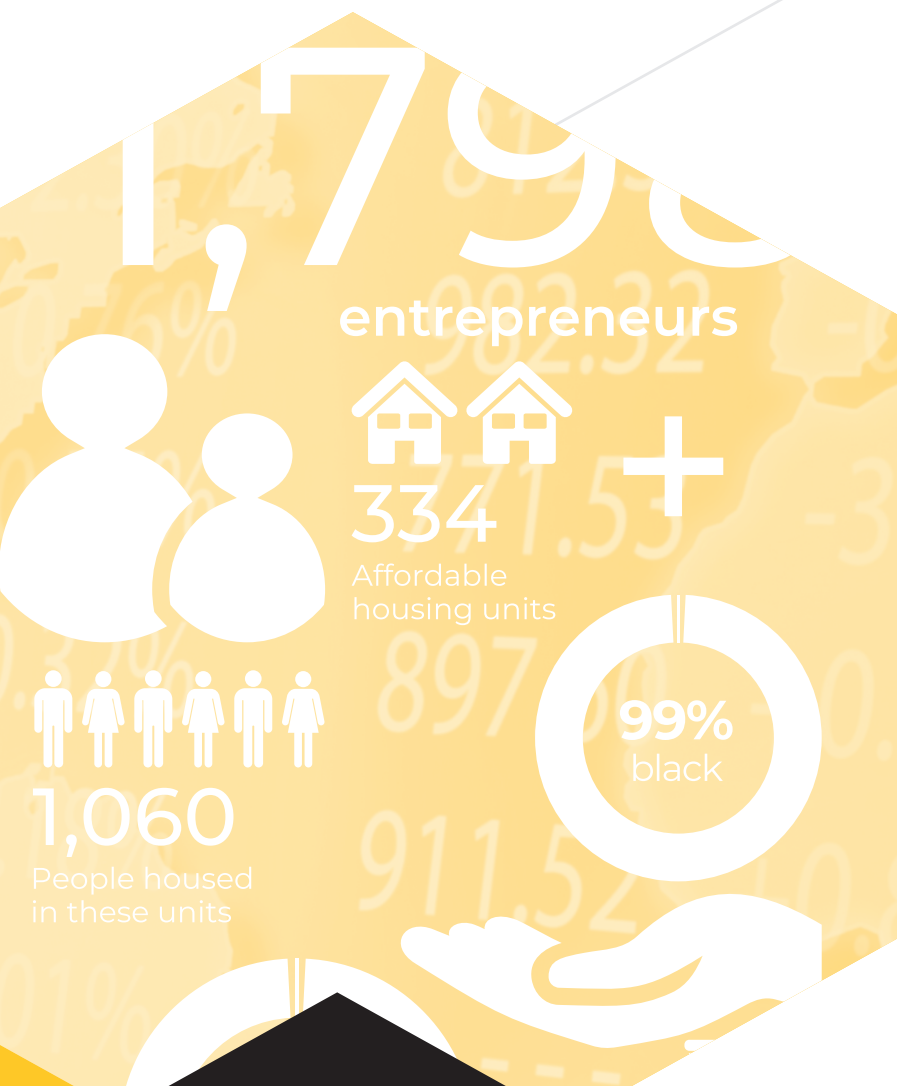


# Inyosi Enterprise Development

Enterprise Development Investment  
with Immediate Benefits



ENTERPRISE  
DEVELOPMENT  
SOLUTION WITH  
IMMEDIATE  
BENEFITS

## Benefits

- **Immediate and ongoing access** to Enterprise Development points
- **Single upfront interest free loan** which counts towards your Enterprise Development score annually
- **Unique** long term financial and impact track record
- **Turnkey investment** with annual accredited Enterprise Development Statement
- **Social and economic impact assessment** according to global best practice
- **Dedicated** professional investment team
- **Dedicated support** by enterprise development professionals
- **Regulated** fund manager

## Who can invest?

This investment is restricted to those entities who have been introduced to Inyosi, who understand that this is a B-BBEE related offering during a review with Inyosi or its approved financial advisers, and is not an offer to the general public.

# SUMMARY

Inyosi Solutions (Pty) Ltd is the market leader 3rd party provider of Enterprise Development solutions and has created the Enterprise Development Investment (Enterprise Development). Companies invest their Enterprise Development spend strategically by investing into an interest free loan portfolio and earn accredited Enterprise Development points. In doing so, companies can take an active role in shaping a commercially scalable approach to SMME growth and job creation by investing where they see potential for shared value – investments that are good for their business, good for their suppliers who receive working capital funding, and ultimately good for the country. Inyosi Solutions is the 3rd party implementing agent of Enterprise Development. Enterprise Development is managed by an authorised representative of AHI Asset Management (Pty) Ltd (Reg.No. 1953/001254/07), an authorised financial services provider, FSP636.

