



Move your  
investment into  
the fast lane  
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# AN EXCEPTIONAL

Fully tax-deductible investment opportunity

A new fleet vehicle rental solution,  
improving efficiency and customer service

Sunstone Capital aims to acquire a fleet of vehicles to be rented out to commercial fleet operators. This allows for migration from traditional hire-purchase agreements to a rental model resulting in lower administrative costs and improved operational efficiency.

**Opening date of offer: 7 December 2018**  
**Closing date: 28 February 2019**



## About the Grovest Group

The Grovest Group continue to be the pioneers, prominent leaders and innovators of the Section 12J policy in South Africa and were instrumental in the material and positive changes made to the Section 12J legislation, having lobbied and made presentations to Treasury, CIPC, SARS, FSCA and the Davis Commission, amongst others.

Grovest Corporate Advisory, a pillar of the Grovest Group, act as administrative manager for more than 30 VCCs, making up a large portion of active VCCs in the South African market. They also are the managers and promoters of 8 VCCs, including Sunstone. The directors of Grovest Corporate Advisory are Malcolm Segal, Jeffrey Miller and Isaac Chalumbira.

## What is a Section 12J investment

Section 12J refers to a section which SARS added to the South African Income Tax Act. This provides a tax incentive for individuals, trusts and companies to invest in a SARS approved Venture Capital Company (VCC). The VCC will issue a certificate for the total amount invested which the taxpayer can use to claim a full deduction against their taxable income for the year. This was put in place in order to ignite growth in the South African economy, the tax deduction becomes permanent after 5 years.

## Sunstone Capital: One investment - multiple benefits

### 1 Significant tax savings

Your investment into Sunstone Capital Limited enables you to claim a tax refund of up to 45% in the financial year that investment is made.

### 2 High annual returns

You can look forward to receiving annual dividends between 7 and 9%.

### 3 Secure capital repayments

Large purchase discounts allows for residual values of between 90 & 95 % to be realised upon an investors exit from Sunstone at the end of 5 years.



## A unique Fund with a rapid deployment rate, stable pipeline and strong future returns

Targeted cash flows over a 5 year investment period are:

	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	1-Mar-19	1-Mar-20	1-Mar-21	1-Mar-22	1-Mar-23	1-Mar-24
Investment into Sunstone (Post Cap Raise Fee)	1 000 000					
<b>Tax benefit (45%)</b>	<b>(450 000)</b>					
Net outflow	550 000					
Yield per Sunstone model (Pre- WHT)		<b>9,14%</b>	<b>7,57%</b>	<b>7,55%</b>	<b>8,97%</b>	<b>8,52%</b>
<b>Dividend received</b>		<b>91 440</b>	<b>75 738</b>	<b>75 485</b>	<b>89 712</b>	<b>85 226</b>
Dividend tax (20%)		(18 288)	(15 148)	(15 097)	(17 942)	(17 045)
Yield per Sunstone model (Post WHT)		<b>7,32%</b>	<b>6,06%</b>	<b>6,04%</b>	<b>7,18%</b>	<b>6,82%</b>
Capital returned						900 000
Portion of Invested Capital returned % - Post Fees						90%
CGT (18%)						(162 000)
<b>Net cash flow</b>	<b>(550 000)</b>	<b>73 152</b>	<b>60 590</b>	<b>60 388</b>	<b>71 770</b>	<b>806 181</b>

Target Internal rate of return (IRR) 17%  
 IRR's 18% plus if sale of vehicle is 95% which is currently being received.

This figure assumes 45% tax bracket. If investor is charged 31% tax this figure will drop to 11.7%

## An expert team with proven experience:

With decades of pertinent experience and expertise in both investments as well as the vehicle rental business the team managing Sunstone Capital Limited includes:



**Jeff Miller**  
*Non-Executive Director:  
Grovest Group*

Jeff is Chartered Accountant with over 30 years of investment experience, is a member of the sub-committee of SAVCA. He is a start-up specialist, having founded companies such as Brandcorp, KNR Flatrock, Balboa Finance, Born Free Properties, Eurosuit, Bride & Co, Redwood Capital and Seed Engine.



**Stan Medalie**  
*Non-Executive Director:  
Sunstone Capital Limited*

With an Electrical Engineering degree from Wits University and an MBA from Columbia University, Stan worked in the United States before returning to South Africa as a founder and shareholder in several listed companies that include Pleasure Foods, Bidvest and Chariots Motor Group. He has also owned an independent vehicle rental business since 1989, which includes the Avis franchise for bakkies, trucks and safari vehicles.



**Bruce King**  
*Non-Executive Director:  
Sunstone Capital Limited*

Bruce is the Executive Director and CEO of two Avis Van Rentals franchises in Randburg, Gauteng and has almost 50 years of experience in the motor industry. He began his career at Grosvenor Car Hire and moved over to Budget-Rent-A-Car before starting his own business called Kings Car Hire, which went on to merge with Protea Car Hire.



**Amaresh Chetty**  
*Non-Executive Chairman:  
Sunstone Capital Limited*

Amaresh has a B.Com, PDBA and an MBA, as well as a post-graduate qualification in Mergers and Acquisitions from Harvard Business School (Boston). He has held a range of financial management positions across First Rand Bank, Absa, Circle Capital and Ithuba National Lottery and also been successfully involved in raising capital for Silicon Valley-based company Sythasite.

The team's long and successful track record allows for peace of mind knowing that investments made into Sunstone Capital are in safe hands.

Jump into the driver's seat and invest now

- ▶ **Reduced Risk**
- ▶ **Buying Power**
- ▶ **High Demand**
- ▶ **Tax Efficient Structure**
- ▶ **Attractive Returns**

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Contact us now to secure your investment opportunity in Sunstone Capital Limited. Opening date of offer is 7 December and closing date is 28 February 2019.