

## INVESTMENT MANAGER'S COMMENT

The REFFA education portfolio for Q1 2022 stood at USD 34.4 million. One new investee was added in Nigeria this quarter. Thus, the Fund was invested in 15 investees across nine countries, averaging USD 2.3 million per partner investee.

On the technical assistance side, this year started with a new advisory project, located in Nigeria. The team is working with Advans to strengthen specific client targeting with the goal to promote the new education finance product offering, which they have been developing. In the earlier and still ongoing project with the Bayport group, an interim workshop was held to present the financial literacy modules, which REFFA helped to make more interactive. The second phase will support adaptation of the materials to other African country contexts.

### Education Finance update

The Russia-Ukraine conflict has had a minimal impact on REFFA countries despite the food security concerns as the countries have been able to substitute their consumption with other, cheaper food items. In addition, schools in the region remained open, and there has been no disruption in the school program. The education portfolio has shown growth of 17.8% from USD 125.5 million as of Q4 2021 to USD 148.2 million as of Q1 2022. This trend results from growth in the education portfolio of partner institutions and the addition of a new investee to the REFFA portfolio, Sterling Bank. The student category and education providers category recorded the most considerable growth of 56.6% and 44.1%, respectively. Overall, the stable growth in the portfolio reflects a rebound in school attendance and the corresponding demand for the financing of education.

### Market update

In **Botswana** the economy is affected by higher global energy and commodities prices due to the war in Ukraine. However, Botswana could benefit from the sanctions held on Russia as the leading diamond producer to strengthen its own diamond production and exportations. The economy should remain resilient in 2022, with an expected GDP growth of 4.8%.

**Burkina Faso** is facing an enhanced political instability since the coup in January. The Constitution was restored on 31st of January and military officer Paul-Henri Sandaogo Damiba was appointed interim President. The economy is still susceptible to external shocks, especially volatile global price trends in cotton and gold.

**Eswatini's** economy continued to recover with a 1.5% GDP growth in 2021 and a 1.7% projection for 2022, thanks to improved external demand from key markets (South Africa and the EU), among others. Further, Eswatini's restoration of trade benefits under the US AGOA will help underpin growth and exports.

**Ghana** has continued to improve its economic recovery with 4.0% growth in 2021 and 4.8% growth expected in 2022. As part of this recovery, the government has implemented a USD 17.5 billion CARE recovery package to improve growth across various sectors, especially commercial agriculture.

**Ivory Coast** maintained a strong level of economic resilience in 2021 with real GDP growth of 5.9% and expected growth of 6.3% in 2022. The government has taken countermeasures in early March 2022 to combat inflation, subsidising petroleum, and food products.

In **Kenya**, the government decided in March 2022 to partially withdraw fuel subsidy. Consequently, April saw oil shortages disrupting the traffic in Nairobi. The economy grew by 4.0% in 2021 and is expected to reach 4.5% in 2022 despite the upcoming presidential elections in August.

In **Nigeria** the sharp acceleration in global oil prices amid the Russian-Ukraine war is expected to slightly support its overall GDP growth rate in 2022. GDP growth is expected at 2.7% in 2022. The spillover effects of the oil sector will rebound Nigeria's banking sector, foreign exchange availability, and fiscal finances, supporting non-oil economic activity.

Economic growth in **Tanzania** should be strong in 2022 due to spillover effects from sustained growth in trading partners and boosts from the agriculture sector, public investment, and supportive macro policies. The economy is also in recovery with real GDP growth at 4.9% in 2021 and 2022 projections to reach 4.5–5.5%.

In March the **Tunisian** Central Bank kept the key interest rate at 6.3% and continues to focus on inflation, which was 7.2% in March 2022. Real GDP growth was at 3.0% for 2021. The economy is likely to make a modest recovery with an initial real GDP growth of 2.4% in 2022.

