

INVESTMENT MANAGER'S COMMENT

The composition of REFFA's gross education portfolio has increased to 35.8 million at the end of Q3 2022. It covered fifteen investees across nine countries, while the average REFFA exposure per Partner Institution averaged approximately USD 2.4 million. A new client was added to the portfolio, a holding company with affiliates in several countries, which will use the funds for school fee loans to subsidiaries in Ghana and Zambia.

In Q3 2022, the REFFA EduFinance Tracker was fully translated into French. As a result, an online version of the scoring tool is now available for French-speaking REFFA investees. Within the scope of the roll-out, the wording and "aide-mémoire" related to the data collection was tested with one West African investee. Another county-specific adaptation was concluded in the framework of a technical assistance project with a group partner of REFFA, where client education self-learning modules were specifically tailored to Botswana-specific requirements. Other countries will follow accordingly.

Education Finance update

Despite ongoing global challenges such as inflation or the Russian-Ukrainian war, resilience remains high in REFFA countries as SMEs engage in activities that are crucial to livelihoods, schools remain open, and households substituted their consumption with local cheaper items. The consolidated education finance portfolio increased by 0.9% and reached USD 147.3 million as of end of September 2022. The consolidated portfolio growth was impacted by the maturity of one exposure in Cote d'Ivoire during the quarter. This institution was the only one offering saving products to learners from families with MSME income, hence the increase of the share of education providers in the education finance savings this quarter.

Market update

Burkina Faso is facing enhanced political instability since its second coup in 2022, which took place in September. The economic activity has recovered very quickly, and ECOWAS (Economic Community of West African States) has not yet announced any sanctions. 2022 GDP growth forecast will likely reach 4.6%.

In **Botswana**, real GDP is expected to grow to 4.4% in 2022 and 4.2% in 2023, supported by diamond related activities and an expansionary fiscal stance. Inflation eased from 14.5% in August 2022 to 13.8% in September.

Eswatini's economy growth prospects remain muted despite expected stronger regional trade flows. Real GDP is expected to expand by 1.7% in 2022 and 1.9% in 2023, as government cuts spending targets in FY-2022 and 2023.

Ghana secured a USD 750 million loan from Afrexim, which was disbursed in July 2022, boosting its reserves slightly, but also increasing interest costs. The IMF visited Ghana in July 2022 to review the country's Extended Credit Facility program of up to USD 3 billion, where a decision is expected by Q1 2023.

Kenya's economy is expected to grow by 4.7% in 2022 as the economy recovers from the effects of Covid-19. The new government's policies will provide small businesses with USD 420 million of affordable credit annually and will invest in agriculture and healthcare.

In **Nigeria**, between January and September 2022, outflows of capital have led to a decline in foreign reserves. The Central Bank's policy is responding by increasing the benchmark rate by 150 bps to 15.5% and announcing a 500 bps increase in the cash reserve ratio (from 27.5% to 32.5%). Nigeria's growth forecast for 2022 has been revised from 2.5% to 3.2%, as oil production output gradually increases.

Tanzania's GDP growth in 2022 is expected to average at 5.0%, supported by recovery in agriculture, public investment in infrastructure, and an accommodative monetary and fiscal stance. Since July 2022, the CBR was retained at 5.0% by the Bank of Tanzania.

Tunisian President Kais Saied appears increasingly likely to retain power until the 2024 presidential election. Intensifying shortage of foreign exchange, costs of living and lack of basic goods are triggering protests and demands for Saied's resignation.

FUND FACTS

Net Asset Value (NAV) in USD	48,425,642
Total Assets in USD	53,096,536
Average exposure per PI in USD	2,390,097
Weighted average life (years)	1.19
Number of countries	9
Number of PIs	15
Number of loans outstanding	18
Portfolio as % of Total Assets	68%

PI = Partner Institution

The figures shown reflect the Fund portfolio net of provisioning amount. To date, REFFA has one loan in Kenya fully provisioned.

