

Barak

Definition: Prosperity, Lightning, Cast forth, Blessed. **Pronunciation:** /baw-rak/

Asha Impact Finance Fund African Long-Term Alternative Credit



Investment Objective

The Barak Asha Fund focuses on providing asset-backed long-term finance to African small and medium enterprises (SMEs). These investments will bring strong underlying growth and cash flow generation in support of development impact, primarily in the agri-sector. The Fund's objective is to generate sustainable risk-adjusted USD returns, targeting 12-19% per annum.

Risk Profile

Barak will manage an active portfolio strategy to maintain a diversified country and sector exposure, with a focus on impact measurement within the selected sectors. Alternative credit in the agribusiness has almost no correlation to traditional asset classes. The manager's strategy assures capital preservation, whilst generating returns commensurate with the investor risk profile. The fund will at all times provide liquidity.

Barak Asha Impact Finance Fund

Unlocking Africa's Potential



INTRODUCTION

Barak Fund Management Limited ("Barak") is Fund Manager to the award-winning Structured Trade Finance Fund*, managed out of Mauritius, domiciled in the Cayman Islands. The manager has seen assets under management growth to 510 million USD in total as of February 2017. Barak mobilises decades of combined expertise, proprietary relationships, market presence, and stealth, in order to monetise opportunity. The senior management team is a hand-picked group of specialists with significant expertise in agricultural commodities, structured trade finance, logistics and loan management. Thanks to our long history of fund management in Africa, specifically around supporting growing businesses, we have identified an unaddressed opportunity to provide trade finance for impactful SMEs.

ASHA FUND

Barak Asha Fund is an unlisted African alternative credit fund providing qualified investors access to high yield debt investments with a minimum lock-in of 5 to 7 years. The fund will invest in sectors biased towards agricultural and agro-processing industries, focusing on those companies that meet our impact criteria ex-ante, and deliver social and environmental benefits in addition to financial ones ex-post. The target returns are 12-16% per annum. Barak Fund Management is an Africa-based asset manager with a successful track record in structured short-term trade finance in agriculture and commodities sectors.

FUND ADVANTAGES AT A GLANCE

AgriCane - In-house Agri professional services

AgriCane are a leading Agricultural Engineering and Development company, whose aim is to provide a comprehensive, quality service that will create environmentally sustainable agricultural developments and production in Africa. With over 17 years' experience and a presence in 17 countries evaluating and executing on the ground projects across the continent, the association will provide extensive on-the-ground support, ensuring each process of the project is monitored and managed on a micro an macro level, whilst assisting in capturing social impact data for reporting purposes.

Our Impact Approach

Our impact approach involves ex-ante screening of opportunities along TriLinc Global's Impact Assessment and Evaluation framework, support to our investees during the investment process, and ex-post reporting in line with these criteria. AgriCane has been retained for impact measurement and reporting.

The fund aims to:

- Offer subsistence farmers the chance to become part of the real economy through access to cooperatives and improved inputs
- Hire local staff wherever possible, and improve their technical skills through Asha-funded training
- Improve the general food security in remote areas by ensuring part of the crops generated are sold affordably and locally
- Bolster local infrastructure, such as by creating opportunities for self-supporting power generation through value-added processing
- Reduce reliance on imported products

Africa presence and Complimentary deal flow opportunities

The Fund will leverage Barak's relationships with business leaders and government entities in Africa. The Fund benefits from Barak's origination capabilities with the team collectively having more than 75 years of experience in the African space. The Fund has an experienced management team with sector relevant investment track records of private investments, corporate & structured finance and operating underlying asset portfolio. The management team combines investment, advisory and management expertise and has concluded over several hundred transactions in Africa over the past 17 years.

INVESTMENT STRATEGY

Barak provides Capital to companies generating free cash flow with strong historical performance. Investment decisions are based on a combination of trading and sound credit fundamentals and principles. The liquidity of the collateral pool of assets forms part of the selection criteria, in order to mitigate liquidation risk. The fund will target high IRR for our investors in sectors where there are clearly identifiable high value-added investment opportunities.

KEY FACTS

Fund Size	Initial capital raise of USD 50 million with a target of USD 250 million.
Fund Category	African Alternative Credit
Target Equity Returns	12% - 16% p.a
Hurdle Rates	6%
Minimum Investments	USD 5 million
Redemptions	Payable 30 days after lock-in if reinvestment is not selected.
Management Fee	2% p.a. (payable monthly)
Performance Fee	20% p.a. (payable quarterly)
Underlying Assets	Moveable and immovable fixed assets, working capital and development finance, secured.
Duration	The targeted investment time horizon is 7-10 years.
Auditor	PricewaterhouseCoopers
Legal Counsel	Werksmans Attorneys
Independent Compliance Officer	Geoffrey Carter Attorneys
Independent Administrator	Maitland or Independent Data Services
Custodian	Standard Bank of South Africa

INVESTOR VIDEO



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Asha Impact Finance Fund

Unlocking Africa's Potential



Development is about transforming the lives of people, not just transforming economies.

Joseph E. Stiglitz

The Fund Managers

PRIEUR DU PLESSIS

Joint Chief Investment Officer

RMB | Commodities Trading Desk and Structured Commodity Finance

Standard Bank | Head of Soft Commodities team

Absa | Head of Structured Trade and Commodity Finance

PricewaterhouseCoopers | CA Articles (SAICA)



JEAN CRAVEN

Joint Chief Investment Officer

Standard Bank | Team Leader | Structured Commodity Finance, Physical & Derivative Agri-Trading

RMB | Commodity Securitization

Bcom Accounting | University of Stellenbosch



MATTHEW ROBINSON

Fund Advisor

Investec | Portfolio Manager | International Finance Team

BA PPE | University of Stellenbosch

PDM | Wits University



New Business Development

MARC DE HENNIN

Director UK Office

Bunge | Global Head of Business Development

FourWinds Capital Management | Head of Global Marketing and Distribution

LCF Edmond de Rothschild London | Managing Director Alternative Investment

Bank of America, London | Head of Credit Sales, Northern Europe

University of Brussels | MA Political Science



Disclaimer: This data sheet is a private publication for private circulation and may not be distributed to any other person than the recipient. It is for information purposes only, reflecting the outcome of decisions taken by the fund managers prior joining the fund. Past results are not necessarily indicative of future performance and no assurance can be given that profits will be achieved.

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Unlocking Africa's Potential



CHRIS MATTHEWS

Agri Specialist

Agricane | Director | An agri engineering & development company.

Mafambisse Sugar | Agri Project Manager | Expertise include project management, engineering, agronomy, agro-economics, investment, management training and survey operations.

BSc Agric-Eng (Honors) | Cranfield Institute of Technology



MARK HEDLEY

African Private Equity Specialist Charter Equities, CEO

DFM | Founder | M&A consultant

Charter Industrial Chemicals | Director

Pannar Seeds | Executive

MBA | University of Cape Town

B. Agric Management | University of Natal



TENKE ZOLTANI

Impact and ESG expert (consultant) *Tenke will form part of Barak's Impact and ESG committee for the Asha Fund*

UBS | Director, Impact Investing

Better Finance | Founder

Islan Asset Management, Switzerland | Investment Manager

M.Sc. in International Political Economy | London School of Economics

B.A. in Economics and Political Science | Columbia University



JULIA ROY

Impact and ESG Analyst

Treasury Economist | Rand Merchant Bank

Economic Analyst and Corporate Executive | First National Bank

B.Comm Economics, Business Finance and Business Administration (cum laude) | University of Natal



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