

# INCOME ENERGISER - QUARTER 1 FACTSHEET

BC Funding Solutions (Pty) Ltd (2007/020917/07) is an authorised Financial Service Provider (FSP 55147) and registered Credit Provider (NCRCP 11132)  
Registration Number 2007/020917/07



BC FUNDING SOLUTIONS

## PROFILE

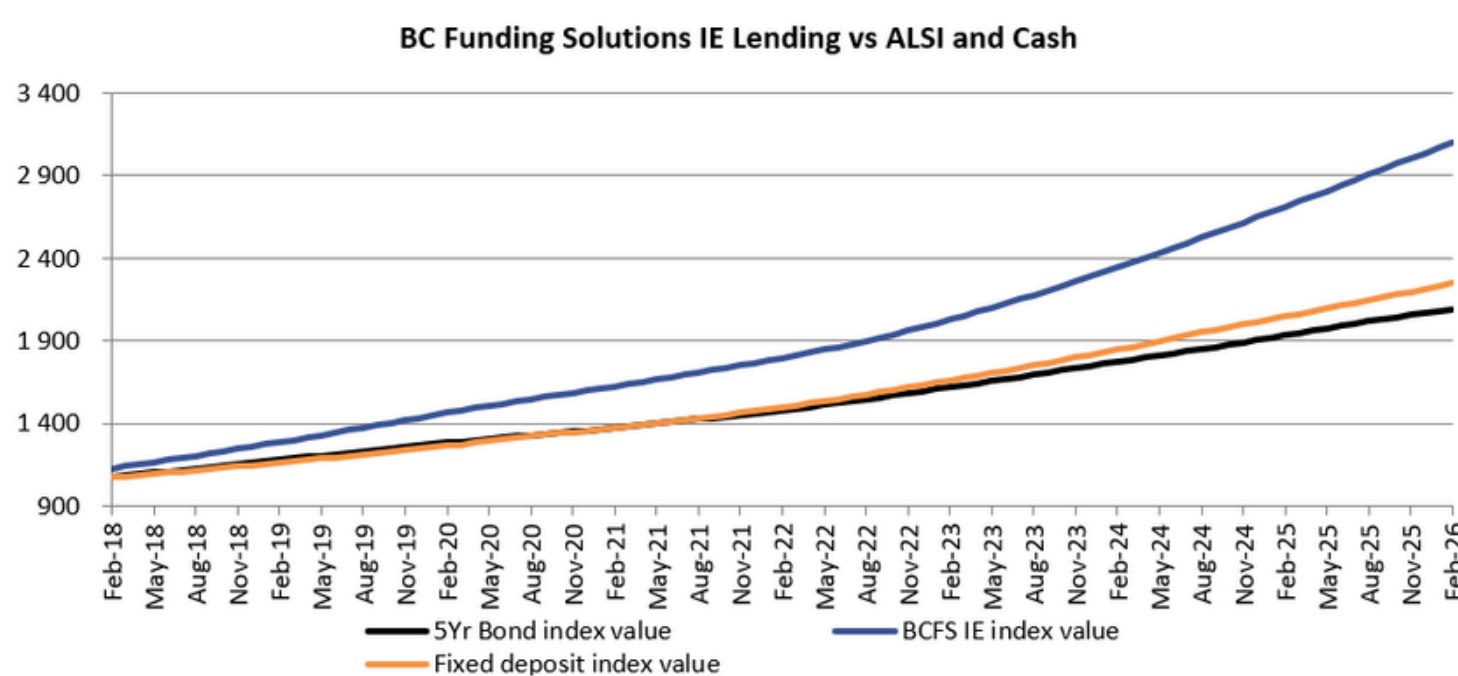
This lending solution is suited to:

Individuals, corporate entities and trusts who are risk averse and require monthly interest income to supplement their living. The aim of this lending solution is to provide clients with monthly interest income in a secure loan asset, underwritten by legislation and contract. Capital repayments are immediately redeployed for a period of 5 years, at which time the lender can choose to continue to redeploy capital or be repaid on an amortising basis over the next 5 years.