## FUND FACTS

Net Asset Value (NAV) in USD	<b>45,984,606</b>
Total Assets in USD	<b>48,625,362</b>
Average exposure per PI in USD	<b>2,373,575</b>
Weighted average life (years)	<b>1.22</b>
Number of countries	<b>9</b>
Number of PIs	<b>15</b>
Number of loans outstanding	<b>17</b>
Portfolio as % of Total Assets	<b>73%</b>

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

<b>Total new disbursements</b>	
Since inception	<b>82,533,105</b>
Q1 2022	<b>4,500,000</b>
<b>Number of loans disbursed</b>	
Since inception	<b>31</b>
Q1 2022	<b>1</b>

## PI FINANCIAL INDICATORS\*

Asset growth (last 12 months)	<b>7.26%</b>
Portfolio growth (last 12 months)	<b>9.62%</b>
Return on assets (ROA) (last 12 months)	<b>2.60%</b>
Return on equity (ROE) (last 12 months)	<b>14.96%</b>
Portfolio at risk 30 days (PAR 30)	<b>6.49%</b>
Write-offs (last 12 months)	<b>2.65%</b>
Debt/equity ratio	<b>5.70x</b>
Debt/equity ratio (subdebt as equity)	<b>3.55x</b>

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

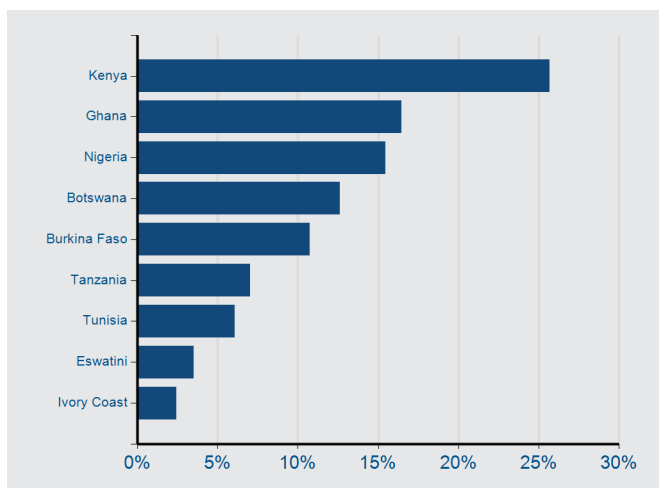
## EDUCATION PORTFOLIO INDICATORS\*

Total Education Finance Portfolio	<b>149,546,909</b>
Volume in % of total education portfolio	
Education Providers	<b>21%</b>
Learners from families with salary income	<b>60%</b>
Learners from families with MSME income	<b>3%</b>
Students	<b>17%</b>
Outreach	
Education Providers	<b>2,923</b>
Learners from families with salary income	<b>87,228</b>
Learners from families with MSME income	<b>21,916</b>
Students	<b>16,576</b>
Male borrowers (number)	<b>71,950</b>
Female borrowers (number)	<b>48,381</b>
Male borrowers in % of portfolio to learners and students (volume)	<b>65%</b>
Female borrowers in % of portfolio to learners and students (volume)	<b>35%</b>
Average # of pupils in education providers financed	<b>98</b>
Utilization of loans by educational providers	
Working capital	<b>64%</b>
Investment	<b>35%</b>
Overdraft	<b>0%</b>

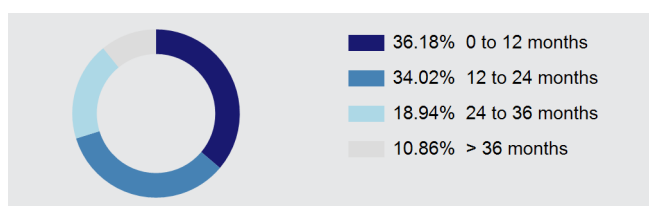
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## EXPOSURE

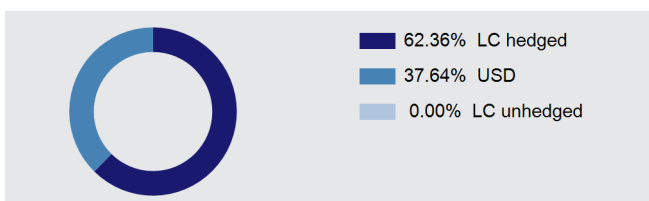
### BY COUNTRY (AS % OF PI PORTFOLIO)



