

KULA FINANCIAL SOLUTIONS AFRICA EXECUTIVE BRIEF



MAIN OBJECTIVES:

The aim of Kula Financial Solutions Africa (KFSA) is to be a leading specialised structured trade finance and asset backed fund of choice for SMEs in the Sub Saharan Africa region. KFSA will provide customised financial solutions that will attract local and international investors interested in supporting SME focused financing solutions.

Based on its objectives, KFSA will seek to:

- Improve access to short term trade finance and medium-term capital goods finance by SMEs in target countries, particularly for those SMEs feeding into larger value chains;
- Promote the development of entrepreneurship amongst locals by providing them with enterprise development support (mentoring and training) services;
- Contribute to the upliftment of social and economic living standards of the countries; and
- Achieve for its Investors a set Hurdle Rate.

The Fund's investments will benefit from existing Fund Manager's expertise in market assess for deal origination, corporate governance, market and business strategy building and implementation, financial and administrative controls and business best practices.

KULA FINANCIAL SOLUTIONS AFRICA SUMMARY:

The Fund:	Kula Financial Solutions Africa will be domiciled in Mauritius and take the form of a GBC1 as an open-ended fund. The fund will operate as a fund of funds supporting country position and co-funding selected investment opportunities.
Fund Objectives	The objective of the Fund is to provide bridging finance solution for Small and Medium Enterprises (SME's) experiencing high growth and needing short term finance to meet their supply contract obligations.
Fund Size	Kula Financial Solutions Africa will have a total capitalization of US\$ 160 million.
Minimum Investor Subscription:	US\$ 10 million
Fund Manager:	BFS Fund Manager, registered as a private company with limited liability and incorporated in terms of the Companies Act, No. 28 of 2004 of the Republic of Namibia. BFS Fund Manager have significant experience in the SME sector and developing and managing unlisted Funds as well as privately-owned businesses in Namibia – currently managing 2 Debt funds with

c.USD 41m under management with c.USD 110m invested in 214 SMEs to date;

In Feb'17 BFS Fund Manager was recognised as one of the 16 companies in Namibia with growth rates that inspire Africa by the London Stock Exchange; In Nov'18 BFS was nominated runner-up for the Development Bank of Namibia's Good Business Award in the Large Enterprise category. Its Managing Director won the Best Woman Leader - Finance, Namibia at the Global Brands Magazine 2019 awards.

Geographical Focus:

The Fund's geographical area of investments will be Namibia, Mozambique, Ghana, Guinea Conakry, Côte d'Ivoire, Senegal, Ethiopia and Rwanda

Prohibited Investments:

Projects that are harmful to the environment, require relocation of persons, businesses engaged in manufacture or distribution of armaments, gambling, tobacco and alcohol

** There can be no guarantee that target returns will be achieved*