand alone executive housing. Subject to necessary approvals we will start construction in two months and are scheduled to open in Q2 2013.

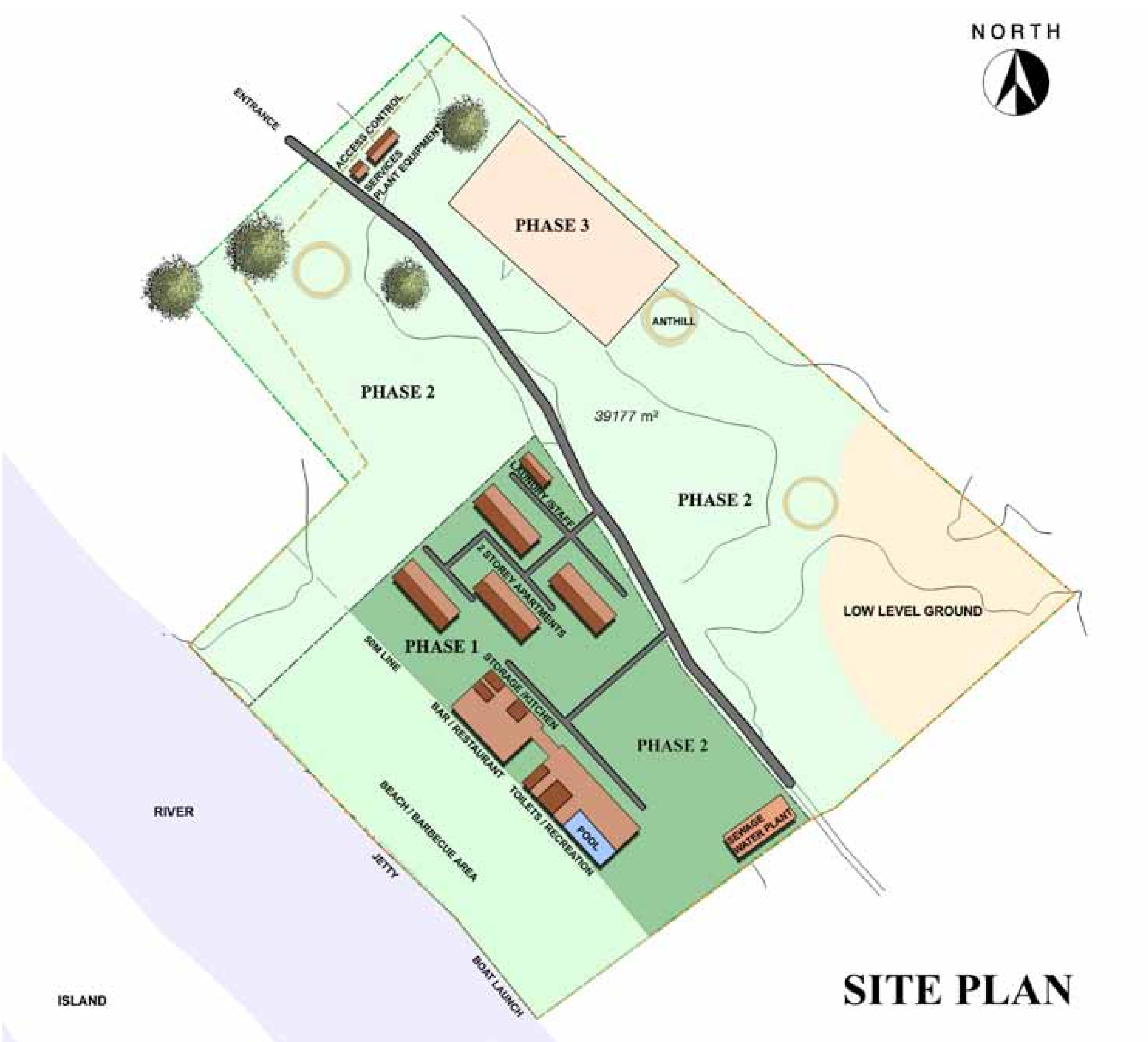
Manager Tim Albone has extensive project management experience across Africa and will start full time in Tete in September to oversee our Zimbabwean contractors. Tim will work closely with Andrew Fimister and with Alino Pinheiro - our local Mozambican partner in Mulitani.

Two large hotels are under construction in Tete and the number of small hotels is growing but there remains a lack of quality accommodation and in particular, serviced one bedroom apartments are in short supply.

As the mega coal projects expand and new contractors, subcontractors and consultants enter Tete, we anticipate that strong demand for serviced housing will continue.

PORTFOLIO COMPANY

NEW INVESTMENT - MULITANI (Cont)



PORTFOLIO COMPANY

KAREBE GOLD MINING LIMITED

Karebe Gold Mining Limited, Kenya (KGML) is one of two gold mining companies in Kenya. Underground mining commenced in September 2010. Gold production stands at 2,868 oz with total gold sales of $4,031,517. KGML is headquartered in Kisumu, Kenya.

MARIS AFRICA FUND COMMITMENT

Transaction Date	January 2009
Development Stage	Start-Up
Fund Ownership	80%
Equity Cost	$1,447,576
Shareholder Loan	$686,163
Valuation	$6,525,798
Fund Board Membership	C Tryon

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A		FY 2011A
Revenues	686	1,059	54%	1,089	1,059	-3%	1,558
EBITDA	205	423	106%	365	423	16%	360
Net Income	205	238	16%	181	238	32%	125

A = Actual / E = Estimate

Highlights
Record production in Q2
EBITDA $70k/mo in 2012
Mine development progressing well

Lowlights
Land issues hamper second mine opening
Skilled staff recruitment challenging
Q3 production may slow for further development

Karebe had its record month in June posting a pre tax profit of over $400k. The company's revenues were up by more than 200% on the same quarter in 2011 and net income up 526% on Q2 2011. Revenues are 3% down on our forecast YTD, whilst EBITDA and net income are up 16% and 32% respectively. This was partially influenced by Q1's production being captured in Q2 but should not detract from the fact the company is now profitable and looks to be increasingly so.

