

ASHBURTON CREDIT CO-INVESTMENT FUND HIGH YIELD

Fund fact sheet as at 30 November 2022



Investor profile

The fund is suited to investors who are:

- Looking for real returns on capital 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 achieving returns comparable to balanced fund mandates.
- 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 Credit Co-Investment Fund High Yield is to achieve stable returns over 3-month JIBAR in excess of 350 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.

Given the return target of the fund, returns are expected to be more volatile, but higher than returns offered by lower risk fixed income offerings.

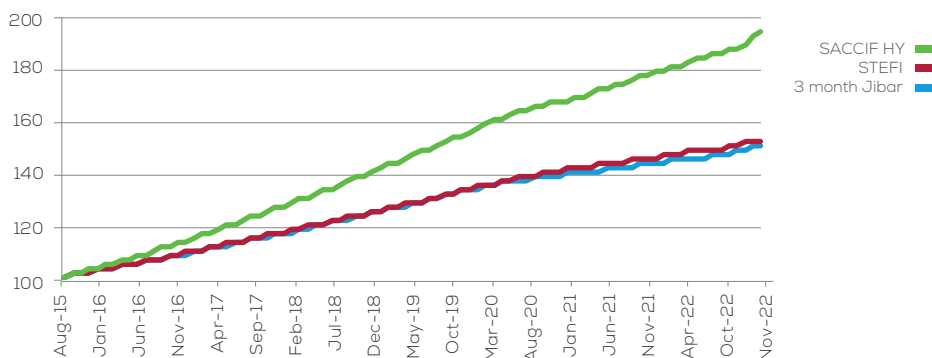
Investment strategy

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



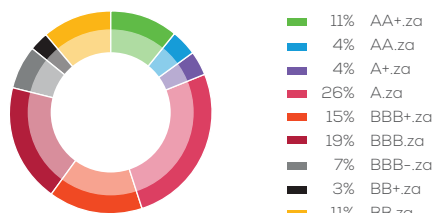
Source: Ashburton Investments, Maitland Fund Services & Bloomberg

Period returns - to Nov 2022

Period	Fund (Gross)
1 month	0.81%
3 month	2.90%
6 month	5.09%
1 year	9.06%
3 years annualized	7.82%
5 years annualized	9.22%
Since inception – Sep 2015 – annualized	9.90%
Jibar + 350 bps since inception (p.a.)	9.54%

Past performance is not necessarily an indication of future performance.

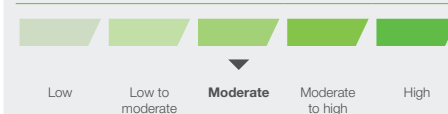
Rating distribution (%)



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 September 2015
Benchmark	3 month JIBAR + 350 bps
Target fund size	R3 billion
Current fund size	R1.739 billion
Weighted average rating	BBB.za
Weighted average maturity	1.91 years
Number of issuers	21
Capacity*	R1.396 billion
Denomination	ZAR
Income distribution	Monthly distributions
Denomination	ZAR
Minimum investment	R5 million
Liquidity	Monthly, RMB Market Making
Pricing	Daily
Domicile	South Africa
ISIN	ZAG000135849
Fund managers	Santhuri Thaver Tshepo Shabalala

Fee structure (%)

Annual management fee	65bps
Total expense ratio	76bps
Transaction costs	-

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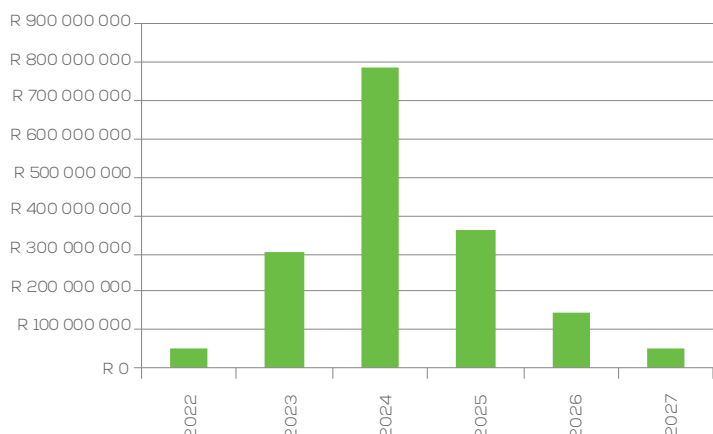
Website: www.ashburtoninvestments.com

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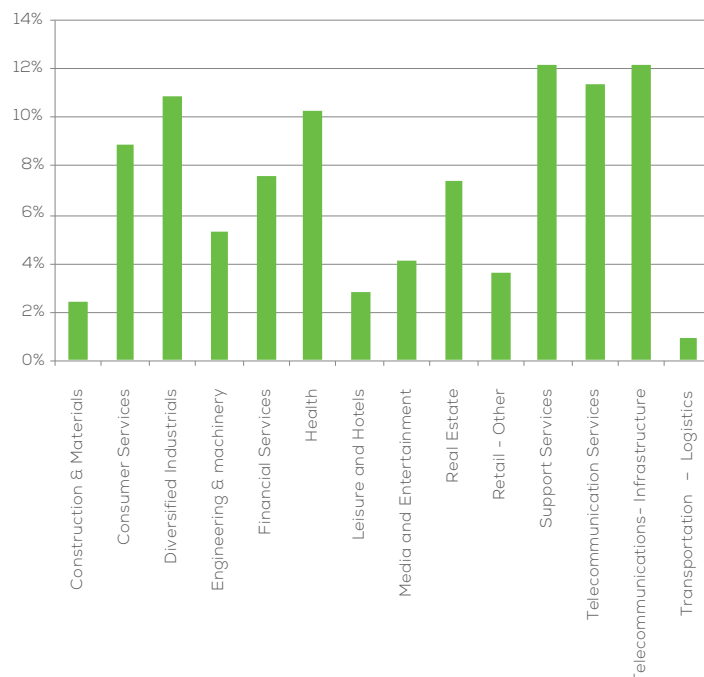
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Cash flow profile



Industry diversification



Source: Ashburton Investments

Top 5 holdings

Community Investment Ventures Holding	Fibre network infrastructure provider to corporates and homes. High yield, senior secured loan with a A.za rating.
Virgin Active South Africa	Leading South African fitness club operator. Senior secured loan with BB.za rating.
Universal Industries	Leading South African supplier of refrigeration cases, baking and catering equipment. Senior secured loan with a BBB.za rating.
Lenmed	Mid-tier private healthcare provider. High yield, senior secured loan with a BBB+.za rating.
DNI	The DNI group is a niche investment company in the retail, telecommunications and distribution sectors. High yield senior secured loan with AA+.za rating.

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