ACTIVITY REPORT

Total new disbursements	
Since inception	90,533,105
Q3 2022	5,000,000
Number of loans disbursed	
Since inception	34
Q3 2022	2

PI FINANCIAL INDICATORS*

Asset growth (last 12 months)	12.89%
Portfolio growth (last 12 months)	13.09%
Return on assets (ROA) (last 12 months)	2.71%
Return on equity (ROE) (last 12 months)	17.03%
Portfolio at risk 30 days (PAR 30)	8.00%
Write-offs (last 12 months)	2.05%
Debt/equity ratio	4.88x
Debt/equity ratio (subdebt as equity)	3.76x

*Data based on the latest available data from MFIs in the portfolio - includes some estimates by BlueOrchard

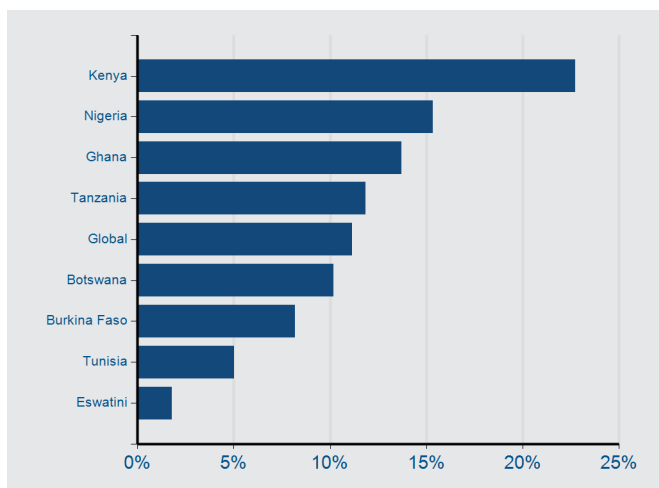
EDUCATION PORTFOLIO INDICATORS*

Total Education Finance Portfolio	147,341,443
Volume in % of total education portfolio	
Education Providers	22%
Learners from families with salary income	56%
Learners from families with MSME income	4%
Students	18%
Outreach	
Education Providers	4,058
Learners from families with salary income	91,554
Learners from families with MSME income	24,252
Students	20,576
Male borrowers (number)	73,880
Female borrowers (number)	56,476
Male borrowers in % of portfolio to learners and students (volume)	63%
Female borrowers in % of portfolio to learners and students (volume)	37%
Average # of pupils in education providers financed	109
Utilization of loans by educational providers	
Working capital	77%
Investment	20%
Overdraft	3%

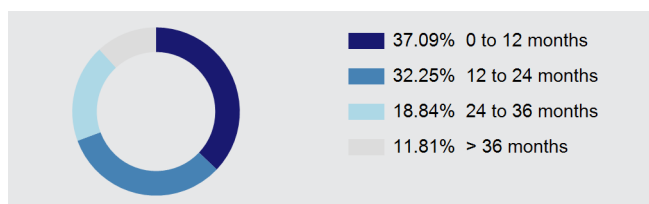
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EXPOSURE

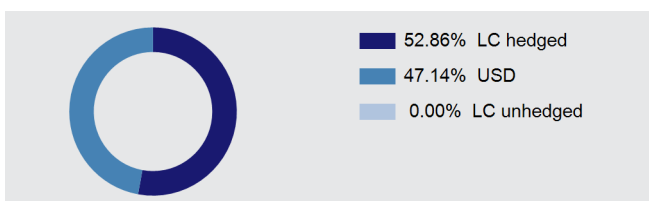
BY COUNTRY (AS % OF PI PORTFOLIO)



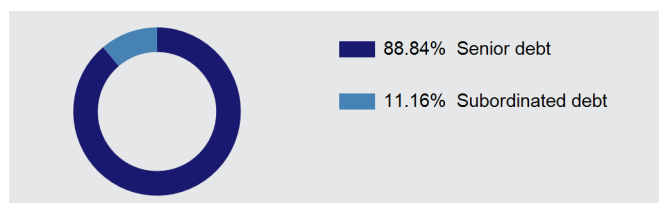
BY MATURITY (AS % OF PI PORTFOLIO)