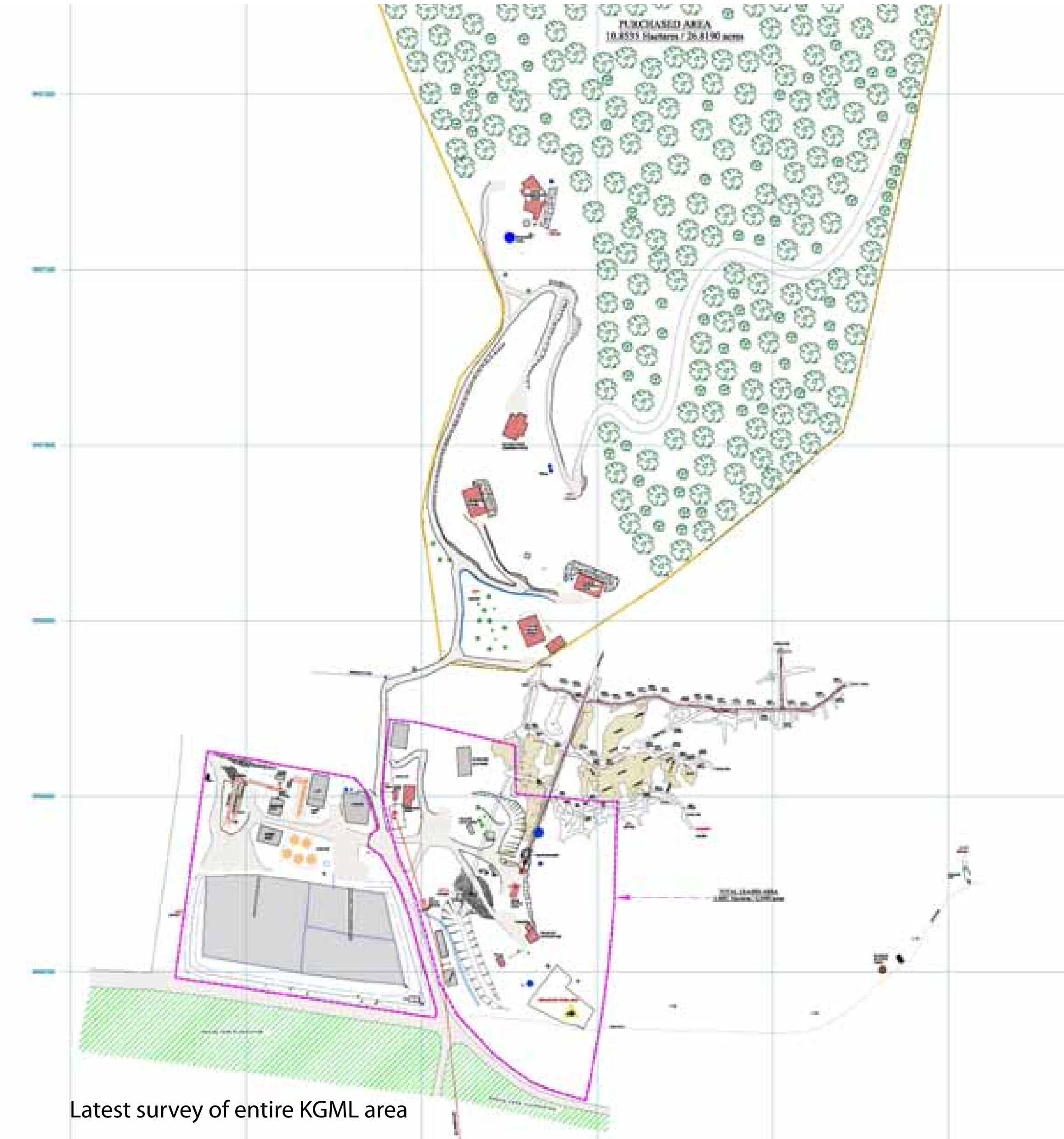
Development underground has continued at an impressive rate. A second shaft is being developed to improve capacity at the eastern end of the mine and levels 2 and 3 have been extended eastwards increasing our future mine reserve. Ore passes are continually being developed on level 3 to assist ore handling and we hope to commence initial stoping towards the end of Q3.

With our underground infrastructure and development plans progressing well we anticipate a strong end to the year. Production is forecast to increase gradually throughout the remainder of the year, especially as our efforts shift from development to stoping.

PORTFOLIO COMPANY

KAREBE GOLD MINING LTD

KAREBE GOLD MINING LIMITED (Cont)



Latest survey of entire KGML area

13th bullion bar

Newly installed ore pass

Preparing for development work

PORTFOLIO COMPANY

NSS Network Support Services

NETWORK SUPPORT SERVICES

Network Support Services Limited, South Sudan, (NSS) is the dominant GSM infrastructure construction and maintenance business in South Sudan. The company is managed by Gary Ensor and headquartered in Juba. NSS is Huawei's preferred partner in South Sudan.

MARIS AFRICA FUND COMMITMENT

Transaction Date	September 2009
Development Stage	Development Capital
Fund Ownership	71.25%
Equity Cost	$1,685,891
Valuation	$1,734,808
Dividends	$502,688
Fund Board Membership	C Tryon

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A		FY 2011A
Revenues	2,959	4,959	68%	3,536	4,959	40%	7,059
EBITDA	676	385	-43%	265	385	45%	1,021
Net Income	614	385	-37%	161	385	139%	895

A = Actual / E = Estimate

Highlights
H1 exceeded forecasts
Q2 improvement on Q1
$500k dividend to shareholders in Q2

Lowlights
Weak SSP erodes EBITDA
GSM network growth slowed
Huawei pressuring margins

NSS has witnessed a significant decline in competition in South Sudan in 2012. Zain has been slow to settle pre independence invoices resulting in significant fx losses on aging debtors. Operating conditions in South Sudan remain challenging in the wake of the oil stoppage. With the South Sudanese pound plummeting to over 5.5 to the dollar, NSS has weathered some significant currency losses. This has been principally attributed to Zain dividing its operations into two distinct companies and not settling invoices prior to this point. Whilst our receivables have been eroded by over 30% they are finally being settled. Current invoices are paid within 60 days.

