

# ASHBURTON CREDIT CO-INVESTMENT FUND HIGH YIELD

Fund fact sheet as at 31 October 2021



## 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.

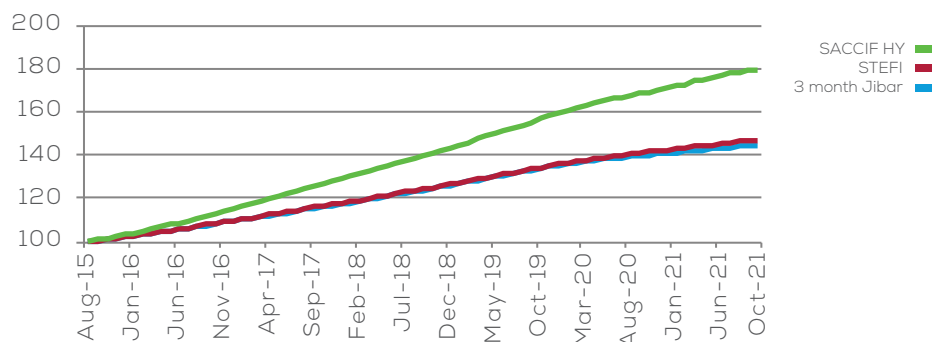
## Investment strategy

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

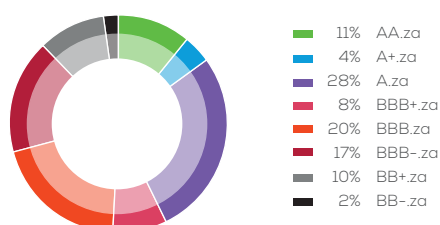


Source: Ashburton Investments, Maitland Fund Services & Bloomberg

Period returns - to October 2021	Fund (Gross)
1 month	0.51%
3 month	1.50%
6 month	3.31%
1 year	7.01%
3 years annualized	8.65%
5 years annualized	9.87%
Since inception – Sep 2015 – annualized	10.08%
Jibar + 350 bps since inception (p.a.)	9.81%

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	R1.635 billion
Weighted average rating	BBB.za
Weighted average maturity	1.92 years
Number of issuers	20
Capacity*	R1.389 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 Chris Siriram

### Fee structure (%)

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

### Contact us

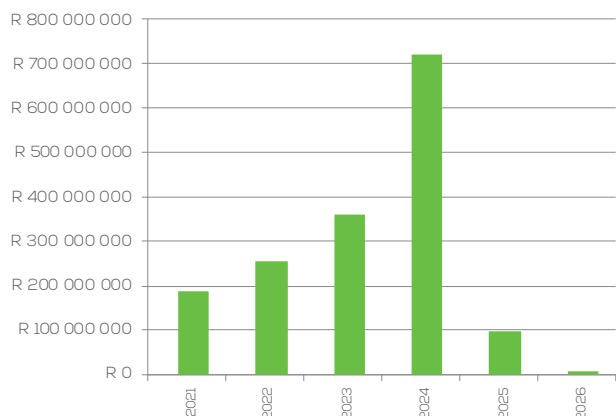
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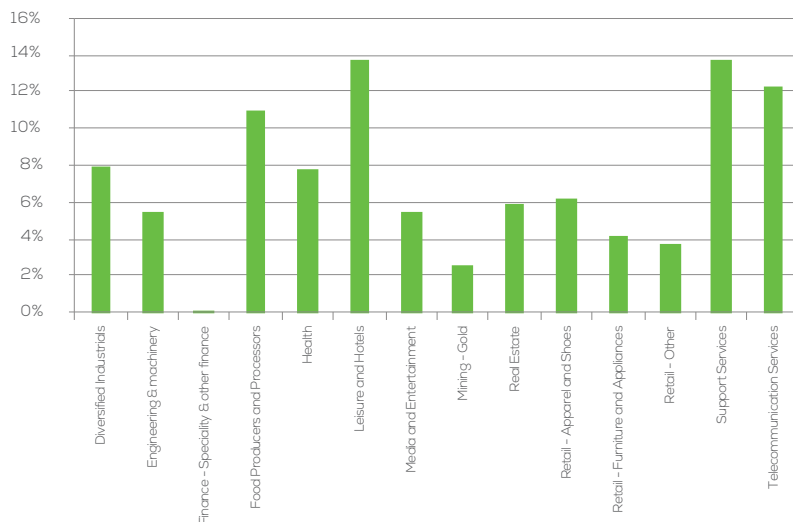


## Cash flow profile



Source: Ashburton Investments

## Industry diversification



Source: Ashburton Investments

## Top 5 holdings

<b>Community Investment Ventures Holding</b>	Fibre network infrastructure provider to corporates and homes. High yield, secured loan with a A.za rating.
<b>Virgin Active South Africa</b>	Leading South African fitness club operator. Secured loan with BB+.za rating.
<b>Premier FMCG</b>	Food producer with operations located mainly in South Africa across a number of leading brands. High yield, secured loan with a AA.za rating.
<b>Lenmed</b>	Mid-tier private healthcare provider. High yield, secured loan with a BBB+.za rating.
<b>Amrod</b>	Leading corporate gifting company. High yield, secured loan with a BBB-.za rating.

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