



IMPACT REPORT

Interim Q1 2024

ALTVEST CREDIT OPPORTUNITIES FUND PTY LTD

(Registration no: 2022/737301/06)

(Incorporated in South Africa)

(ISIN: ZAE400000192)

(NCR number: NCRCP18241)

(Share Code: 4ACOF)

altvest 
credit opportunities fund

general information

Full name of Company:	Altvest Credit Opportunities Fund Limited
Registration Number:	2022/737301/06
Date of Incorporation:	Republic of South Africa
Nature of business and principal activities:	Investment holding as principal and all business related thereto
Directors:	WG Wheatley (Executive Director) AS Karan (Executive Director) TL Wheatley (Executive Director) E Hartcourt-Wood (Independent Non-Executive Director) SKI Masakale (Independent Non-Executive Director) GM Sephuma (Independent Chairwoman)
Registered office and business address:	Block B 66 Rivonia Road Road Chislehurst Sandton
Postal address:	Block B 66 Rivonia Road Road Chislehurst Sandton
Financial year end:	28 February
Auditors:	BDO South Africa Registered Auditors
NCR number:	NCRCP18241
Share code:	4ACOF
VAT registration number:	4490308832

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Reminder of who we are and what we do

Altvest Credit Opportunities Fund Limited (“ACOF”) is a direct lender focusing primarily but not restricted to women-owned and/or managed and/or staffed businesses in South Africa through below-market lending rates, offering discounts to SMEs with demonstratable women empowerment credentials.


ACOF will obtain capital for deployment from several categories of investors and funders in the form of debt and equity. The primary use of capital raised will be for ACOF to originate structured loans to borrowers through an online platform. ACOF also supports its portfolio of borrowers by offering technical, compliance and finance-related services.

Through its social media presence and nationwide reach, Altvest Capital Limited (registration number 2021/540736/06) as Fund Manager of ACOF, assists ACOF with access to and management of investors and borrowers and, directly and indirectly, offers borrowers access to marketing and branding opportunities.


ACOF’s mission is aligned with that of the Altvest brand, namely to provide access to finance and investment opportunities. ACOF is driven to provide clients that meet its lending criteria with access to suitable debt funding and thereby play an active role in stimulating economic growth reducing unemployment and reducing gender inequality.




KEY FUND HIGHLIGHTS



Pricing
Our loans are priced between 18% - 36% a.p.r, based on the product and borrower risk profile including the annualized cost of fees.




Impact
Our impact credentials can lower the borrowing cost for SMEs by up to 25% while ensuring defaults remain around the market standard of 10%



Products

- Working Capital
- Asset Backed Finance
- Energy and Water Security



Returns
Our expected /target returns

- Debt: SA Prime +2%
- Equity: IRR = c 26% - 28%

ACOF is a 100% subsidiary of the holding company – Altvest Capital Limited. Altvest Capital Limited (“Altvest”) is an investment holding company operating in the financial services sector that both facilitates access to bespoke investments for retail investors and broadens access to funding to all South African businesses, with a focus on SMEs.

Altvest provides a disruptive platform through which it seeks to meet the funding needs of SMEs, with a focus on women-owned businesses, via capital raised from a mix of retail and institutional investors, thereby bringing to market bespoke investment opportunities.

Altvest Capital listed on the Cape Town Stock Exchange on the 5th of May 2022 and on A2X on 6 September 2022.

Altvest enables fractionalised ownership of unlisted assets to both Retail and Institutional investors allowing secondary market trading of special purpose vehicles owning single institutional-grade assets, thereby revolutionising the private equity market:

HOW IT WORKS:
Altvest acquires stakes in qualifying entities, funded by listing preferred ordinary shares

The preferred ordinary shares represent the economic value of the underlying investment opportunities.