NSS has fractionally improved on the previous quarter's results and exceeded forecast, it has not however exceed the same quarter in 2011. Revenues have grown as Zain/Huawei have required additional diesel provisions adding to top line growth, but EBITDA has declined year on year. This is attributed to currency depreciation, inflation in South Sudan running at 80% in 2012 and margin compression from Huawei. The company also undertook significant installation works for Huawei for which it has not been paid and this will be positively reflected in the Q3 accounts. On a more positive note the fund received a dividend of $352k taking its total cash return to over 30%. Q3 looks likely to be more profitable than Q2 and could well see revenues increase dramatically if the management can agree a fair price to take on a further 60 Zain sites in Upper Nile and Unity States.

2012 is likely to remain a challenging year given the turbulent economic and political backdrop in South Sudan. NSS's strategy is one of conservatism and cautious expansion coupled with vigilant financial management. Site construction work has been suspended given the narrow margins and currency volatility. Whilst this will impact revenues for the second half of the year it greatly reduces our currency risk. Should the South Sudanese pound stage a recovery this will feed through directly to the company's bottom line.

PORTFOLIO COMPANY

OPERATIONAL SUPPORT SERVICES

Operational Support Services Limited, South Sudan (OSS), is a camp services and logisitics provider. OSS owns 100% of Acacia Village, a 36-room apart-hotel.

MARIS AFRICA FUND COMMITMENT

Transaction Date	September 2009
Development Stage	Start-Up
Fund Ownership	47%
Equity Cost	$1,021,186
Valuation	$1,175,000
Dividends	$383,450
Fund Board Membership	C Tryon

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A		FY 2011A
Revenues	606	836	38%	694	836	20%	1,408
EBITDA	241	326	35%	210	326	56%	551
Net Income	166	251	51%	131	251	92%	394

A = Actual / E = Estimate

Highlights
- Record Q2 and H1 results
- Occupancy over 95% for 2012
- Increased interest from buyers

Lowlights
- Competitor Afex adding 50 rooms
- High fuel costs

Acacia has continued to perform extremely well. Occupancy levels continue at over 95%. Increased room rates and a decline in diesel costs have led to a 14% increase in EBITDA on the previous quarter. The company's revenues are up 38% on H1 2011 and EBITDA has increased by an impressive 35%. The completion of building works has also helped Acacia to beat net income forecasts by 92%. Acacia is well positioned for its best year yet as it capitalizes on the renovations and expansion work of 2010 and 2011.

With the bulk of its earnings in USD, Acacia has weathered the challenging trading conditions well. The biggest question facing the board is whether to expand the business significantly given the impressive occupancy rates and continued strong demand. The board is considering adding a further 20-30 rooms, which would double the size of the hotel. With a further $1m investment in the business, we believe Acacia could generate nearly $1m in additional revenue and $600k in EBITDA.

South Sudan's political and economic climate has been far from conducive to further investment during 2012, though August's announcement of a deal on oil transit fee's through North Sudan and a resumption of oil production in September could see the economies of both countries resume their former growth path.

PORTFOLIO COMPANY

AFRITISE

Afritise Limited (Afritise) is the dominant outdoor advertising company in South Sudan with coverage in 11 cities and towns. Afritise is headquartered in Juba and has the exclusive license to advertise at the airport. The company has 9 full-time employees.

MARIS AFRICA FUND COMMITMENT

Transaction Date	September 2009
Development Stage	Start-Up
Fund Ownership	30%
Equity Cost	$171,171
Shareholder Loan	$39,000
Valuation	$217,848
Fund Board Membership	C Tryon

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A		FY 2011A
Revenues	231	239	4%	273	239	-12%	424
EBITDA	68	21	-69%	79	21	-74%	35
Net Income	(2)	(50)	n/a	41	(50)	n/a	(90)

A = Actual / E = Estimate

Highlights
- Strong revenue growth (38% Q2)
- Airport outdoor expansion complete
- Signs sold out
- Existing clients expanding contracts

Lowlights
- Currency losses impact results
- Potential sale talks stalled due to instability
- Advertising budgets cut due to conditions

Afritise has continued to endure adverse trading conditions in Q2. A significant portion of the company's income is paid in local currency that has continually weakened during Q2 resulting in a decline in EBITDA. With government revenues collapsing and economic activity slowing significantly many companies have suspended investment in South Sudan and reduced advertising budgets. Despite a rise in revenues versus the previous quarter and same period in 2011 the company has underperformed our forecasts. The results are disappointing at a time when the company is looking to capitalize on additional investment in the billboard network and is maintaining occupancy rates of over 80%. We are however encouraged by the sustained revenue growth when adjusted for currency depreciation and the future growth prospects.

Demand is starting to increase for advertising space in Juba, especially for larger prime locations and the management is strongly in favour of further investment in large billboards in Juba in order to secure prime locations and meet demand. Considering the very slight increase in marginal cost associated with growing the billboard portfolio we would support additional investment under appropriate terms consolidating our position in Juba. We anticipate a stronger second half of the year now that the company has resolve some legacy management issues and continues to grow its revenues against a stable fixed cost base.

PORTFOLIO COMPANY

UNTU HOLDINGS

Untu Holdings Limited, Zimbabwe (Untu), is a microfinance institution that was founded in 2009 by CEO Clive Msipha to meet the growing demand for credit from small businesses and entrepreneurs. Untu offers loans, savings and insurance products from its branches in Harare and in towns across southern Zimbabwe.