## OBJECTIVES AND STRATEGY

BC Funding Solutions facilitates loan funding into Sectional Title Bodies Corporate and Homeowners Associations ("Community Schemes"). BC Funding Solutions employs a strategy which is focused on delivering stable non-market correlated returns that are legislatively and contractually secured. This involves ensuring that all documentation meets the Community Schemes legislative requirements, strict lending covenants and thereafter, monitoring of loan collection progress for the repayment of client funds.

## PERFORMANCE STATISTICS - IE LENDING SOLUTION RETURN VERSUS 5 YEAR BOND AND CASH RETURN



## PERFORMANCE

GROWTH %	IE	BOND
YTD	14,5%	8,3%
1 Mth	1,0%	0,5%
3 Mths	3,3%	1,7%
6 Mths	6,8%	3,7%
1 Yr.	10,5%	5,9%
Since inception	210,2%	109,2%
% positive months	100,0%	100,0%
Av monthly return	1,1%	0,7%
Av Monthly Gain	1,1%	0,7%
Av Monthly Loss	0,0%	0,0%
Best Month	1,3%	0,8%
Worst Month	0,8%	0,5%

## RISK STATISTICS

Risk Free Rate	6,8%	6,8%
Standard Deviation	0,5%	0,3%
Sharpe	14,2	7,5
Correlation	1,0	0,0
Downside Deviation	0,0%	0,0%

**IMPORTANT TO REMEMBER** Loans to Community Schemes are illiquid. The secondary market for this asset class is well established and sales can be facilitated by BC Funding Solutions, to willing buyers.

## DEFINITIONS

<b>Index</b>	An index is a theoretical consolidation of assets representing a particular market or a portion of it. Each index has its own calculation methodology and is usually expressed in terms of a change from a base value. Thus, the percentage change is more important than the actual numeric value.
<b>Risk averse investments</b>	Risk averse refers to an investor who, when faced with two investments with a similar expected return, prefers the one with the lower risk.
<b>Sharpe ratio</b>	Financial ratio utilised to examine the performance of an asset class by adjusting for its risk. The ratio shows, the average return earned in excess of the risk free rate per unit of volatility or total risk. Market related data illustrated in this Factsheet has been compiled utilising various external sources (South African Reserve Bank and the JSE).

## DISCLAIMER

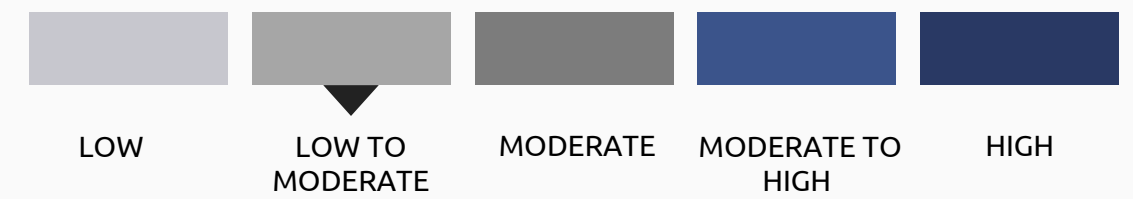
Lending, loans and arrear levy debt claims are not financial products, as defined by the Financial Sector Conduct Authority (formerly known as the Financial Services Board), and, as such, are not regulated by the Financial Advisory and Intermediary Services Act No 37 of 2002 (as amended) ("FAIS Act"). BC Funding Solutions (Pty) Ltd is a private entity facilitating loans to Community Schemes, with a management team who have a track record in excess of ten years within this lending environment.

The indicative returns above have been calculated by BC Funding Solutions (Pty) Ltd and are unaudited. Returns shown are net of all fees, although gross of any tax. The information in this sheet is not intended to be an offer, a securities recommendation or a solicitation of any kind. This opportunity does not take into account the investment objectives, financial situation or particular needs of any particular individual. Before making a decision, BC Funding Solutions (Pty) Ltd suggests you take these factors into account and recommend that you consult your attorney, accountant, Community Schemes consultant and / or any other financial advisor that you deem appropriate to ensure that you understand the lending opportunity of Community Schemes and the security offered by the Community Schemes legislation and case law, as well as the liquidity, return and potential risks which could be relevant to your personal financial circumstances.

