

INVESTMENT MANAGER'S COMMENT

The composition of REFFA's education portfolio is at USD 32.56 million as of end of Q4 2020. It mirrors the previous quarter closely both in terms of geographical presence and exposure. It covers ten investees across eight countries, while the average REFFA exposure per Partner Institution is approximately USD 3.3 million.

The REFFA Technical Assistance Facility continued supporting the Fund's investees with capacity building. The main focus over the last two months was on training: While a general education finance e-learning in Covid-19 times has been provided, one investee specifically received a tailored training for their loan officers, to be launched in December.

Education Finance update

The overall education portfolio grew by 4.25% within the quarter, from USD 124.84 million in Q3 2020 to USD 130.15 million in Q4 2020. The increment was due to continued reopening of schools in a majority of REFFA countries and addition of two new investees to the REFFA portfolio, that is, Fidelis Finance with operations in Burkina Faso and Cote d'Ivoire and Letshego Botswana in Botswana.

Education providers' category recorded the highest growth in the education finance portfolio, increasing by 80.15% in Q4 2020, with an outreach of 1,370 education providers in December 2020. The volume of education finance disbursements increased by 48.10% from Q3 2020, with education providers recording the highest growth in volume of USD 1.35 million in Q4 2020.

Market update

In Q4 2020, Africa experienced a second wave of Covid-19 infections. Presidential elections took place in several countries: Burkina Faso, Ghana, Ivory Coast, and Tanzania. Education continues to be affected in Africa, partly due to limited access to internet causing difficulties for distance learning. Schools continued to implement phased re-opening, focusing on final-year candidates.

In **Botswana**, authorities started a phased re-opening of borders in Q4 2020 to revive the tourism sector. In October, the government approached the World Bank for budgetary support of approximately USD 1.2 billion, accounting for 50% of the development plan's deficit ending in 2023.

In **Burkina Faso**, President Roch Marc Kaboré secured a second term in the November 2020 presidential elections. In the northern part of the country, insurgencies intensified, worsening food shortages.

In **Eswatini**, the Central Bank maintained its policy rate at 3.75% in November 2020 as overall inflation remained moderate. In December, Eswatini reported a decline in company tax collection and domestic revenue, attributed to the economic impact of the pandemic.

In **Ghana**, the Central Bank ruled out its zero-financing policy to lend the government USD 1.7 billion. Inadequate rainfall continued to threaten cocoa crops. The incumbent President Nana Akufo-Addo was re-elected after a tightly contested election.

In November, **Ivory Coast** marketed euro-denominated bonds with price guidance for EUR 1 billion (USD 1.2 billion) 12-year tenor, set at around 5.25% down from 5.5%, attracting investors with high yields and lower borrowing costs for the country.

Nigeria's cabinet approved plans for the African Continental Free Trade Area (AfCTA) pact to bolster intra-African commerce, capital, and people's movement and paving the way for a continent-wide customs union.

In **Tunisia**, the government signed two loan agreements with the German Development Bank (KfW) worth EUR 132 million for rainwater management and an energy efficiency program for public buildings.

In **Zambia**, S&P Global Ratings cut the country's credit rating from CCC- to selective default after the government missed an interest payment and announced debt service suspension to external creditors. Zambia is gold mining to bolster foreign exchange reserves.

FUND FACTS

Net Asset Value (NAV) in USD	38,320,100
Total Assets in USD	41,035,893
Average exposure per PI in USD	3,275,217
Weighted average life (years)	1.47
Number of countries	8
Number of PIs	10
Number of loans outstanding	12
Portfolio as % of Total Assets	80%

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	60,423,089
Q4 2020	3,988,265
Number of loans disbursed	
Since inception	22
Q4 2020	2

PI FINANCIAL INDICATORS*

Asset growth (last 12 months)	7.23%
Portfolio growth (last 12 months)	1.54%
Return on assets (ROA) (last 12 months)	1.51%
Return on equity (ROE) (last 12 months)	12.10%
Portfolio at risk 30 days (PAR 30)	8.17%
Write-offs (last 12 months)	2.33%
Debt/equity ratio	4.44x
Debt/equity ratio (subdebt as equity)	3.15x

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

EDUCATION PORTFOLIO INDICATORS*

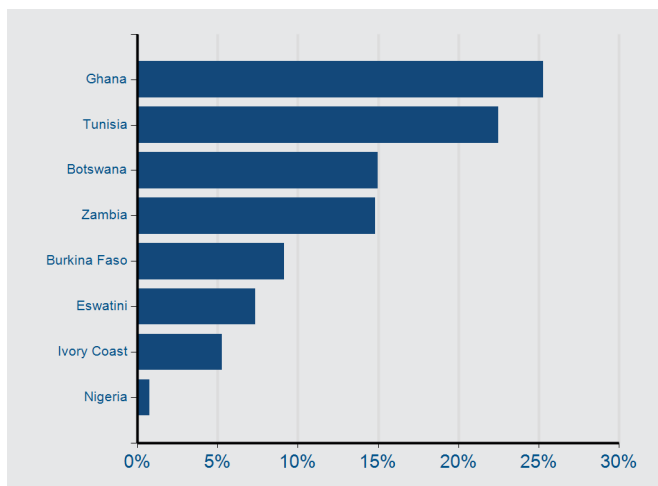
Total Education Finance Portfolio	130,148,527
Volume in % of total education portfolio	
Education Providers	2%
Learners from families with salary income	67%
Learners from families with MSME income	4%
Students	18%
Outreach	
Education Providers	1,370
Learners from families with salary income	99,514
Learners from families with MSME income	24,814
Students	20,351
Male borrowers (number)	86,524
Female borrowers (number)	58,155
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	7
Utilization of loans by educational providers	
Working capital	22%
Investment	78%
Overdraft	0%