MARIS AFRICA FUND COMMITMENT

Transaction Date	April 2011
Development Stage	Start-Up / Development
Fund Ownership	19%
Equity Cost	$512,000
Valuation	$512,000
Follow On Commitments	$500,000
Fund Board Membership	C Ferguson

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A		FY 2011A
Operating Income	507	649	28%	716	649	-9%	1,052
Operating Expenses	316	455	44%	475	455	-4%	753
Impairment Provisions	112	85	-25%	125	85	-33%	262
Net Income	60	86	42%	92	86	-7%	18

A = Actual / E = Estimate

Highlights
Technical Assistance programme ongoing
Portfolio quality improving
Management restructuring yielding results

Lowlights
Loanbook growth behind budget
Political uncertainty over 2013 elections
Banking sector under strain

Untu finished the first six months of 2012 with net income slightly below forecast. The company's loan book remains smaller than forecast thanks to a challenging banking environment. The Reserve Bank of Zimbabwe increased the capital requirements for commercial banks by 800% - from $12.5m to $100m, and though this does not apply to microfinance institutions it has led to further uncertainty in the sector.

Technical Assistance provided by FMO and Proparco has created a new loan officer training programme, and an improvement in arrears management. Margaret Chipunza, CFO, has moved to COO and she is being supported by an interim COO as part of the Technical Assistance programme. The company has recruited a new finance director.

Portfolio quality is improving and the company continues to raise debentures within Zimbabwe. Clive Msipha, CEO, has been elected Chairman of the Zimbabwean Microfinance Association. The company is seeking to convert to a microfinance bank in 2013, which will allow it to take deposits.

In order to achieve its full year forecast Untu will need to grow its loan book. The board is comfortable that processes are in place to do so but will continue to monitor the environment. Should the board advise slowing this growth, Untu could miss net income forecasts. The board will look to meet portfolio quality forecasts, which is one of the key metrics for debt providers.

PORTFOLIO COMPANY

EQUATORIA TEAK COMPANY

EQUATORIA & CENTRAL EQUATORIA TEAK COMPANY

The fund owns 85% of three companies: Equatoria Teak Company, "ETC", Central Equatoria Teak Company, "CETC", and Green-Environ Teak Company, "GETC", which own extensive mature teak plantations and associated processing facilities in South Sudan.

MARIS AFRICA FUND COMMITMENT

Transaction Date	June 2012
Development Stage	Refinancing / Development
Fund Ownership	85%
Total Equity Cost	c$1,360,000
Shareholder Loan	c$1,000,000
Fund Board Membership	C Ferguson, C Tryon

Highlights
Investment concluded
Management recruited
Machinery rehabilitated

Lowlights
Increased looting
Communities disappointed in former management

The fund concluded its investment and has taken over the management of 4,000 ha of FSC certified mature teak plantations. The tabled addendum to extend the 32-year concession to 60 is proceeding through the Ministry of Agrictulture and Forestry following the conclusion of a performance review of both companies. Darryl Shaw, formerly of Finlays, Kenya, has taken over as Managing Director of ETC and he and engineer Robert Torr head a team comprised 95% of South Sudanese operatives. Robert Torr's mechanical expertise have resurrected defunct motor vehicles across the county and have overseen a complete overhaul of the processing facilities.

ETC has ordered new sawmilling machinery from South Africa to increase the capacity of the Nzara sawmill and is scheduled to start production in February 2013. The company is building out its international marketing capacity and pricing indications are in line with forecasts. South Sudanese teak is among the highest quality in the world thanks to its density. In the interim the company will start trial production and export, alongside sale of existing stock.

Prior to the fund's take-over ETC planted the largest area of new teak forestry in South Sudan in 20 years, and we are continuing this replanting regime. We have commenced a series of Community Consultations at ETC and CETC and we are working to engage the local farming community in the development of the concessions, in addition to local social fund commitments. Once at full production, ETC will be Western Equatoria State's largest employer – which in the past has created significant management challenges.

PORTFOLIO COMPANY

TATEPA

Tatepa is the holding company for a group of companies active in the Tanzanian agriculture and agroprocessing sector. Two of the companies grow, package and market loose leaf black tea, while Rungwe Avocado Company is a start-up venture exporting avocados to Europe.

MARIS AFRICA FUND COMMITMENT

Transaction Date	March 2012
Development Stage	Buy Out / Development
Fund Ownership	11.25%
Equity Cost	$650,000
Valuation	$650,000
Follow on Commitments	$1,250,000
Fund Board Membership	J Gunnell

As of end of Q2 2012, Maris Africa Fund has bought 11.25% in Tatepa, a diversified agricultural business operating in Tanzania. Since the end of the quarter we have purchased a further 5% stake and expect to own c18% of the company by the end of August. We also anticipate a rights issue over the next year which should enable the fund to further increase its holding. Tatepa represents the fund's first investment into Tanzania, a country of 40m people which has grown >7% pa over the past five years and is predicted to be one of top ten fastest countries growing in the world over the next 5 years.

Historically, Tatepa's core business has been the growing, exporting, marketing and selling of loose leaf black tea. The group has undergone various developments including the acquisition and disposal of several Tanzanian tea estates. The management also built from scratch the second largest tea brand in Tanzania, Chai Bora, before selling it to a Kenyan investment vehicle. Currently, Tatepa operates a core tea estate and processing facility, Wakulima Tea Company (WTC), near Mbeya in Southern Tanzania. WTC own core tea plantations, however the majority of the loose leaf tea that they process is sourced from outgrowers. Local management, in conjuction with the Rungwe Smallholders Tea Growers Association (RSTGA) operate extensive outreach programs with over 14,000 outgrowers. Together they provide inputs, technical assistance and collection facilities. Incentives are strongly aligned with Tatepa owning 70% of WTC and RSTGA owning 30%. WTC has consequently secured premium price for its tea, supplying both Sainsbury's and Co-op fairtrade tea brands.