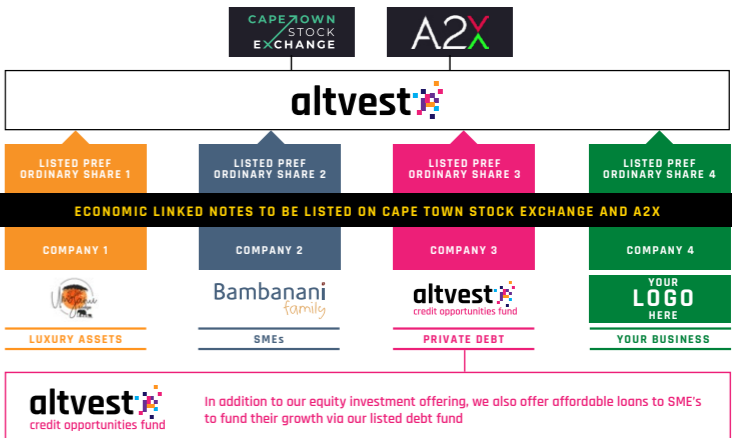
E.g. proceeds from Listed Pref Ordinary Share 2 were used to fund the acquisition of investment stake in Bambanani Family Group: this instrument offers ring-fenced exposure to that stake only.

Entities present regular management accounts and audited annual financial statements.

Holders of each preferred Ordinary share benefit via:

Access to liquid secondary market where investors can easily view daily market values and assess potential interest in their shareholding.

Flexibility to structure their investment needs, including increasing / decreasing shareholding as required.



Altvest is a platform that enables:

FOR INVESTORS

- Cost-effective mechanism to invest in and gain exposure to alternative assets
- Support entrepreneurs by participating in their capital raising

FOR SMEs & ENTREPRENEURS

- Raise capital from retail & institutional investors
- Raise equity or debt from capital markets

Altvest has been internationally recognised as a leading ESG initiative by both Environmental Finance's Sustainable Investment award and International Finance :



Best ESG Investment Initiative of the Year, Africa 2023

Awarded to asset owners, fund and portfolio management companies that demonstrate new methods or actions to achieve their ESG investment goals in Africa. Other winners include Actis, Moody's, Preqin, Mercer and Fitch. For excellence in sustainable finance and impact investing.



Most Innovative Alternative Investment Platform

Altvest capital won South Africa's most innovative alternative investment platform awarded by International Finance - an awards body recognizing industry talent, leadership skills, industry net worth and capability on an international platform.

Altvest Credit Opportunities Fund: Empowering SMEs and Driving Job Creation

Fund Background & Objective

At the Altvest Credit Opportunities Fund ("ACOF"), we are deeply committed to fostering economic growth and sustainability by providing critical growth capital to small and medium-sized enterprises (SMEs). Recognizing the pivotal role of SMEs in the economic fabric, our activities are meticulously designed to support these engines of growth, thereby creating, sustaining, and preserving valuable employment opportunities.

ACOF was started by South African entrepreneurs who intimately understood the needs of businesses and the struggles SMEs face in raising capital and obtaining funding. Motivated by the desire to help SMEs drive economic growth and make a meaningful impact - ACOF was established. ACOF's vision is to provide the financial support necessary for SMEs to flourish, ultimately contributing to job preservation and creation, and to save South Africa from its current demise.

ACOF aims to revolutionise the South African SME funding landscape. ACOF prioritizes affordable working capital and asset financing solutions for SMEs in an innovative manner and by offering competitive financing rates. Businesses aligning with ACOF's impact drivers, promoting women's inclusion in business, gain eligibility for additional discounted rates. ACOF utilizes innovative technology for facilities and advisory support, aiding SMEs in their growth endeavours. The fund tackles challenges posed by financial institutions in structuring funding solutions for small businesses. All loans disbursed by ACOF are secured.

ACOF is owned by Altvest Capital, and encompasses asset management, media, and marketing services.

Women Empowerment credentials and how they lower the cost of borrowing for SMEs.

We forecast that our loans are at least 25% cheaper than competitor SME lending platforms, increasing to up to 40% cheaper based on your business's empowerment credentials. SMEs are asked 5 simple questions - each positive answer translates to an up to 5% further discount on the interest rate we charge you.

IMPACT DRIVERS
Each selection is equally weighted at a 5% discount to the borrowing rate

- Woment CEO / CFO / CIO
- At least 1 woman director
- 50%+ women employees
- 50%+ women sharehodlers
- Women founded

Achieving all the credentials would unlock a transformative 25% discount on your borrowing rate.