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

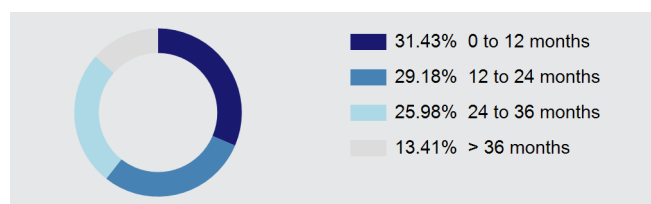


EXPOSURE

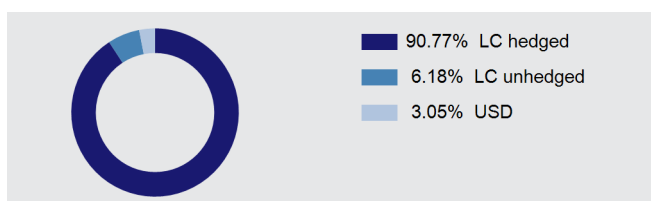
BY COUNTRY (AS % OF PI PORTFOLIO)



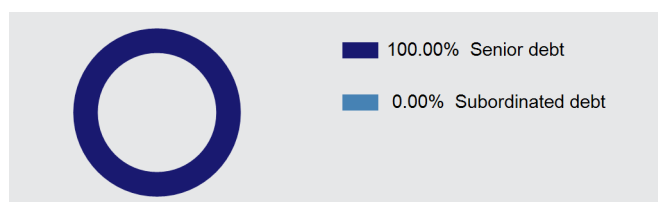
BY MATURITY (AS % OF PI PORTFOLIO)



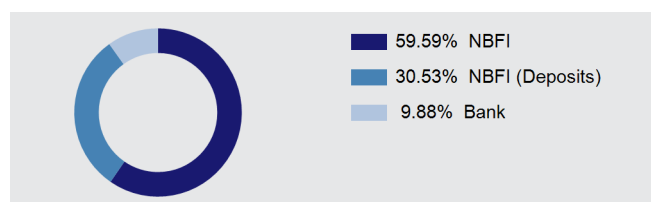
BY CURRENCY (AS % OF PI PORTFOLIO)



BY ASSET CLASS (AS % OF PI PORTFOLIO)



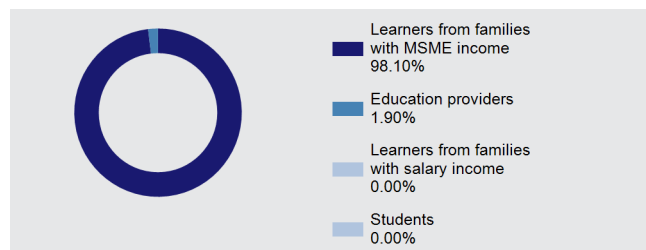
BY TYPE OF PI (AS % OF PI PORTFOLIO)



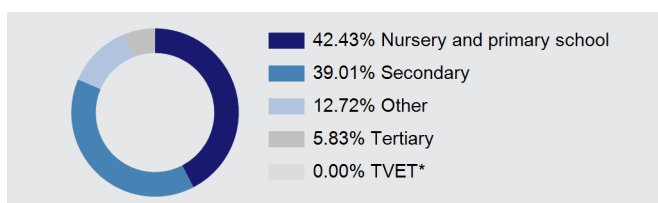
FIVE LARGEST OUTSTANDING POSITIONS (AS % OF PI PORTFOLIO)

ENDA TAMWEEL	Tunisia	22.48%
IZWE GHANA	Ghana	15.27%
BAYPORT ZAMBIA	Zambia	14.82%
BAYPORT BOTSWANA	Botswana	11.91%
BAYPORT GHANA	Ghana	10.01%

EDUCATION FINANCE SAVINGS BREAKDOWN BY CLIENTS

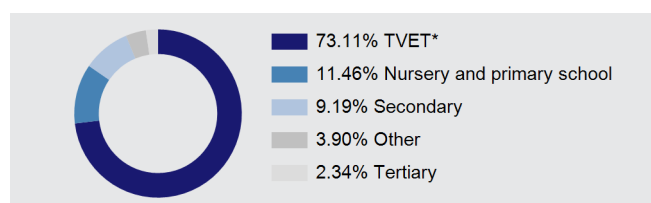


LOAN PORTFOLIO OUTSTANDING TO FAMILIES AND STUDENTS BY LEVEL OF EDUCATION



*Technical Vocational Education and Training

LOAN PORTFOLIO OUTSTANDING TO EDUCATION PROVIDERS BY LEVEL OF EDUCATION



Currency	Tranche	ISIN	NAV/share
USD	Senior (A1)	LU1548990578	100,000.00
USD	Senior (A2)	LU1828991866	100,000.00
USD	Senior (A3)	LU1829058525	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	20,440.07

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