Building on its smallholder network, Tatepa in combination with RSTGA has expanded into avocado production. Avocados are indigenous to the Rungwe region and having trialed the Haas variety for 3 years, Rungwe Avocado Company (RAC) now has 80 Ha of core plantations and >500Ha of trees planted with outgrowers. A dedicated packshed has been built and trial shipments of containers have already been exported to the UK over the past few years. The avocado trees will be reaching maturity over the next few years and RAC will see a significant increase in production, thus becoming a key driver of profits for Tatepa.

In addition, drawing on management's experience of creating Chai Bora, Tatepa has invested in a start-up JV, Kymbila Tea Packing Company (KTPC). KTPC sells and distributes loose leaf tea under the Chai Tausi brand and in just 6 months has already established itself as the fastest growing consumer tea brand in Tanzania.

Lastly, Tatepa has conducted extensive feasibility studies to build a mini-hydro project near its tea estate in Rungwe. Roughly 50% of the power would be directed to the tea factories, with the balance being sold to the grid or alternatively powering the avocado pack shed. Electricity is extremely intermittent in Tanzania, resulting in WTC often using expensive back-up generators. The mini-hydro project would significantly lower power costs for WTC. The company still needs to decide on whether to proceed, but if they do a further rights issue is likely.

Tea and avocado prices remain strong globally and the Tatepa management team is highly competent. Combined with KTPC, the funds first exposure to Africa's fast growing consumer staples sector, we believe Tatepa is set for strong growth going forward.

PORTFOLIO COMPANY

OSS MOCAMBIQUE

OSS Moçambique, S.A, is a start-up mining support services venture. Phase 1 includes an industrial park and serviced offices in Tete. Phase 2 will expand into serviced accommodation. Tete is undergoing rapid growth due to investments in the mining sector by companies such as VALE and Rio Tinto. These investments are anticipated to transform Mozambique into the world's second-biggest coking coal export region after Queensland, Australia.

MARIS AFRICA FUND COMMITMENT

Transaction Date	May 2011
Development Stage	Start-Up
Fund Ownership	50%
Equity Cost	$861,109
Valuation	$1,000,000
Follow On Committments	$400,000
Fund Board Membership	A Fimister

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A	
Revenues	-	10	n/a	-	10	n/a
EBITDA	-	-91	n/a	-	-91	n/a
Net Income	-	-92	n/a	-	-92	n/a

A = Actual / E = Estimate

Highlights
Sale pending to South African operator
Strong demand for warehousing
Land appreciation

Lowlights
Construction delays
Lost bid for long term oil firm contract

All four units have been completed in Tete, and two have been rented. Negotiations over the sale of the facility to a South African company are progressing towards a promissory agreement following an agreement on price. In light of the potential sale we have paused marketing on the two unoccupied warehouses despite strong demand.

We are looking for a new property to purchase and develop. We already have all the necessary steels to erect the structure of a second 1200m2 warehouse, to be divided into four units and we have started marketing on the new facility. We estimate 5 months for completion of this new site.

The new warehouse will be built in Matema, not far from our current location, which is the destination of choice for companies moving into Tete, and we have identified appropriate land for the project.

PORTFOLIO COMPANY

MTA - MAQUINAS E TRACTORES DE ANGOLA

Máquinas e Tractores de Angola (MTA) has a dealership license to sell JCB machines, spare parts and after-sales service within Angola. The company is a joint venture between Maris Capital, Muscat Overseas Group (owner of multiple machinery dealerships across the region) and Portuguese construction company Soares da Costa.

MARIS AFRICA FUND COMMITMENT

Transaction Date	July 2011
Development Stage	Distressed Refinancing
Fund Ownership	33%
Equity Cost (incl $1m bank guarantee)	$1,388,244
Valuation	$1,388,244
Follow On Committments	$200,000
Fund Board Membership	A Fimister

Financials (US$000s)	H1 2011A	H1 2012A		H1 2012E	H1 2012A	
Revenues	-	2,501	n/a	1,475	2,501	70%
EBITDA	-	326	n/a	54	326	507%
Net Income	-	205	n/a	10	205	1862%

A = Actual / E = Estimate

Highlights
- Company ahead of forecast
- Strong demand for machinery
- Excellent management

Lowlights
- Key Man risk Pedro Salbany
- Angola oil price dependent
- Shareholder registration still pending

MTA achieved revenues of $2.5m and net income of $204k for H1 2012. General Manager, Pedro Salbany, has headed this turnaround of a company that was loss-making for three years prior to the fund and Muscat Overseas Group's investment. We are exploring opportunities to increase our stake in the company, and to bring in another experienced JCB dealer as an investor.

The majority of MTA's products are sold into a construction sector that is dominated by Brazilian and Portuguese firms. Clients have also included local firms, Chinese and Israeli operators. The sector's rapid expansion continues and Angola's GDP growth this year is predicted to be 14%. This is underpinned by a strong oil price that continues to fund major government infrastructure projects and Sonangol industrial projects - such as the natural gas trains in Soyo and the oil refinery in Lobito - alongside privately funded real estate developments.

MTA has made significant ground up on its closest competitors in Angola. Until 2012 the likes of Komatsu, Caterpillar, Volvo and New Holland dominated the Angolan market. MTA only managed 0.8% market share of the new 127 heavy machine market in 2011. Since our acquisition of the business we have seen JCB's market share rise to 6% in the first half of the year. MTA is starting to make its presence felt in the Backhoe and Telescopic Handler market with a market share of 16 and 13% respectively. It is early days, but MTA looks to be making huge inroads where the previous management failed.

Plans have been agreed to open sub offices in Angola's two next major commercial hubs of Huambo and Benguela and MTA will look to develop its own custom designed sales facility in Luanda. Management emphasis is still on keeping overheads low and MTA is looking to build on a good sales platform and improve our spare parts and service division.

