



**IMPACT REPORT FOR
THE 6 MONTH PERIOD**

31 AUGUST 2024

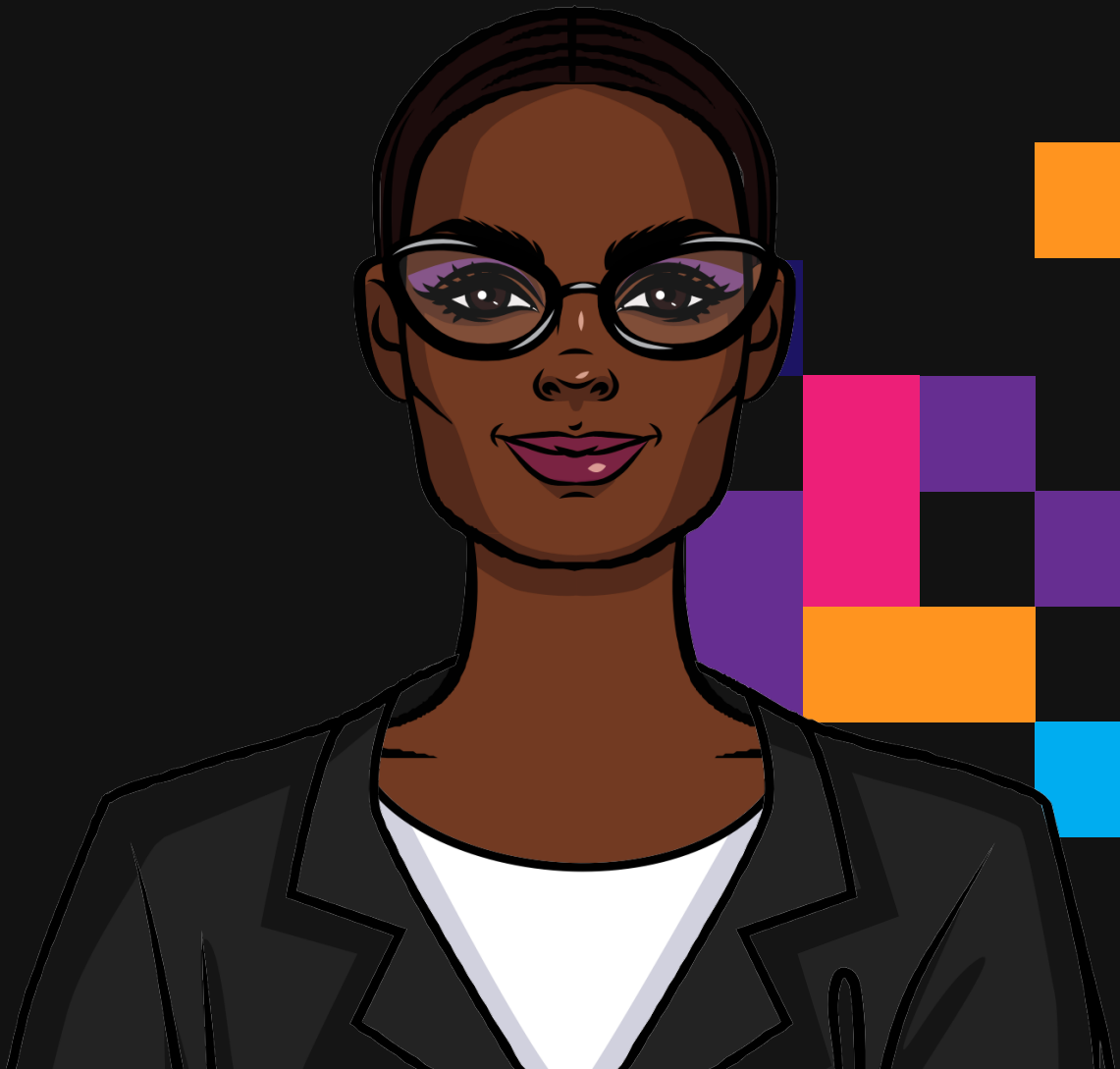
altvest 
credit opportunities fund

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
JSE Share code:	AVL C
VAT registration number:	4490308832

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INTRODUCTION

The Altvest Credit Opportunities Fund ("ACOF") is a direct lender providing structured and growth funding solutions to South African SMEs. 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 the South African economy sustainably.

Altvest Capital ("Altvest") acts as the fund manager of ACOF, assisting ACOF with access to and management of investors and borrowers and, directly and indirectly, offering 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 for both ordinary South Africans and Institutions.



