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# Reinet Investments



# Recommendation

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- Maintain overweight call
  - British American Tobacco (BATS) - attractive discount to intrinsic value
- Trading at a 36% discount of its sum of the parts analysis (SOTP)
  - Fair value estimation for BATS
- Group's largest investments:
  - BATS (63% of the group's portfolio)
  - Pension Corporation (25% of the group's portfolio)
  - Private equity and related partnerships
- Movement in exchange rates and BATS share price will dominate movements in share price
- Pension Corporation should sustain its growth over the medium term
  - Tightening regulation, volatile market conditions and low gilt yields
  - Incentives for companies to reduce risk on balance sheets



# Financial Highlights

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- NAV per share ↓ by 14.6% to €26.17
  - Largely due to 22.1% decline in the BATS share price
  - Adverse currency movements
- Group committed to provide additional €445m to current investments
- €90m was funded during the year
- Group proposed a dividend of 16.5 euro cents
  - Subject to approval at the AGM
  - Proposed dividend is in line with previous period



# Company Guidance

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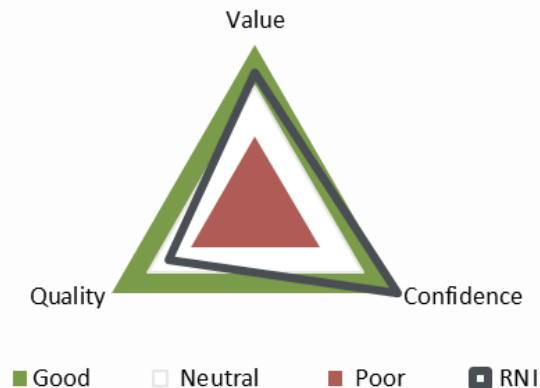
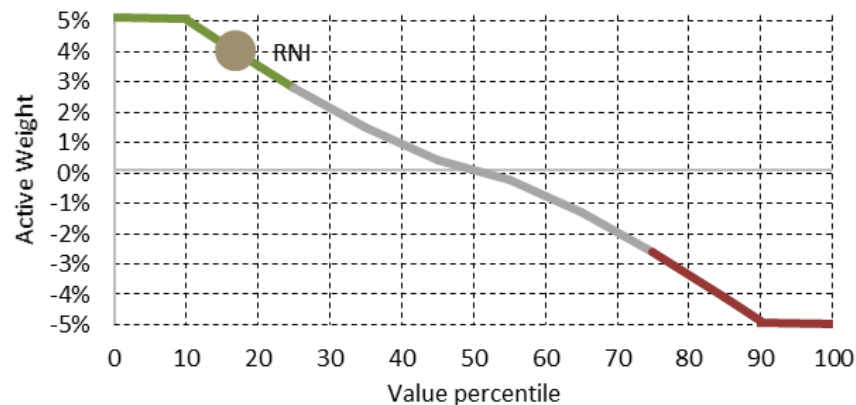
- Management believes Reinet is appropriately positioned
- Focus on investing to achieve long-term NAV growth
- Rising interest rates and declining support from the central bank
  - Adds more risk and volatility to capital markets
- BATS is optimistic about its Next Generation Products (NGPs)
  - Continued focus on its potentially reduced-risk product space
- Pension Corp continues to see strong interest in bulk annuities



# Portfolio Guidance

- Current Capped SWIX weighting is 0.77%
- Recommend exposure of up to 5%

Value profile



# Place a trade

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To place a trade please speak to your financial adviser or contact our dealing desk.



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