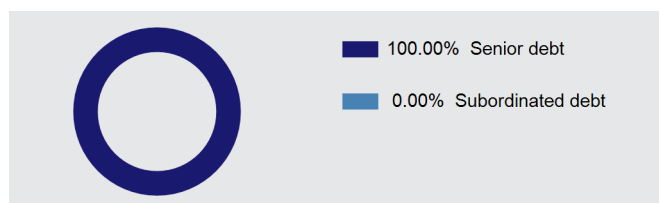
### BY MATURITY (AS % OF PI PORTFOLIO)



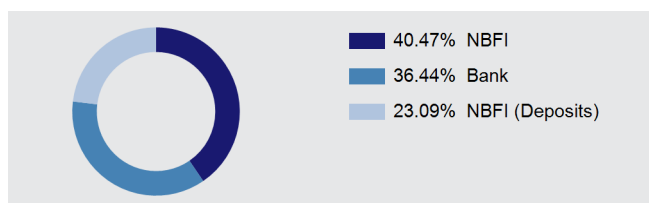
### BY CURRENCY (AS % OF PI PORTFOLIO)



### BY ASSET CLASS (AS % OF PI PORTFOLIO)



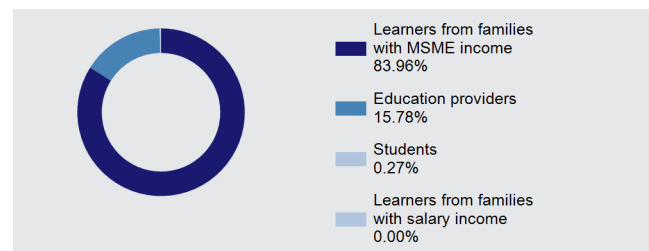
### BY TYPE OF PI (AS % OF PI PORTFOLIO)



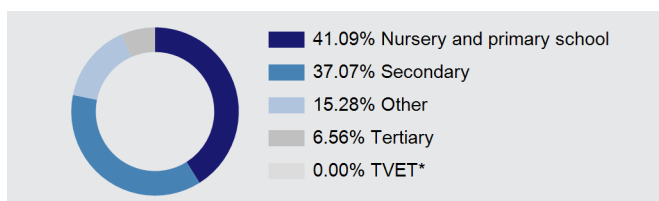
### FIVE LARGEST OUTSTANDING POSITIONS (AS % OF PI PORTFOLIO)

Company	Country	Exposure (%)
FAMILY BANK (K) LIMITED	Kenya	13.06%
STERLING BANK PLC	Nigeria	12.64%
LETSHEGO KENYA LIMITED	Kenya	11.23%
FIDELIS FINANCE	Burkina Faso	10.74%
BAYPORT BOTSWANA	Botswana	10.53%

### EDUCATION FINANCE SAVINGS BREAKDOWN BY CLIENTS

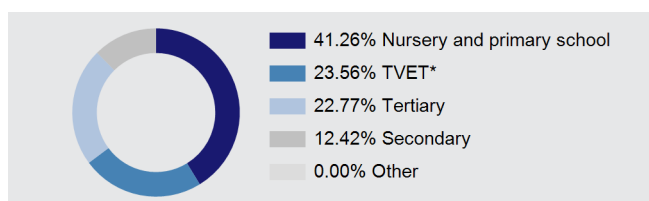


### LOAN PORTFOLIO OUTSTANDING TO FAMILIES AND STUDENTS BY LEVEL OF EDUCATION



\*Technical Vocational Education and Training

### LOAN PORTFOLIO OUTSTANDING TO EDUCATION PROVIDERS BY LEVEL OF EDUCATION



Currency	Tranche	ISIN	NAV/share
USD	Senior (A1)	LU1548990578	0.00
USD	Senior (A2)	LU1828991866	100,000.00
USD	Senior (A3)	LU1829058525	100,000.00
USD	Senior (A4)	LU0000164940	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	21,214.43

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").

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