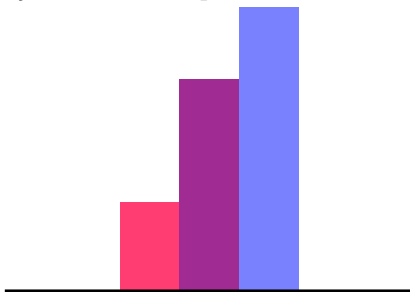
IMPACT OVERVIEW

ACOF's 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.

Our strategic approach has enabled us to build a robust pipeline since the fund's inception, both in terms of deal size and the calibre of our clients. To date, we have successfully deployed R140 million from this pipeline to support South African SMEs. In our first 9 months of operations, we are proud to report on our loan book as follows:

R140 million

Deployed as at 31 August 2024



Capital Deployed	R140 million
Value of Security	R300 million
Deals in Pipeline	R458 million

345

Jobs have been saved as at 31 Aug 2024

189

Jobs have been created as at 31 Aug 2024

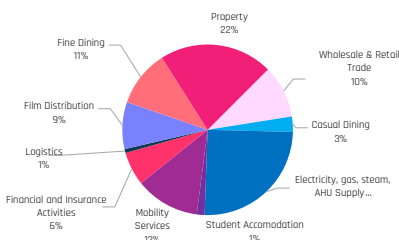
R404,631

Cost of saving 1 job from deployed funds

R738,613

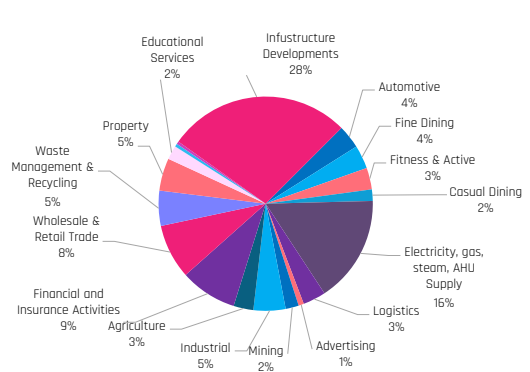
Cost of creating 1 job from deployed funds

Funding to 16 SMEs in 10 distinct economic sectors as at 31 Aug 2024



SMEs Funded	16
Average Term	29 months
Average Loan Size	R6,647,517
Largest Loan	R30,000,000
Smallest Loan	R242,650

A Pipeline of R458 million in deals as at 31 Aug 2024



IMPACT STORIES

Solar Mile & Insele



Solar Mile, one of ACOF's early clients, operates as a retailer in Daveyton, specializing in both alcoholic and non-alcoholic beverages. During the busy December period, ACOF provided Solar Mile with a loan to meet the heightened demand over Christmas. This growth capital enabled Solar Mile to improve its gross profit margins by over 10% through securing bulk discounts from suppliers. The success of the initial funding was so impactful that just a few months later, the founders returned to ACOF to secure additional financing for a new store, Insele, located in Sebokeng.

The loan was disbursed in August, and the new store has since opened successfully, with some weekends generating seven-figure revenues. Beyond driving business growth, the funding has allowed Solar Mile and Insele to both sustain and create jobs within the community. Over the course of these two loans, 36 jobs have been supported or newly created, exemplifying one of ACOF's core investment principles—that strategic investment not only delivers measurable impact but also generates substantial returns.

Amandla Coal



The funding provided by ACOF to Amandla Coal Fields had a significant impact on both the business and the broader community. The loan facility addressed a critical cash flow gap that emerged due to a shift in payment terms with the company's primary client. This gap threatened to disrupt coal deliveries. By securing the rolling credit facility, Amandla Coal Fields was able to continue its coal deliveries without interruption, ensuring operational stability and preventing potential power shortages. The funding not only allowed the company to sustain its business operations but also played a crucial role in retaining jobs within the organisation, preventing layoffs that would have occurred if operations had been disrupted. Additionally, the facility supported indirect employment by enabling Amandla Coal Fields to meet its transportation and procurement needs, which involved various suppliers and logistics providers.

Ukunemba Farming



Ukunemba Farming was founded by a 29-year-old CA(SA). The funding provided by ACOF had a profound impact on the business and broader community. Ukunemba Farming, a 100% black-owned enterprise, focuses on sustainable cattle feedlot farming and beef production. With a clear vision to empower black farmers and create jobs, the loan from ACOF enabled the company to expand its operations by building state-of-the-art cattle feedlots and enhancing infrastructure. This expansion directly resulted in the creation of 10 permanent jobs and 16 non-permanent positions, primarily benefiting black South African farmers and contributing to the economic development of local communities. In addition to job creation, the funding supported Ukunemba Farming's ability to meet its contractual obligations. Ukunemba Farms has an offtake agreement to supply 200 live cattle per week. This agreement not only secures a consistent revenue stream but also strengthens Ukunemba's position in the agricultural sector. The loan further bolstered the company's working capital, enabling it to purchase and feed 600 weaners and calves, ensuring a steady supply of cattle for the market.