Please note that BC Funding Solutions (Pty) Ltd are not tax experts and as such, lenders should consult with their relevant tax consultants on this lending opportunity.

## KEY FACTS

### RISK PROFILE



### GENERAL INFORMATION

**Asset classification** Secured Debt

**Launch date** Apr-17

**Asset valuation** R 2,85bn

#### Repayment profile

**- Capital** Redeployed (5 years)

**- Interest** Paid Monthly

**Minimum loan term** 5 to 10 years

**Minimum loan amount** R100 000.00

### FEE STRUCTURE

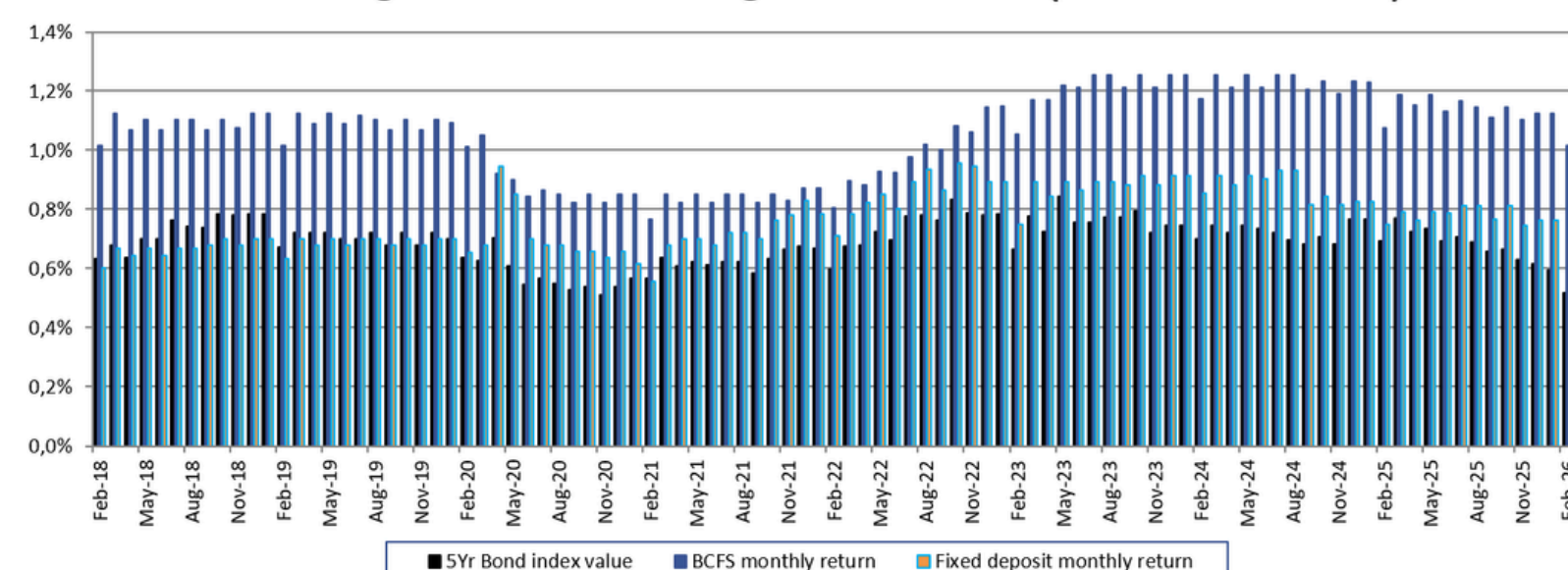
**Exit fees** Applicable (In accordance with the client's signed documents)

**Administration fees** Applicable (For the purpose of facilitating conversion or transfer transactions)

**Management fees** R0,00

## MONTHLY RETURNS DISTRIBUTION

### BC Funding Solutions FCP Lending vs ALSI and Cash (Returns Distribution)



## RISK AND LIQUIDITY

Capital repayments are immediately redeployed for a period of 5 years, at which time the lender can choose to continue to redeploy capital or be repaid on an amortising basis over the next 5 years. This lending solution is generally advanced into the Community Schemes environment on an amortising repayment basis. Lenders should note the primary risks to this lending opportunity are liquidity, judicial and legal risk, not solvency risk.