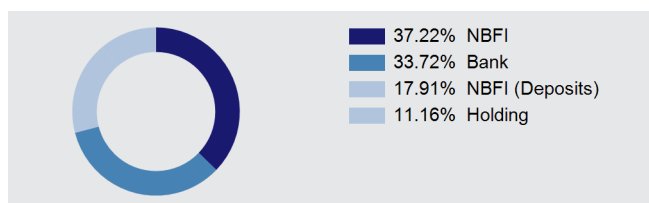
BY CURRENCY (AS % OF PI PORTFOLIO)



BY ASSET CLASS (AS % OF PI PORTFOLIO)



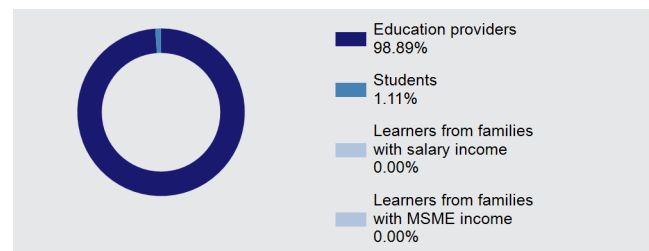
BY TYPE OF PI (AS % OF PI PORTFOLIO)



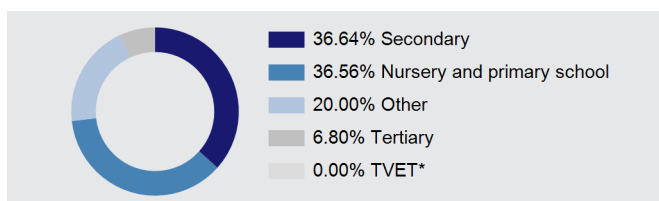
FIVE LARGEST OUTSTANDING POSITIONS (AS % OF PI PORTFOLIO)

Company	Country	Percentage
FAMILY BANK (K) LIMITED	Kenya	12.97%
STERLING BANK PLC	Nigeria	12.55%
BAYPORT TANZANIA	Tanzania	11.85%
BAYPORT MANAGEMENT LTD	Mauritius	11.16%
LETSHEGO KENYA LIMITED	Kenya	8.37%

EDUCATION FINANCE SAVINGS BREAKDOWN BY CLIENTS

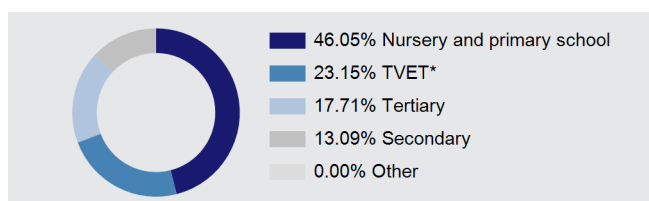


LOAN PORTFOLIO OUTSTANDING TO FAMILIES AND STUDENTS BY LEVEL OF EDUCATION



*Technical Vocational Education and Training

LOAN PORTFOLIO OUTSTANDING TO EDUCATION PROVIDERS BY LEVEL OF EDUCATION



Currency	Tranche	ISIN	NAV/share
USD	Senior (A2)	LU1828991866	100,000.00
USD	Senior (A3)	LU1829058525	100,000.00
USD	Senior (A4)	LU2374570211	100,000.00
USD	Senior (A6)	LU2517088519	100,000.00
USD	Mezzanine (B1)	LU1548990735	50,000.00
USD	Mezzanine (B2)	LU1829076188	50,000.00
USD	Mezzanine (B3)	LU1829076774	50,000.00
USD	Junior (C)	LU1548990818	21,634.13

The fund has the objective of sustainable investment within the meaning of Article 9 of Regulation (EU) 2019/2088 on Sustainability-related Disclosures in the Financial Services Sector (the "SFDR").

For additional information, please contact:

BlueOrchard Finance Ltd. investor@blueorchard.com +41 44 441 55 51

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