SOUTH SUDAN

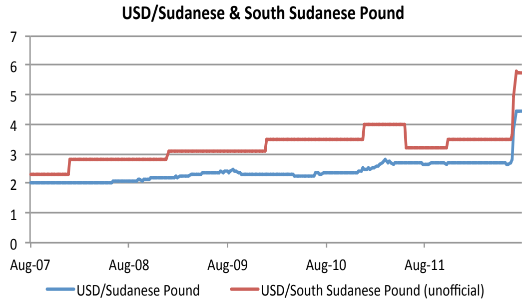
South Sudan's oil remains off. In August Thabo Mbeki announced the conclusion of an agreement in Addis Ababa over oil transit fees and a one-off $3bn payment from South Sudan to Sudan. Under this agreement, oil transit fees will be $9 and $11 a barrel through the two pipelines in Sudan. This is considerably below the $36 demanded by Sudan, though the North argues that if the one-off $3bn payment to Sudan by South Sudan is included in calculations, the transit fees are effectively $24 a barrel. The UN Security Council, prompted by the African Union, threatened sanctions against both countries unless they reached an agreement and Secretary of State Hillary Clinton has been credited with prompting an agreement during a visit to Juba in August.

Sudan still carries a debt burden of $39bn that it assumed at independence. China has been forcing Khartoum to meet interest payments on Chinese-held debt. In addition, sanctions on Sudan have been more keenly felt since the cessation of the oil from the South. While China and the USA have traded angry statements over African resource based investments, they have worked well together to push a settlement for Sudan and South Sudan.

Talks have continued against the backdrop of border conflict. Thabo Mbeki, African Union mediator, gave the two sides a new September 22nd deadline to resolve security and other conflicts, including the position of the border. He said the two presidents would meet after the end of Ramadan, which ends in late August, to discuss the disputed territory of Abyei.

Meanwhile in Juba the majority of civil servants were paid in full to the end of July, though there are reports that some of the army did not receive full salaries. There are concerns over security should the army seek alternative revenue sources. Fuel remains in short supply and the currency continues to weaken from 3.5 to the USD at Independence in July 2011 to 5.7 in June, 2012. Inflation was reported at 80% in May. The government is starting to implement its taxation legislation, which is leading to confusion. A number of regional contractors have taken advantage of the weak currency and the Juba construction sector remains active. South Sudan has paid 30% deposits up front for projects such as the new airport and road building, all of which continue for the time being.

Juba is awash with rumours of interim loans received from public and private sources pledged against oil reserves but these remained unconfirmed. It is unclear how long the government can maintain its current payment schedule and we have made contingency plans for all our companies in the event that the government runs out of funds before oil revenues recommence. Production is scheduled to restart in September but it may take six months to resume full production.



MARKET OVERVIEWS

KENYA

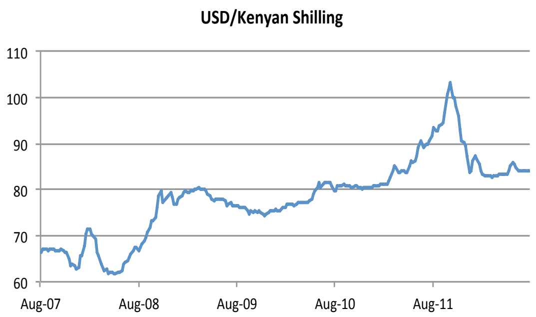
African Barrick Gold (ABG) has agreed a deal with Kenyan mining license holder Aviva to acquire its Ngori properties. The proposal is to pay $20m for the license and a further $10m on the confirmation of a compliant indicated resource of 3million oz of gold or more. The deal has yet to complete but it endorses the potential of this area of Western Kenya as analogous to Tanzanian properties within a similar geological structure. Aviva's licenses contain high grade tailings deposits and old mines that were created at the same time as KGML's. ABG is majority owned by Barrick Gold Corporation, the world's largest gold producer.

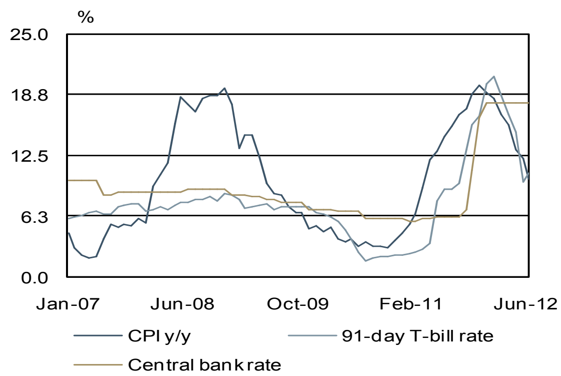
In terms of the economy at large, Kenya's economic performance has improved significantly in 2012. The effects of last year's drought have largely come to an end, and the Central Bank has proved effective at dealing with the economic problems of 2011. Full year GDP growth looks set to meet 5%, and the economic virtues of a stable exchange rate and declining inflationary pressure illustrate how far the position has improved. With debt to GDP falling below 45%, Kenya has even earned itself a little borrowing leeway.

After peaking at almost 20% earlier in the year, deflationary trends look set to keep inflation under 10% moving into 2013. A 150 bps cut to the CBR in July puts monetary policy on the easing section of the cycle, showing central bank confidence that the deflationary trend is secure, and that growth will not produce inflationary pressure. USD/KES has also been remarkably stable given its spike in the second half of last year, and has remained around the 85 mark, even following the July rate cut. With domestic demand still depressed this seems unlikely to change in the short term.

The current account deficit has however soared to 15%. This is among the worst balances in the world, and leaves the economy particularly vulnerable in the case of an oil price shock or poor harvest. This weakness has the potential to derail the newly found macro-economic balance. Deepening integration with the fast-growing EAC and reducing infrastructure bottlenecks might provide a longer-term remedy, but the immediate risk remains.

The political climate also provides reason for caution. Given that the last elections left 1500 dead 300,000 displaced, the poll next March could prove a disruptive influence. With President Mwai Kibaki stepping down after his second term, an election-orientated incident with police at a rally outside of Nairobi provides a worrying note. The campaign looks set to focus around two candidates, Prime Minister Raila Odinga and deputy Prime Minister Uhuru Kenyatta, who is also the son of the first Kenyan President, Jomo Kenyatta. With the International Criminal Court issuing a summons and confirming a case against Mr Kenyatta regarding the 2008 post-election violence, the future remains unclear.





