

CREDIT ARBITRAGE FUND

FUND FACT SHEET | JANUARY 2025

FUND STRATEGY

The Chrysalis Credit Arbitrage Fund strives to achieve absolute returns well above that of cash in all market conditions, by seeking out disproportionate returns in the private sector credit market. The Chrysalis team comprises ex-bankers who use their networks, banking experience, deal-making ability and market knowledge to compete with the traditional banks as a viable lending alternative. We aim to deal with high quality borrowers with strong balance sheets, who operate in growth sectors of the real economy. We focus on cash flow and seek non-binary risk. By being efficient, providing certainty and forging quality relationships we manage to generate disproportionate returns relative to the risk profile of the investments. Transaction examples include property finance for quality commercial property assets and/or developments, working capital or expansion finance for growing corporates and acquisition finance for investment funds.

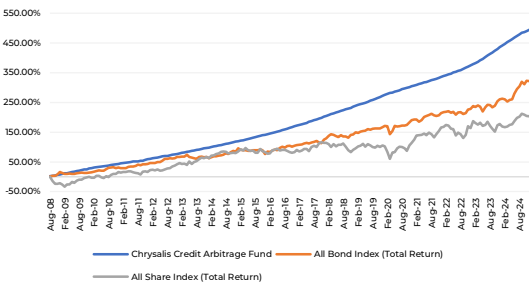
FUND COMMENTARY

2025 has commenced with a combination of hope and uncertainty. This is reflected to some extent in the forecast GDP growth outlook which has a (relatively) wide range of between 1% and 2%. The post-election positivity around the GNU has, to date, not had a meaningful impact on boosting the real economy. So too, the inevitable contagion from international economic uncertainty, given the fresh imposition of tariffs between several of the major global economies and the inflationary ramifications thereof, amongst others, is also dampening the initial hope for a period of renewed local activity, growth, and a dovish interest rate outlook. The SARB did however lower the repo rate by 25bps this month. This move was widely anticipated given that inflation remains at the lower end of the MPC target range of 3% to 6% (at 3%). The outlook for further rate cuts, although inflation remains at the 3% level, is however moving to a hawkish position given that global inflation will increase in the short term, and this will likely spill over to SA Inc.

From a fund perspective, we have worked through the provisioning for one of the funds exposures and going forwards we have a positive outlook. We have a strong pipeline of attractive opportunities to place available capital. Raising fee yield kickers accompany new facilities and this will pull through to performance from March / April onwards. The remainder of our book remains in order, and as noted in previous fact sheets, we are working to write back the provisions we catered for last year. If we do this will be a welcome boost to fund performance this year. While the year is finding its cadence, we will stick to our strategy of dealing with proven jockeys who operate in sectors and markets that we (and they) understand to deliver a year of strong, consistent, compounding returns.

PERFORMANCE VS ALBI AND ALL SHARE SINCE INCEPTION

Fund performance vs All Bond and All Share



INVESTMENT PERFORMANCE

Returns to 31 Jan 2025	Chrysalis	CPI	ALBI
1 Month	0.72%	0.25%	0.44%
3 Months	1.89%	0.34%	3.14%
6 Months	4.21%	0.42%	7.26%
12 Months	10.45%	3.18%	16.86%
Since Inception	498.17%	122.33%	323.62%
Since Inception p.a.	11.45%	4.96%	9.14%

Risk Measures

Risk Measures	Chrysalis	CPI	ALBI
Standard Deviation (annualised)	0.99%	1.34%	7.70%
Loss Deviation	-	0.32%	4.27%
Gain Deviation	0.99%	1.23%	5.28%
Largest Drawdown	-	-1.12%	-9.79%
Largest uninterrupted Loss	-	-1.12%	-9.79%
Best Month	2.49%	1.54%	7.06%
Worst Month	0.17%	-0.95%	-9.75%
Gain Periods	198	185	136
Loss Periods	-	13	62
% Gain Periods	100.00%	93.43%	68.69%
Sharpe Ratio	5.91	-0.71	0.41
Sortino Ratio	n/a	-0.89	0.61
Correlation	1.00	-0.08	0.06
Value at Risk - 95%	1.40%	0.65%	4.10%