ACOF's Multi-faceted Strategy with SMEs

Our approach is multifaceted, focusing not only on financial support but also on strategic guidance to ensure the long-term success of our partner SMEs. Through tailored financing solutions, we enable these businesses to scale operations, enhance productivity, and enter new markets. This, in turn, leads to job creation and retention, contributing significantly to economic resilience and community prosperity.

A core aspect of our mission is the transparent measurement and sharing of our impact. We are committed to providing our stakeholders with detailed statistics on job creation and preservation directly resulting from our investments. This accountability ensures that our objectives align with our actions, demonstrating the tangible benefits of our interventions in the communities we serve.

Moreover, we believe in the power of storytelling to inspire and inform. By sharing success stories from our portfolio companies, we highlight the real-world impact of our investments. These narratives not only showcase the entrepreneurial spirit and resilience of SME owners but also illustrate how strategic capital infusion can transform businesses and by extension, communities.

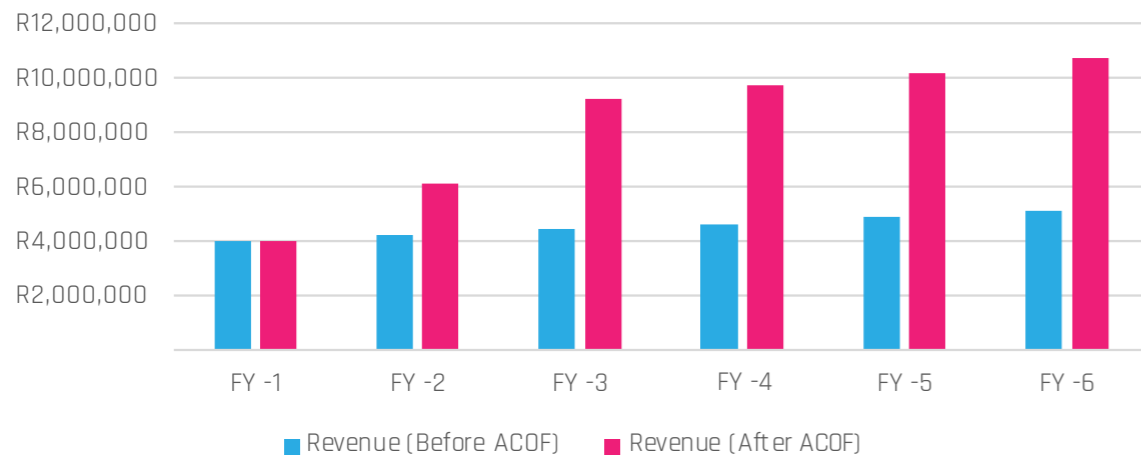
In conclusion, the activities of Altvest Credit Opportunities Fund are a testament to our belief in the transformative power of SMEs. By providing growth capital, we not only support business expansion and innovation but also contribute significantly to job creation and economic stability. We look forward to continuing this journey, measuring our progress, and sharing our successes with our valued stakeholders.

Our forecasted impact of ACOF funding of an average SME

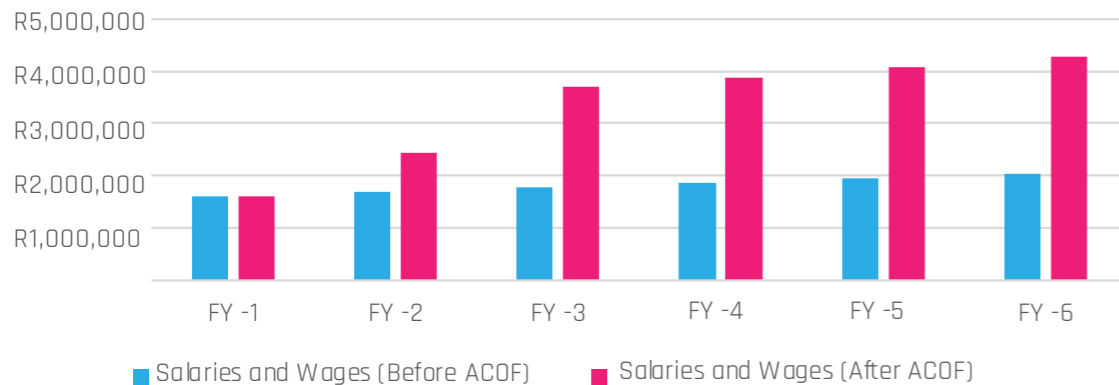
The below graphs and analysis are based on the archetype of the average SME that would receive funding from ACOF. This SME demonstrates the following characteristics:

- This business is profitable and able to service a loan facility, but does not qualify for traditional bank financing.
- This business has a pipeline of prospective clients, but does not have the working capital resources to be able to adequately service them.
- As such, an ACOF facility allows them to significantly grow revenue by servicing clients they would otherwise turn away due to lack of capacity.
- Further, ACOF funding would allow this business to invest in additional permanent staff and better remuneration for existing staff, due to the higher profits.

ACOF FACILITY WILL HELP GROW REVENUE SIGNIFICANTLY



CAPITAL PROVIDED BY ACOF HELPS BUSINESS CREATE JOBS AND IMPROVE COMPENSATION



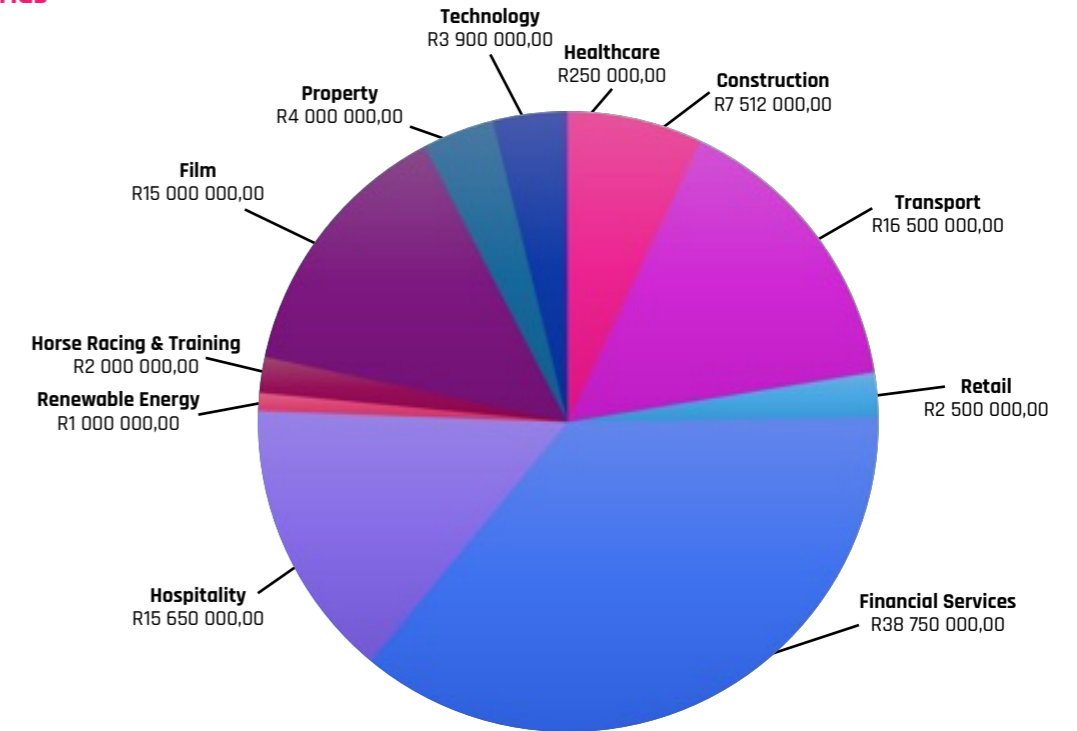
As seen in the graph above, an SME with capital provided by ACOF is projected to have significant growth in revenue and profit (17.8%). Revenue and profits are projected to increase by over double in FY3 from the revenue base of R 4 million in the first year, as the business utilizes a facility of R4 mil to service unmet demand. 12.5% of the loan deployed to this SME goes directly towards a permanent investment in employment.

This figure is based on the observed impact of existing ACOF loans on SMEs. As such, the salaries and wages expense for SMEs funded by ACOF are projected to increase significantly in comparison to SMEs without ACOF loan funding.