Zwane Financial Services



The Zwane Financial Services story, highlighted in our annual report for the year ending 29 February 2024, exemplifies the transformative impact of ACOF's funding. The loan provided by ACOF propelled the microlender's growth to such an extent that it could no longer meet the rising demand.

Zwane specialises in microfinance, and the surge in demand necessitated additional capital to support their lending activities. The initial loan from ACOF created 20 jobs, while the second loan has generated 13 more, helping Zwane bolster its loan administration and client vetting processes. This continued funding partnership between ACOF and Zwane showcases the broader industry shift toward more inclusive and accessible financial services.

Doondraai Lodge Rooiberg



Doondraai Lodge, a 1,600-hectare game lodge located in Bela Bela, offers a four-star experience with a variety of accommodations, including four 10-sleeper units, eight 4-sleeper units, cottages, a hunter's cabin, a bush cabin, and two conference centres. In addition to these facilities, the lodge provides a range of amenities and activities for guests. Recently, the lodge received a purchase offer from a large mining company following the discovery of mineral deposits on the property. While the value of the land has increased, Doondraai Lodge faced financial strain due to high-interest debt from competitors.

ACOF's facility offered the lodge much-needed relief by refinancing its existing debt with more flexible, tailored terms, allowing the business to manage its finances while awaiting the imminent purchase. The facility not only helped sustain 30 existing jobs but is poised to create a far-reaching impact. The funding will facilitate the mine's purchase, potentially leading to the creation of hundreds, if not thousands, of new jobs in the future.

OUR INITIATIVES & PARTNERS



The JSE has partnered with the Western Cape government to support SMEs with funding solutions. ACOF participates in this programme as a capital provider.

The programme allows ACOF to:

- Provide economic opportunities to 500+ prospective SMEs.
- Assist in the development of emerging entrepreneurs with a drive for social impact.



The Xlerator programme is MTN's business Enterprise and Supplier Development initiative offering training, development and funding to South African SMEs.

ACOF participates in the programme by:

- Jointly conducting 3rd party deployment of loans, utilizing combined capital.
- Adding mechanisms and services to enhance woman empowerment within the MTN Xlerator programme



The Gauteng Department of Economic Development (GDED) is committed to empowering women-owned businesses by creating platforms that connect them with key industry leaders, fostering growth and opportunities for success.



The NSBC is Africa's leading non-profit SME membership organization, dedicated to the growth and sustainability of SMEs. Through its extensive base of over 160,000 SMEs, NSBC fosters SME growth via networking, learning, and access to unique success mechanisms, driven by comprehensive national SME surveys.



SAVCA represents over 200 members managing assets exceeding R213bn, dedicated to promoting the private equity and venture capital industry. It enhances the sector through regulatory advocacy, insightful research, training, and networking.



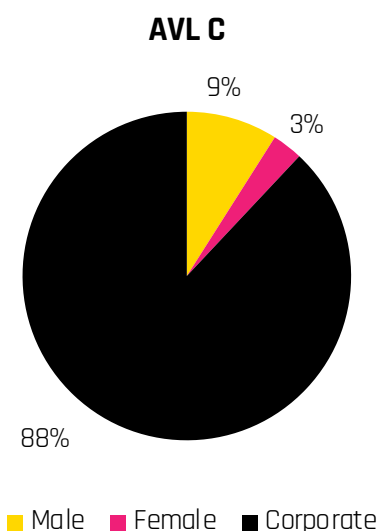
BizNews is a pioneering internet publishing company dedicated to independent reporting and providing insightful commentary on local and global issues. Offering advertising space in their newsletter and sponsored articles on their website, BizNews connects ACOF with a broad audience of South Africans.

ALTVEST CAPITAL AS FUND MANAGER & JSE LISTING

Altvest Capital ("Altvest") enables retail and institutional investors to securely invest in alternative assets and South African SMEs through listed, institutional-grade investment instruments. By doing so, investment into any of Altvest's instruments supports South African SMEs, and the economy while contributing to job creation and preservation. Each instrument offers ring-fenced exposure to specific investment opportunities or can be accessed through pooled portfolios.

ACOF is one of the alternative investment instruments offered by Altvest and thereby acts as the fund manager of ACOF. Altvest assists ACOF with access to and management of investors and borrowers and, directly and indirectly, offers borrowers access to marketing and branding opportunities.