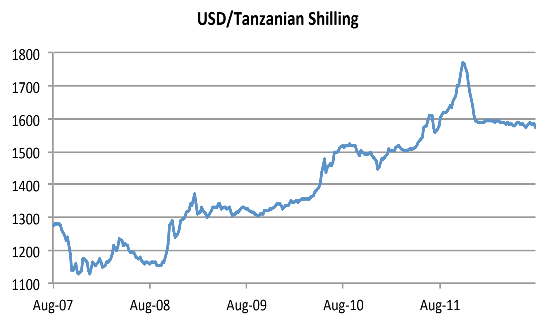
MARKET OVERVIEWS

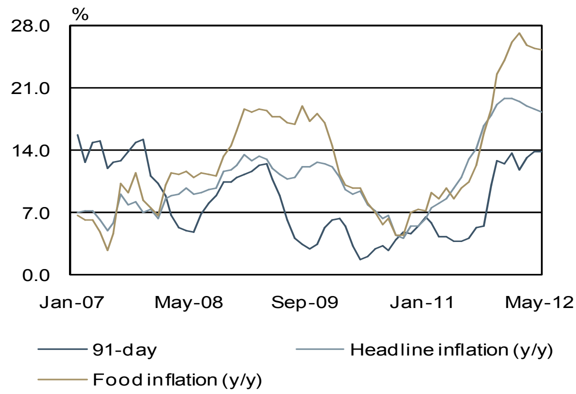
TANZANIA

Domestic demand and economic growth in Tanzania has been strong and is expected to come in at 6.8% for the year. The country looks set to have one of the fastest growing economies in the world over the next five years. The SME sector remains vibrant, and looks set to drive growth over the rest of the decade. The central bank has also succeeded in keeping USD/TZA stable within the 1570-1600 range since the end of 2011. Strong economic growth has presented issues, with a widening trade deficit leaving the Bank of Tanzania below its foreign exchange targets. Whilst currency depreciation would certainly ameliorate the Balance of Payments, inflation has made this difficult up till now. As the trend of declining inflation solidifies this should become possible.

Large discoveries of offshore natural gas also promise significant investment in the Tanzanian economy over the course of the decade, with the Chairman of BG announcing an expected investment of between $10 and $20 billion in the next eight years. BGI invested $500 million last year, and with the discovery of huge reserves in the wells already drilled, the investment looks likely to continue.

Politically, Tanzania continues to see intense activity within the ruling party. Following a parliamentary condemnation of government misappropriation of funds, three quarters of ruling party CCM's ministers have been removed or reallocated. Income inequality between the unemployed and the increasingly affluent middle-class has also become an issue for discontent with CCM. However, due to division and fragmentation, the second largest party (CUF) have failed to take advantage of CCM's weakness, allowing for a rapid growth in support for Chadema who took less than 6% of the vote in the 2005 elections. If elections were held immediately, Chadema could likely win both a parliamentary majority and the presidency.





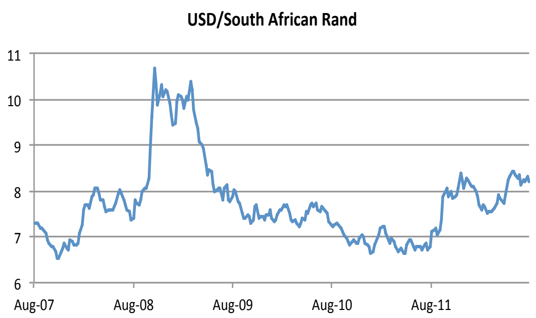
MARKET OVERVIEWS

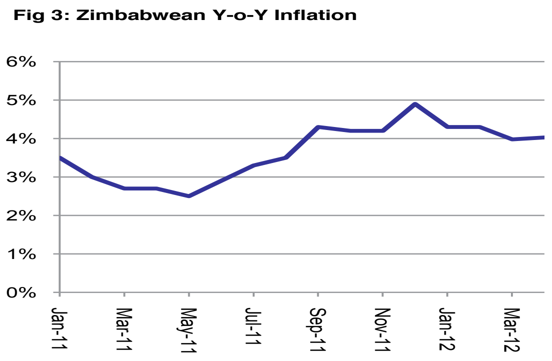
ZIMBABWE

As Zimbabwe moves towards the election deadline of March 2013, tensions between Mugabe's Zanu-PF party and its partner and rival, the MDC, have begun to escalate. As part of the 2008 power-sharing agreement, Zanu-PF conceded that constitutional and election reform would occur before subsequent elections would take place. Over the course of this year, Zanu-PF has been pushing for a snap election before the promised referendum on reforms. Given Mugabe's importance in holding the fragile coalition of Zanu-PF interests together, it seems likely that reports of deterioration in Mr. Mugabe's health are substantive.

Nevertheless it seems likely that the MDC will have their way and elections will occur next year after the referendum on the new constitution. However, this will do little to quell inter-party tensions, which are already beginning to flare. Earlier this month the MDC Finance Minister and supporters were driven from their chosen venue by Zanu-PF youths and soldiers in an increasing trend of election-related violence. Such attacks seem likely to escalate after next month's pivotal by-elections, and as the 2013 date approaches.

The economy also appears to have met with challenges that will likely cause it to fall short of consensus growth. These include liquidity constraints; underperformance of the mining sector in the first quarter of the year and electricity shortages. More positively, inflation has been remained under 5% despite rises from the low 2.5% May figure. This has been driven by upwards pressure on utilities and rent. Looking forward though, with a smooth election process Zimbabwe will be in line for a windfall, particularly since the EU announced plans to suspend its sanctions on completion of the constitutional referendum.