VALUET FEATURES

Fund Name:	Chrysalis Credit Arbitrage Fund
Fund Objective:	Cash plus returns regardless of market conditions
Style:	Structured Finance
Inception:	1 August 2008
Fund Size:	R480.2 million
Management Fee:	2% p.a.
Performance Fee:	20% performance fee above hurdle rate
Fund Managers:	Carl Combrinck BA LLB PG Dip Tax BCom (Hons) (Fin. Man) Mark Pienaar BCom (Hons) Nick Goldblatt CA (SA)
Hurdle Rate:	Standard Bank Wholesale Call Rate
Administrators:	Gael Fund Services (Pty) Ltd
Auditors:	Mazars South Africa
Attorneys:	Edward Nathan Sonnenbergs
Compliance:	Independent Compliance Services

CONTACT DETAILS

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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2008	-	-	-	-	-	-	-	1.49%	1.46%	1.56%	1.53%	1.53%	7.95%
2009	1.65%	1.49%	0.56%	1.49%	1.44%	1.50%	1.63%	1.57%	1.50%	1.04%	0.71%	2.49%	18.46%
2010	1.21%	0.93%	1.06%	0.84%	0.93%	0.76%	0.92%	0.71%	1.57%	1.08%	0.61%	1.10%	12.37%
2011	0.71%	0.87%	0.74%	0.80%	0.83%	1.06%	0.22%	0.17%	0.93%	0.81%	1.81%	1.31%	10.75%
2012	0.77%	0.83%	0.81%	0.81%	0.90%	1.57%	0.68%	0.69%	1.00%	0.88%	0.74%	0.98%	11.19%
2013	0.79%	1.25%	0.83%	0.96%	0.79%	0.83%	0.86%	0.85%	0.82%	0.82%	1.03%	0.87%	11.24%
2014	0.81%	0.77%	0.86%	0.82%	0.84%	0.82%	0.99%	0.89%	0.83%	0.85%	0.81%	0.88%	10.66%
2015	0.81%	0.74%	0.89%	0.89%	0.91%	1.11%	0.80%	0.88%	0.84%	0.95%	0.71%	0.97%	11.02%
2016	0.72%	0.74%	1.05%	0.82%	0.85%	0.98%	0.97%	0.87%	0.92%	0.93%	0.91%	1.20%	11.53%
2017	0.87%	0.80%	0.94%	0.85%	0.86%	1.14%	0.88%	1.04%	0.87%	0.91%	0.92%	1.31%	12.00%
2018	0.95%	0.86%	0.88%	0.90%	0.86%	1.05%	0.78%	0.78%	0.73%	0.96%	0.67%	1.36%	11.35%
2019	0.80%	0.70%	0.84%	0.70%	0.70%	0.88%	1.01%	0.89%	0.79%	0.81%	0.95%	1.07%	10.62%
2020	0.80%	0.90%	0.80%	0.67%	0.65%	0.60%	0.59%	0.91%	0.60%	0.63%	0.56%	0.73%	8.77%
2021	0.63%	0.56%	0.60%	0.59%	0.62%	0.58%	0.61%	0.61%	0.57%	0.58%	0.68%	0.89%	7.78%
2022	0.58%	0.53%	0.65%	0.61%	0.80%	0.64%	0.63%	0.65%	0.87%	0.91%	0.75%	0.87%	8.84%
2023	0.91%	0.65%	1.01%	0.90%	0.95%	1.28%	1.04%	1.05%	0.94%	1.12%	1.23%	1.03%	12.82%
2024	1.12%	0.98%	1.04%	0.91%	0.99%	1.01%	0.91%	0.94%	0.87%	0.46%	0.42%	0.73%	10.88%
2025	0.72%	-	-	-	-	-	-	-	-	-	-	-	0.72%

RISK DISCLOSURE: The Chrysalis Credit Arbitrage Fund is unregulated by the FSCA, and it is thus not open to investment by the general public. The fund is only appropriate for sophisticated investors who understand and have appetite for the inherent risk. Prospective investors should seek advice from a financial advisor prior to investing, regarding the appropriateness of the investment given their financial objectives, circumstances, liquidity needs and risk profile. This Data Sheet is a private publication intended for private circulation, and may not be distributed to any other person than the recipient. It is for information purposes only, regarding decisions taken within the Fund and the profile assumed by the Fund, and should not be seen as an offer to sell or an invitation to invest. It is the responsibility of any person in possession of this document to inform themselves of, and observe, any applicable laws and regulations of the relevant jurisdiction. Performance numbers are historical, the value of all investments and the income therefrom can go down as well as up, and as such the past is not necessarily a guide to future performance. Chrysalis Capital is a licensed Financial Services Provider, license number FSP 45682.