

Chesapeake Capital Limited (“Chesapeake” or the “Company”) is a Pooled Development Fund (“PDF”) that seeks to invest in a concentrated portfolio of generally listed companies, through the provision of new equity capital under the PDF framework so as to generate returns in excess of the S&P Small Ordinaries Accumulation Index. Chesapeake was recapitalised by new management in mid-2015. The PDF structure has attractive tax advantages for shareholders. As part of the 2015 recapitalisation, Chesapeake submitted and received approval of a revised Investment Plan including attractive exemptions allowing more flexible investment options. This approval expired in February 2018. Over the past 4 months the Chesapeake Directors committed substantial time to a submission process seeking an extension of the investment exemption approval. A modified exemption was approved for a further two years.

Performance As at 31 March 2018	Sept'17 Quarter	Dec'17 Quarter	Mar'18 Quarter	FY '18 Unaudited	Since Inception
Chesapeake Capital Limited *	0.0%	-6.1%	+7.2%	+1.5%	+53.3%
Small Ordinaries Accumulation Index	+4.4%	+13.7%	-2.8%	+15.4%	+41.2%
All Ordinaries Accumulation Index	+1.0%	+8.2%	-3.7%	+5.2%	+21.5%

* Initial investment capital available from late June 2015 was \$1.51m so returns have been calculated from that reference point.

Chesapeake enjoyed a reasonable quarter and used the opportunity to rebuild its cash position as markets declined. Cash was circa +\$0.7m at the end of the quarter, being just shy of 20% of the investment portfolio. The two unlisted investments have both recently raised capital through their respective advisers and constitute circa 33% of the investment portfolio. Amongst the listed investments the standout has been Axesstoday which recently raised \$20m at \$2 per share. Analyst valuations towards \$3 per share suggest further upside. Chesapeake was at quarter’s end relatively cashed up, supportive of existing investments and looking for new opportunities. It is noted that there are 9.52m options exercisable at 25¢ in June 2018 and option holders will be communicated with prior to expiry.

Existing Investments



AssetOwl Limited (ASX code: AO1) AssetOwl is an innovative information technology and software development company which has developed an enterprise software Management Platform initially applicable to retailers with a growing number of applications to other industries such as property management. The Company produced a very positive Christmas Eve update and recently delivered contract wins in the property sector. AssetOwl is raising additional capital by way of a rights issue lead by Patersons Securities which is strongly supported by AssetOwl’s Board and Founders. This capital, in conjunction with emerging progress, might restore momentum.



Axesstoday Limited (ASX code: AXL) Axesstoday is a rapidly growing specialist provider of equipment finance for small to medium sized enterprises (“SME’s”). Established 5 years ago the Company is profitable and is growing nationally based on highly effective product, technology and marketing innovations. The company recently raised \$20m through a group of advisers, including Shaw’s and Bell Potter. Broker research volunteers much higher valuations with the share price more than double Chesapeake’s entry price.



February 2018



January 2018



Babylon Pump and Power Limited (ASX code: BPP) Babylon is executing a specialist pump and power development strategy. This is an excellent team, well known to and highly regarded by Chesapeake Directors. Well capitalised with opportunity ahead of it Babylon is highly leveraged to the resources sector recovery. News flow will likely emerge with time matching commercial progress.



April 2018



CleanSubSea Limited (unlisted) is a Western Australian based public unlisted company which owns all licenses and patents associated with a revolutionary new fully enclosed capture and containment hull cleaning technology called the “Envirocart”. The Envirocart is the only in-water hull cleaning technology on the global market that is capable of meeting the current water discharge quality guidelines and the new Australian Department of Agriculture, Fisheries and Forestry (“DAFF”) In-water Hull Cleaning guidelines. The company has raised circa \$4.8m at 30¢ per share through Morgans et al since Chesapeake’s investment in 2016 and continues to work towards an ASX listing.



