

ASHBURTON CREDIT CO-INVESTMENT FUND HIGH QUALITY

Fund fact sheet as at 31 October 2019



Investor profile

The fund is suited to investors who are:

- Looking for returns in excess of cash and money market funds over a long-term horizon (c. 36 months), while at the same time require a degree of capital stability, with limited requirements for daily liquidity.
- Seeking managed exposure to income generating investments with limited duration risk.
- Wanting to take advantage of loans originated by one of the leading investment banks in the country (RMB) across a broader range of issuers than available in the listed bond market.

Investment objectives

The objective of the Ashburton Investment Grade Credit Co-Investment Fund is to achieve stable returns over 3-month JIBAR in excess of 160 basis points, gross of all fees and expenses. The fund aims to achieve its return target by investing in a diversified portfolio of debt instruments, predominantly in the form of bank loans to South African corporates which pay a floating rate linked to JIBAR plus a margin thus limiting volatility with respect to changes in interest rates.

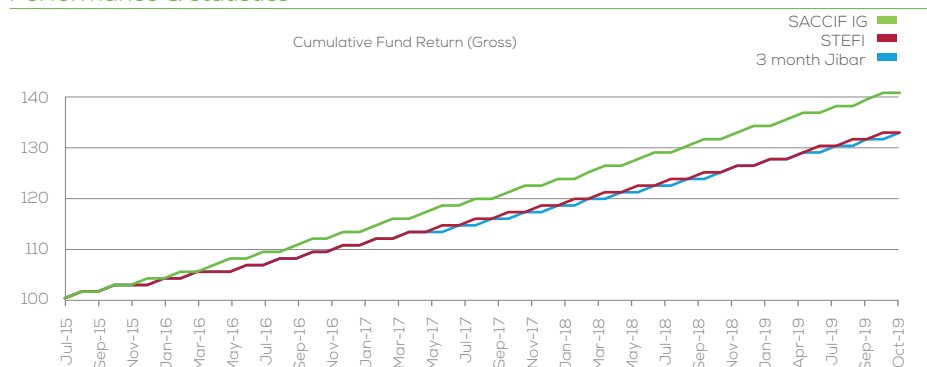
Investment strategy

The loans included in the fund will be obtained through a co-investment arrangement with Rand Merchant Bank, a division of FirstRand Bank Limited ("RMB"). This co-investment arrangement provides the Fund with the right but not the obligation, to invest in all assets originated by RMB which satisfy pre-existing criteria.

The co-investment arrangement allows for the fund to invest alongside RMB on substantially similar economic terms with regards to the Interest Rate received and any underlying security. Additionally, the co-investment arrangement provides the fund with the right, but not the obligation, to co-sell with RMB on a proportional basis and on the same economic terms should RMB decide to sell any of the co-invested assets for credit-related or portfolio management reasons.

Finally, the co-investment arrangement requires RMB to remain invested in any loan acquired by the fund up to at least the exposure of the fund over the entire tenor of the loan.

Performance & statistics

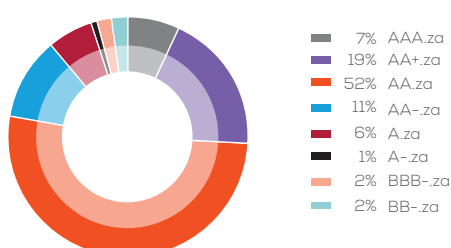


Source: Ashburton Investments, Maitland Fund Services & Bloomberg

Period returns - to October 2019	Fund (Gross)
1 month	0.74%
3 months	2.00%
6 months	4.47%
1 year	9.13%
3 year (p.a)	9.18%
Since inception (p.a.)	9.13%
Jibar + 160 bps since inception (p.a.)	8.98%

Past performance is not necessarily an indication of future performance.

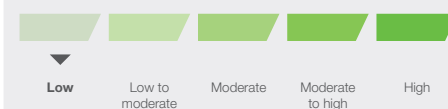
Rating distribution (%)



Source: Ashburton Investments

Key facts

Risk profile



General information

Fund classification	South African interest bearing - short term
Instrument structure	Note issued by SPV
Launch date	1 August 2015
Benchmark	3 months JIBAR + 160bps
Target fund size**	R5 billion
Current fund size	R3.987 billion
Weighted average rating	A+.za
Weighted average maturity	2.70 years
Number of issuers	33
* Target size - notes in issue (at cost) + GTSY held notes	
** Increased from an initial R2bn	
Capacity*	R1.478 billion
Income distribution	Monthly distributions
Denomination	ZAR
Minimum investment	R5 million
Liquidity	Monthly, RMB Market Making
Pricing	Daily
Domicile	South Africa
ISIN	ZAG000135831
Fund managers	Corneleo Keey Chris Siriram

Fee structure (%) A Class

Annual management fee	Negotiable
Total expense ratio	-
Transaction costs	-

Contact us

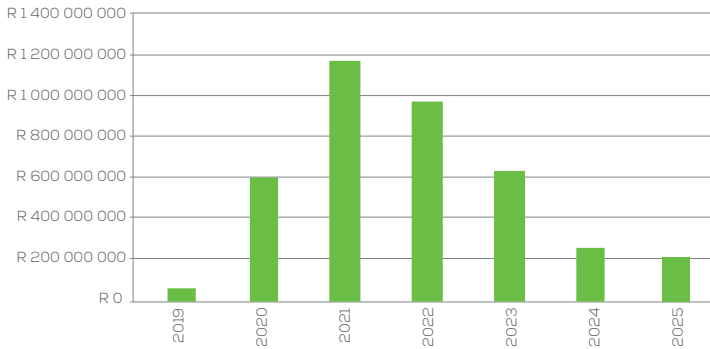
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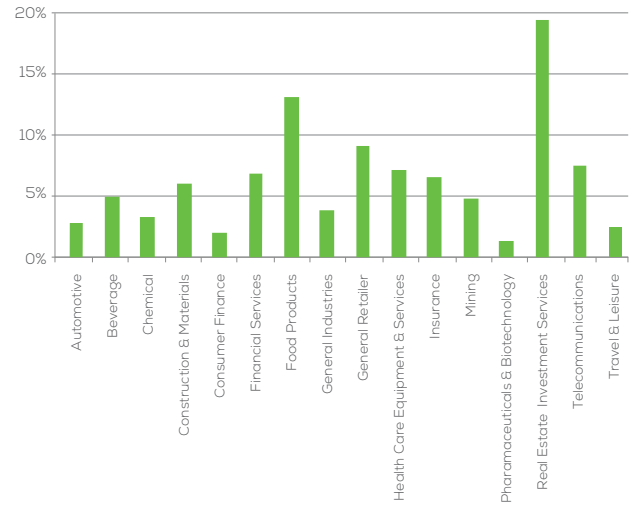


Cash flow profile



Source: Ashburton Investments

Industry diversification



Source: Ashburton Investments

Top 5 holdings

MTN	Leading mobile network operator in South Africa, Nigeria & other merging markets. Unsecured loan with AA-.za rating.
Medi-Clinic	One of South Africa's largest private healthcare groups. Secured loan with a AA+.za rating
K2012	Leading unlisted REIT with exposure to leading retail centres. Secured loan with a AA.za rating
Industrial Development Corporation	Leading South African development finance institution wholly government owned. Unsecured loan with AA.za rating.
Italtile	Leading manufacturer and retailer of tiles and bathroom accessories. Unsecured loan with AAA.za rating.

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