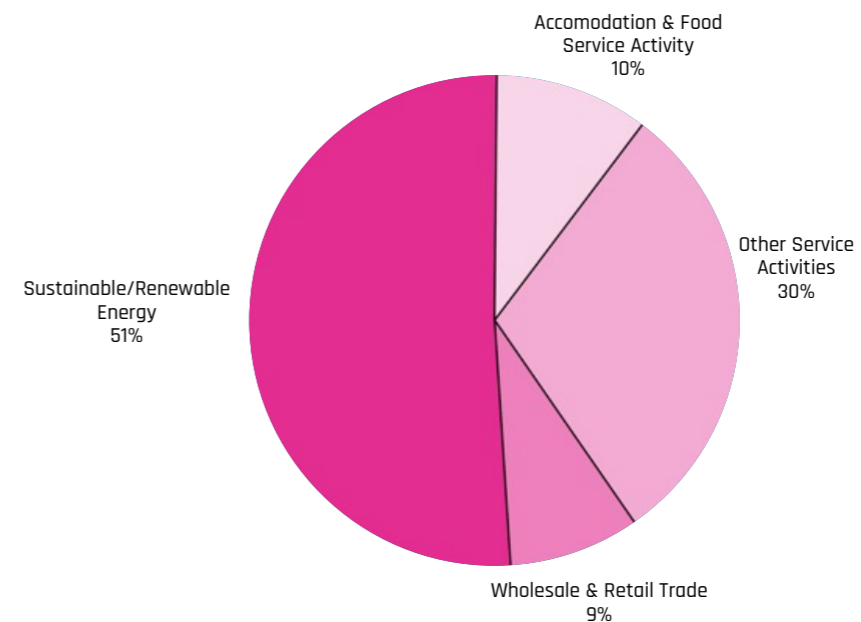
The Facts and figures so far:

R114m in active pipeline

Our diverse pipeline consists of potential loans to the energy, finance, motor and property industries



R20m Disbursed in first 3 months



189
Jobs Supported

53
Jobs Created

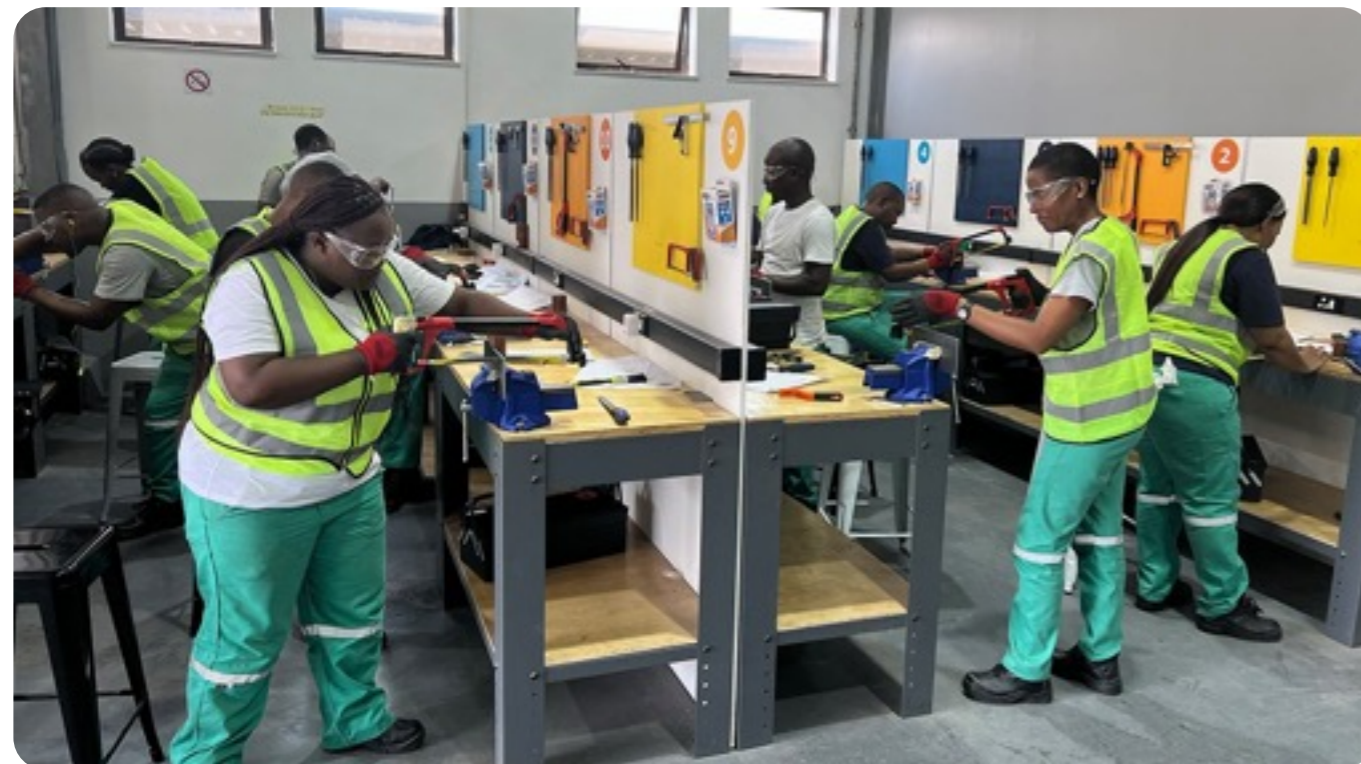
Forecasted Facts & Figures by end of Q1 2024:



Number of SMEs funded	11
Disbursements in Rands	R47,916,550
Rand value to black owned SMEs Funded	R43,174,500
Rand value to woman owned SMEs funded	R10,862,050
Rand value to youth	R10,396,550

Storytime

The stories that follow, share not only the role that ACOF played in funding SME's but attempt (poorly so) to showcase the extraordinary entrepreneurs, whose courage fortitude and resilience in running their business and creating change, singled them out as strategic cogs in the wheel that will fix South Africa. We are proud to be partners with them.



Solana Funding Impact

Amid South Africa's energy crisis, Solana Energy found a supportive ally in Altvest Credit Opportunities Fund (ACOF), sparking positive changes. ACOF's capital infusion propelled Solana's growth, sustaining its 71-person workforce and creating 20 new jobs, fostering economic development in load-shedding-affected regions.

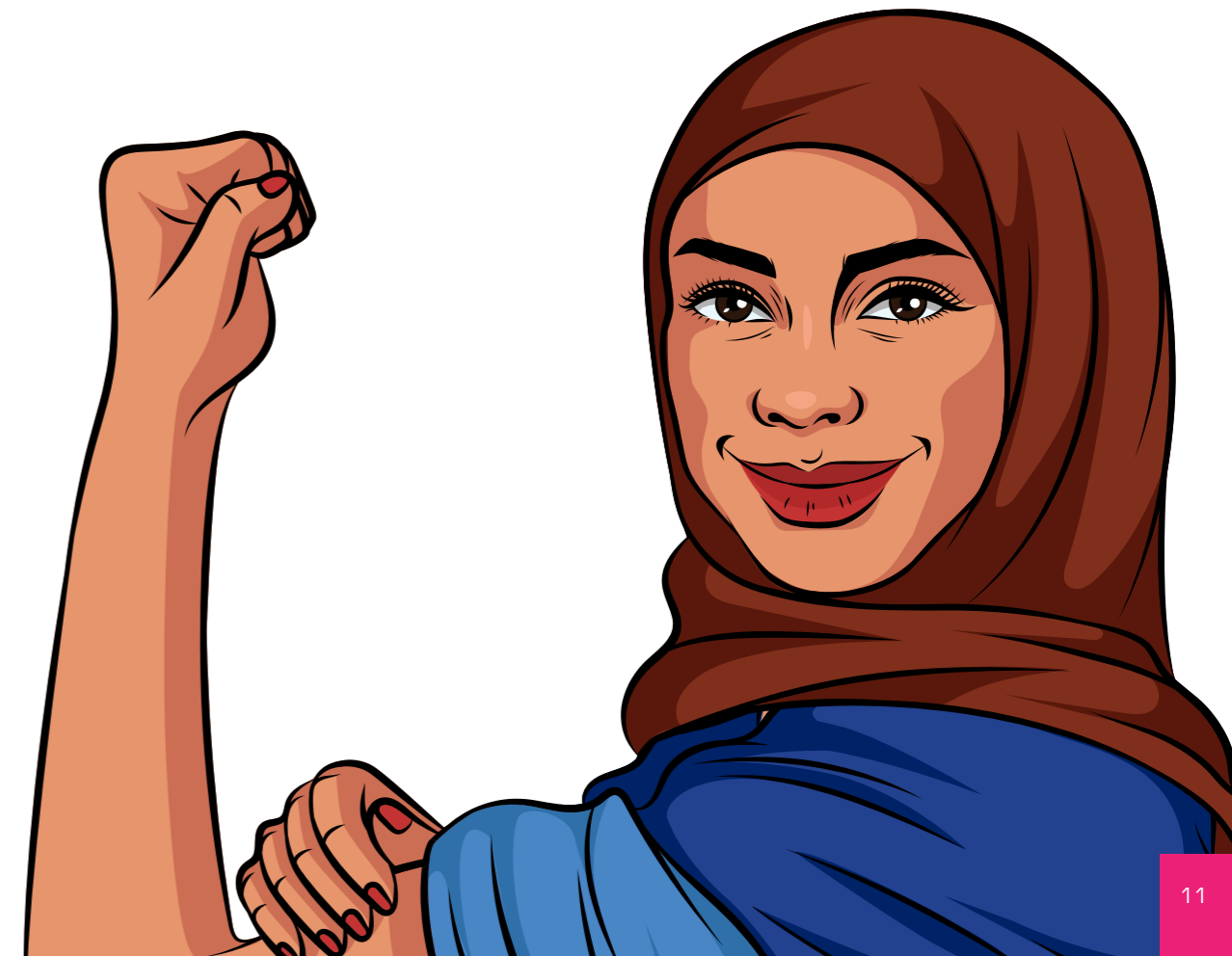
ACOF's financial support strategically optimized Solana's working capital, allowing seamless project navigation and fortifying cash flows. This financial resilience positioned Solana for sustained success. Market expansion became a reality with ACOF's support, aligning with Solana's vision to swiftly penetrate new markets, especially in providing solar solutions to underprivileged communities.

Empowered by ACOF, Solana showcased adaptability, offering tailored solar solutions for commercial and industrial spaces, positioning itself as a versatile player in the renewable energy landscape. Operational efficiency became a hallmark under ACOF's guidance, streamlining business processes for timely project execution.

Beyond financial gains, Solana, fueled by ACOF's funding, ventured into community-oriented projects, contributing to community development and social responsibility. This commitment resonated in the lives touched by clean, locally generated energy.

In conclusion, the collaboration between Solana Energy and ACOF unfolded as a positive change. The investment illuminated homes during blackouts, empowered communities, and contributed to a more sustainable future for South Africa. As this narrative is shared with the fund allocator, it signifies an ongoing partnership shaping a brighter tomorrow through clean, locally generated energy.