Altvest manages both debt and equity investment into ACOF. There are 3 investment entries into ACOF, namely the ordinary shareholding (unlisted), Altvest Class C (listed) and DMTN programme (unlisted & listed). Altvest has so far raised a mix of both retail and institutional capital to the amount of R256 million. As at 31 August 2024, the ordinary equity in the fund is solely held by Altvest Capital, The debt in the fund is held by one institutional client whereas the Altvest Class C share can be broken down into the following groups :

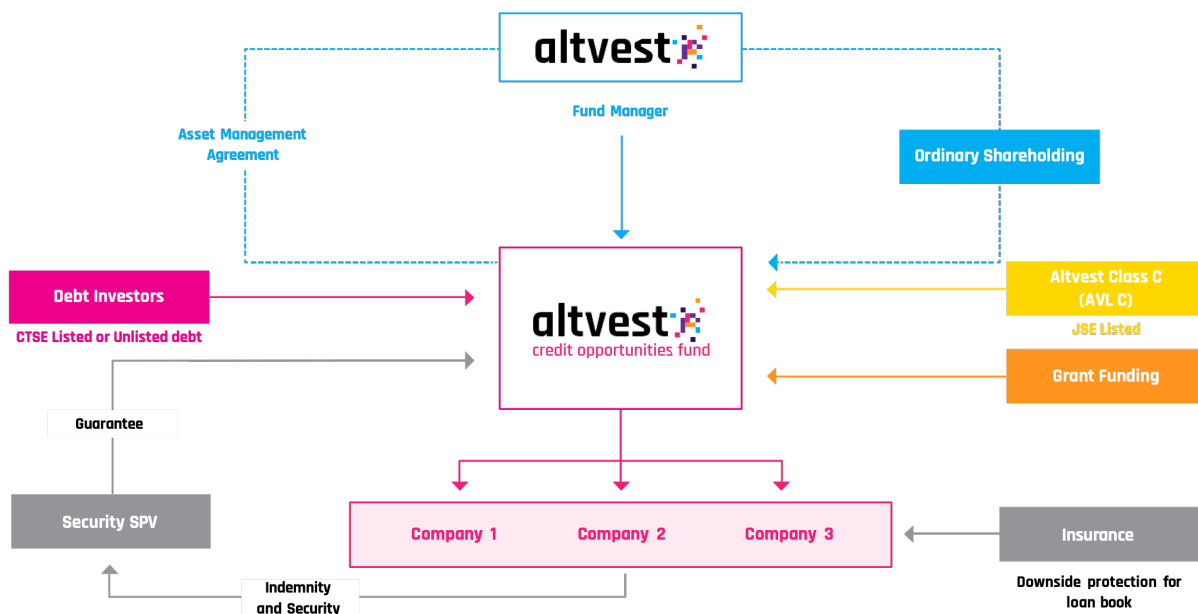


While the fund has achieved significant success in its first nine months of operations, its potential for impact can extend even further. In pursuit of this, Altvest Capital has made the strategic decision to transition its listing, along with all its investment opportunities, from the CTSE to the JSE (AltX). On October 14, 2024, Altvest Capital and its investee companies will officially list on the JSE, making their investment opportunities accessible through over 100 brokers.

This milestone is expected to raise both capital and awareness for ACOF's mission. The influx of funds from retail and institutional investors will enable ACOF to expand its reach, generating a greater impact. With additional resources, ACOF will continue to provide the essential financial support that SMEs need to thrive, fostering job creation and preservation, and contributing to the sustainable growth of South Africa's economy

APPENDIX 1 – SUMMARISED INVESTMENT TERMS FOR ACOF

ACOF Investment Structure:



Summarised Terms:

Structure	Open - ended
Fund Manager	Altvest Capital Ltd
Subscription Method	Equity/DMTN Program
Instrument - Direct	Ord & Pref Shares & Debt Notes
Redemption Notice	None

Basic Terms	Ordinary Shareholding	Altvest Class C (AVL C)	Debt Funding
Target Capital Raise	Up to R70 million	R145 Million	R5 Billion
Regulation 28 Category	Private Equity	Listed Equity	Listed & Unlisted Debt
Financial Exchange	n/a	JSE (AltX)	CTSE (Listed Notes)
Legal Instrument	Unlisted Ordinary Share	Hybrid Instrument	DMTN Programme
Daily Priced	Yes, by proxy	Yes	Yes
Distribution Frequency	Per dividend policy	Per dividend policy	Per mandate
Target Return	IRR c 26% - 28%	IRR c 26% - 28%	SA Prime + 2%
Minimum Investment	R10 Million	No minimum	R1 Million

IPO on the JSE now open!
Buy your ACOF shares today,
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 **EasyEquities**

Offer closes on 1 October 2024

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