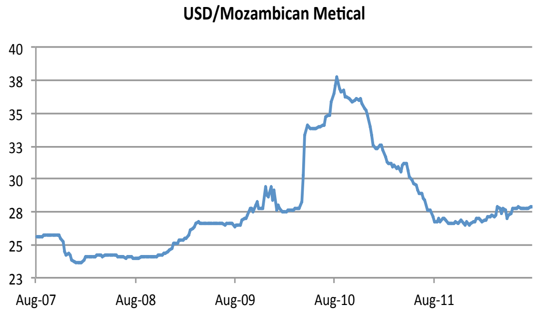
MARKET OVERVIEWS

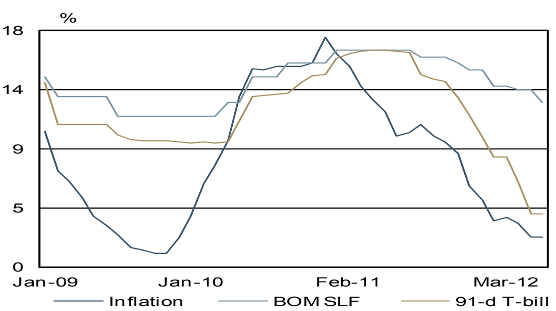
MOZAMBIQUE

Mozambique now has the second biggest proven gas reserves of any sub-Saharan African country, after Nigeria, and ahead of Angola and Equatorial Guinea, the region's two other LNG producers. In mid-May, a consortium led by Anadarko Petroleum Corporation, announced that its Golfinho well had discovered recoverable gas reserves of more than 7 trillion cubic feet. The find is particularly interesting as it lies in geologically different structures to the established Prosperidade well, which is located 30km southeast and with estimated recoverable reserves exceeding 30tcf. It therefore opens up a range of new exploration possibilities in the area. It is reasonable to estimate that 5tcf of natural gas reserves are required to supply a typical LNG production line, known as a train, to produce 4m tonnes/year for at least 20 years. Mozambique therefore has sufficient proven gas reserves to supply several trains and export 20 -25m tonnes/year from the Rovuma Basin. It is very well placed to export across the Indian Ocean to large and growing markets in Japan, South Korea, China, Taiwan, and India. These recent discoveries could help it rank as one of the world's most important LNG suppliers and help push GDP growth towards the IMF target of 6.7% for 2012.

FDI inflows more than doubled to over $2bn in 2011 and are likely to continue to grow on the back of strong private investment in infrastructure and mining. Planned projects include the construction and expansion of energy production (via the 2,075MW Cahora Bassa scheme and untapped hydro potential in Tete, Manica, and Niassa provinces), a north-south railway, and a second larger port in the northern city of Pemba. In mid-May, the minister of mining resources, Esperança Bias, revealed that the government is planning to offer new acreage for coal, oil, and gas licences in the hope of making further discoveries. Whether the predicted strong economic growth can feed down to benefit the bulk of the population depends upon national economic policy, yet Maputo's track record to date gives plenty of room for optimism.

Strong capital and financial flows continue to support Mozambique's balance of payments. Net FX reserves were equal to $2.26bn mid-Jun, up from $2.1bn mid-Apr. While coal exports continue to offer a welcome diversification of export revenue, the downside risks to commodity prices are likely to limit the improvement in Mozambique's current account. Inflation currently stands at 2.28% y/y (Jun-12), down from a peak of 17.4% y/y in Dec-10. Pressure on inflation is likely to remain limited, due to improving support for the local currency and falling food prices on the back of relatively good harvests. This offers room for the BOM to further support economic growth by cutting rates from the standing lending facility currently at 11.5%. USD/MZN remained relatively stable over the past month, trading in the 27.71-28.23 range.





MARKET OVERVIEWS

ANGOLA

Africa's second biggest oil producer is forecast to achieve GDP growth of around 10% for 2012 thanks largely to a number of sizeable offshore oil projects coming online. Total average production in Angola increased from 1.6m bpd in H1 2011 to 1.8m bpd in H1 2012 and will likely increase by a further 100k bpd as new projects come on stream through 2012. Additionally, current projects such as Pazflor and PSVM, are both expected to improve upon their current production volumes in H2 2012, which will further boost oil export revenues. The government is poised to auction further exploration rights following a major strike by Cobalt International Energy in the offshore Kwanza Basin, boosting the administration's drive to double production to 3.5m bpd by 2020. This bullish outlook was ratified by Fitch Ratings, which revised Angola's sovereign credit outlook from stable to positive in May.

In an attempt to diversify, an increased focus has been made on other areas within the mining, agriculture, manufacturing, and infrastructure sectors. Within the extractive sector, diamond mining in particular has received much attention, where 60% of diamond-rich territory remains unexplored. Dramatic strides continue to be made through vast infrastructural projects, including plans for Africa's biggest airport and the installation of 4G networks. LNG exports are pending as production at the Soyo plant gets underway. The plant has a capacity of 5.2m metric tonnes per annum, with expected average daily sales of 670m cubic feet of LNG and up to 63k barrels of natural gas liquids. Following shipping tests, exports are expected to go to Asia and Europe, rather than the US, due to higher prices in the former regions. Gross FX reserves continued to swell through Q2 from $29.2bn in March to $33.1bn in May. The current account balance is expected to register a surplus of 9.5% of GDP through 2012, despite a 24% decline in Brent oil prices during Q2 from 123.41 to 94.17. The Central Bank Rate remained unchanged for the fourth time in June, at 10.25%. With inflation now very close to its target of 10.0% y/y and likely to continue to slowly decline in coming months, the central bank is likely to reduce its reference rate further in coming meetings.

Angola will hold parliamentary elections on 31st August. 25 parties have confirmed to be competing, 20 of which will group to form four coalitions. President Eduardo dos Santos, Angola's embedded leader of 32 years is likely to hold office. Whilst there is a risk of political violence, increased government spending in the run up to the elections will help drive economic growth. With both political and economic power still heavily concentrated in the hands of very few, however, perhaps it is fair to say that sustained growth in Angola continues to depend largely upon a consistently high oil price, as well as the government's appetite to tackle the underlying problems of diversification, skilled labour shortages, and corruption.