[BIZNEWS ARTICLE](#)
[VIEW SOLANA'S WEBSITE](#)
[APPLICATION FORM](#)





Bambanani Fund Impact Story

In the heart of two vibrant communities, the story of Bambanani Family Group unfolds, one of growth and empowerment catalysed by the strategic support of Altvest Credit Opportunities Fund (ACOF). The infusion of capital provided by ACOF became the catalyst for transformative change, positioning Bambanani as a beacon of community development and innovation.

With the financial backing from ACOF, Bambanani took the opportunity to acquire two new properties, each unlocking unique potentials for the family-oriented business. The first property served as an expansion of the flagship location in Melville, enabling Bambanani to cater to a larger audience and enhancing the quality of its flagship services and offerings. The second property, strategically located in Bedfordview, became the canvas for an additional venue, broadening Bambanani's reach and solidifying its presence in the community. What was once a traditional family-friendly establishment evolved into a comprehensive hub for cultural, educational, and fitness extramural classes, now offered for both kids and adults alike. The infusion of capital not only allowed Bambanani to expand physically but also fostered an environment that promoted holistic personal and communal growth. The positive impact extended beyond the physical footprint of Bambanani. ACOF's investment, coupled with a successful equity listing, ignited a series of community-oriented initiatives. A dedicated effort to educate staff on Bambanani's public listing unfolded, offering employees the unique opportunity to receive tips in the form of shares rather than conventional cash tips. This innovative approach, reflecting ACOF's core value of empowerment through access and inclusivity, has not only financially engaged employees in the success of the business but also contributed to social responsibility and community development. Bambanani has become a testament to the idea that business success can be synonymous with community upliftment.

