

13 February 2024

Dear Investors,

Vunani Fund Managers would like to draw your attention to certain instruments in your investment portfolio, in light of recent economic challenges in South Africa, including increased consumer distress due to heightened interest rates and inflation, coupled with shifts in commuter behaviour influenced by remote work arrangements.

Specifically, your funds hold exposure to instruments in the RED Inc. and Martius Note Programmes linked to Bridge Taxi financing in the commuter sector. These instruments represent various securitised credit exposures to Bridge Taxi Finance. Whilst these instruments have performed satisfactorily over a protracted period, the prevailing credit environment has placed significant pressure on the business and its ability to meet its ongoing debt obligations.

A SENS announcement was issued on 31 January 2024, which drew attention to the fact that the underlying business partially settled subordinated debt holder coupons/interest in January 2024. The Vunani Fund Managers Fixed Income team have been in constant discussion with management and the issuer's arrangers, to understand the underlying cash flows and the liquidity pressures facing the business. A preliminary assessment indicates that the credit risk of the business and its associated instruments has increased significantly, and the portfolio management team is evaluating the cash generation and solvency of the business, as well as the prospect of future payments. The current view is that credit and financial risk of Bridge Taxi and its associated debt instruments remain elevated.

As a precautionary measure, the fund administrators have been requested to suspend all interest accruals. In the interim, interest will be accounted for upon receipt and valuations held static pending the receipt of further information based on current engagements. The situation will continue to be monitored closely, and various interventions are being considered to ensure the interests of our investors are protected.

Thank you for your attention to this matter, and please feel free to reach out if you have any further questions or concerns.

Yours sincerely



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