Podium Minerals Limited (ASX code: POD) is a Western Australian platinum group metals resources development company. Chesapeake became a shareholder as a consequence of its investment in AssetOwl, which sold the Rum Jungle tenements to Podium, and distributed the scrip proceeds in-specie. Podium has commenced its initial resource definition drilling programme and has begun releasing positive results.



SPEQS Pty Ltd (unlisted) SPEQS is seeking to become a major force in the retailing of eyewear through online channels. In an industry sector ripe for disruptions SPEQS has ready to use proprietary mobile phone app technology, channel partner agreements supported by private health funds, international technology rights for facial imaging and eye wear and a motivated and experienced management team. The company was recently raising new equity through Argonaut at a 26% premium to Chesapeake’s entry price and at a recent presentation advised that it is preparing to IPO later in 2018.

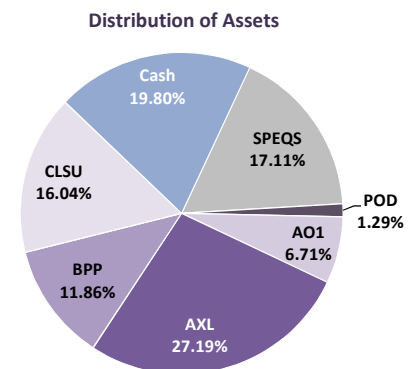
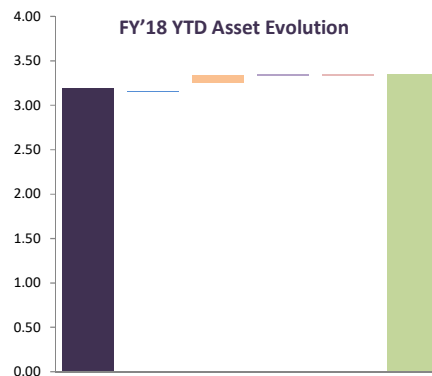
Corporate Snapshot

This snapshot reflects Chesapeake’s evolution since 1 July 2017 and the make-up of its asset base as at 31 March 2018. The unaudited NTA was \$3.23m (27.1¢ per share) with cash of circa \$0.67m.

Directors	Role
James Cullen	Executive Chairman
Aaron Constantine	Non Executive Director
Ian Macliver	Non Executive Director
Bernard Romanin	Non Executive Director

As At 31 March 2018	\$'m
1 Jul 17 Opening Net Assets	3.19
New Capital	0.0
Investment Gains	0.06
Operating Costs	-0.02
Provision for Taxation YTD	0.0
Net Tangible Assets	3.23

Shares on Issue:	11.92m
June 2018 Options ex @ 25¢ on Issue:	9.52m
Number of Shareholders:	519



	30 Jun '15	30 Sept '15	31 Dec '15	31 Mar '16	30 Jun '16	30 Sept '16	31 Dec '16	31 Mar '17	30 Jun '17	30 Sept '17	31 Dec '17	31 Mar '18
Net Tangible Assets (\$'m)	1.51*	1.55	1.78	1.97	2.20	2.16	3.06**	3.66	3.19	3.17	2.99	3.23
NTA per Share (c)	17.0	17.4	18.1	22.1	24.6	24.2	25.7	30.7	26.8	26.6	25.3	27.1
Change in NTA per Share (%)	N/A	2.3	4.0	22.1	11.3	-1.6	6.1	19.6	-13.1	-0.6	-6.1	7.2
S&P/ASX Small Ords Accum Index (XSOAI)	5,352	5,143	5,725	5,784	6,122	6,642	6,479	6,574	6,552	6,841	7,776	7,560
S&P/ASX All Ordinaries Accum Index (XAOAI)	47,575	44,820	47,788	46,664	48,530	51,100	53,353	55,757	54,897	55,460	60,007	57,791

* Initial investment capital available ** Includes \$0.75m of new capital in late December 2016

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