The ripple effect of ACOF's support is evident in the saving of 34 existing jobs due to the financial support offered by ACOF and the creation of 30 new jobs within Bambanani, fostering local employment and contributing significantly to economic development in the surrounding areas. Bambanani Family Group stands as a shining example of how strategic investment, guided by ACOF's vision, can elevate an SME into a community-centric powerhouse, creating a positive feedback loop of growth, sustainability, and empowerment.

[VIEW BAMBANANI'S WEBSITE](#)

[CONTACT BAMBANANI](#)





PORMAT
PROPERTY GROUP

STUDENT ACCOMMODATION

R 2500 ELECTRICITY AND UNLIMITED WIFI INCLUDED

FREE UNLIMITED WIFI

Open from

04 JULY 2022 **8:00AM-17H00**

[Book a viewing](#)

125 Madiba Street Pretoria CBD

Pormat Property Group Funding Impact

In Pretoria, Pormat Property Group Pty Ltd faced a challenge - a growing demand for student housing with limited options near campus. Altvest Credit Opportunities Fund (ACOF) stepped in to address this need, partnering with Pormat to revamp and expand their student housing facilities.

ACOF's investment enabled the construction of modern, student-centric accommodations, meeting the demand and creating a supportive environment for academic success. Students benefitted from the convenient location, saving time and enhancing their focus on studies and extracurricular activities.

The positive impact extended beyond student life. The increased population injected vitality into the neighbourhood, boosting local businesses and generating job opportunities. The once-overlooked area transformed into a lively hub, showcasing inclusive development in action.

The ongoing collaboration between ACOF and Pormat not only addressed housing needs but also set a precedent for sustainable, community-driven development. This partnership reflects ACOF's commitment to creating a positive impact that goes beyond financial returns.

Today, Pormat Property Group Pty Ltd stands as a testament to community empowerment and inclusivity, thanks to ACOF's support. The project showcases the potential when organizations unite with a shared vision of creating a better, more inclusive world.

[VIEW PORMAT PROPERTY GROUP'S WEBSITE](#)

[CONTACT PORMAT PROPERTY GROUP](#)



Jessen Funding Impact

In the dynamic landscape of elevators and lifts, Jessen provides innovative solutions across residential, accessible, commercial, and industrial applications. Despite their industry prominence, Jessen encountered a formidable challenge in the form of severe working capital limitations. The intricacies of their operations were compounded by shipping complications, resulting in a critical situation where elevators were stranded in transit. This logistical conundrum rendered Jessen unable to meet existing obligations and jeopardized the progress of future projects due to the absence of a reliable stock receiver. In this tight spot, Jessen turned to Altvest Credit Opportunities Fund (ACOF) for help. ACOF, with its experience in supporting small and medium-sized enterprises (SMEs), stepped in to ease Jessen's working capital troubles. By providing essential funding, ACOF played a key role in sorting out the immediate crisis. This support allowed Jessen to get their elevators moving again, unlocking their stock and getting back on track.

ACOF's impact on Jessen was significant. Beyond meeting immediate commitments, it helped Jessen keep projects going and set the stage for future growth. This success story highlights ACOF's commitment to supporting SMEs, showing that it's more than just words—it's about practical results that help businesses like Jessen thrive.

This case underlines ACOF's mission to be a positive force, offering financial solutions that empower businesses to overcome challenges. In the world of elevators and beyond, ACOF stands firm in its dedication to unlocking potential and backing SME success.

[VIEW JESSEN'S WEBSITE](#)

[CONTACT JESSEN](#)



altvest
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www.altvestcapital.co.za