## Key Information

<b>3rd party Implementing Agent</b>	Inyosi Solutions (Pty) Ltd, Reg. No. 2017/267327/07
<b>Nature of the investment</b>	Interest Free Loan
<b>Currency</b>	South African Rand
<b>Enterprise development</b>	After your year end, and annually thereafter, you will receive a Enterprise Development statement from an accredited empowerment rating agency. Each Rand invested will count towards your Enterprise Development score. The total points scored by you for Enterprise Development remains subject to the required total spend in terms of the scorecard applicable to your industry.
<b>Annual Enterprise Development statement</b>	On each annual anniversary we will issue you a Enterprise Development statement based on the market value of your investment and Enterprise Development's rating by an accredited empowerment rating agency.
<b>Underlying portfolio risk: Debt</b>	Unlisted short and long term loans to qualifying black owned beneficiaries
<b>Minimum investment term</b>	Enterprise Development is an open-ended investment with a maximum 5 year term.
<b>AHI Asset Management (Pty) Ltd</b>	The appointed manager of New Amalfi Technology Repair and Training (Pty) Ltd and Inyosi Enterprise NPC
<b>Company management fee (excl. VAT)</b>	3% per annum paid for by Inyosi Enterprise NPC
<b>Financial adviser fees (excl. VAT)</b>	Either 1.75% upfront and 0.25% ongoing OR 0.5% upfront and 0.5% ongoing (deducted from capital)
<b>Administration fee (excl. VAT)</b>	Administration fee of 0.25% per annum paid by New Amalfi Technology
<b>Access to your money (liquidity)</b>	60 day notice, subject to a 3% (excl. VAT) liquidation or switch penalty in the first 3 years
<b>Important administrative dates</b>	<b>Monthly cut-off date for withdrawals:</b> Last business day of each month <b>Valuations:</b> Daily
<b>How can you cancel your investment?</b>	<b>Within the initial 30 day cooling-off period:</b> You have a 30 day cooling-off period to change your mind about your investment. If you change your mind within this period, we will sell the instruments at market value and pay you this plus any financial adviser fees that have been included in the cost of the investment and which have been recouped from the financial adviser. This value may be lower than the initial amount you invested. <b>After the 30 day cooling-off period:</b> If you surrender your investment after the 30 day cooling-off period, we will sell the instruments and pay you the market value, which may be lower than the initial amount you invested. In the first 3 years we will charge you a surrender fee of 3% (excl VAT) on the surrender value. From the end of the month in which you surrender we require a 60 day notice of surrender to facilitate liquidity in Enterprise Development. All early surrenders are subject to the liquidity provisions of Enterprise Development, and Inyosi Empowerment may within the notice period, at its discretion, ring-fence and liquidate assets in the portfolio equal in value to the surrender value. In the event of Enterprise Development not being able to liquidate the underlying investments during this time, Inyosi Empowerment may elect to pass the investments in <i>specie</i> to you. You may make one withdrawal during the first 5 years of your investment.
<b>Who can invest?</b>	This investment is restricted to those entities who have been introduced to Inyosi, who understand that this is a B-BBEE related offering during a review with Inyosi or its approved financial advisers, and is not an offer to the general public.

Through our comprehensive service offering, we are able to offer our investors a comprehensive **Enterprise & Supplier Development solution** whilst also providing black-owned businesses with **Access to Funding, Access to Markets and Access to Skills.**



# HOW INYOSI ENTERPRISE DEVELOPMENT WORKS

Each investor makes an interest free Enterprise Development loan into New Amalfi Technology Repair and Training (NAT). NAT is a black owned ICT company.

After receiving your interest free investment, NAT makes an interest free loan to Inyosi Enterprise – a not for profit company. Inyosi Enterprise makes direct loans to fund qualifying black owned enterprise development beneficiary companies. All net interest earned by Inyosi Enterprise NPC will be used to assist in the development and growth of select black owned beneficiaries.

Inyosi and AHI are related parties and New Amalfi Technologies, Inyosi Enterprise, and Inyosi Solutions are related or interrelated parties.

## Enterprise Development's strategic objectives are:

**A** To provide monetary or non-monetary recoverable contributions in favour of beneficiary entities with a specific objective of assisting and/or accelerating the development, sustainability and ultimate financial and operational independence of that beneficiary. This is commonly accomplished through the expansion of these beneficiary's financial and/or operational capacity through the provision, by way of loans, of both working capital and long term capital to finance the full needs of black owned businesses.

**B** To target those areas which are applicable to the Department of Trade and Industry B-BBEE Codes of Good Practice and Sector Codes as they pertain to Financial Services, Construction, Mining, Health, Information and Communications Technology, Property, Tourism, Transport, Chartered Accountancy, Forestry and Agriculture, and any subsequent codes as gazetted from time to time.

## The following is a non-exhaustive list of Enterprise Development initiatives that the Enterprise Development may consider utilising:

- Grant contributions to beneficiary entities,
- Equity investments into beneficiary entities,
- Loans and loan facilities made to beneficiary entities,
- Guarantees given or security provided to beneficiary entities,
- Direct costs incurred in assisting and hastening development of beneficiary entities,
- Overhead costs directly attributable to investment contributions and the ongoing running and operation of the Enterprise Development,
- Development capital advanced to beneficiary entities,
- Preferential credit terms granted by the Enterprise Development to measured entities,
- Preferential terms provided by the Enterprise Development in respect of the supply of goods or services to beneficiary entities,
- Contributions made to settling service costs relating to operational or financial capacity or efficiency levels of a beneficiary entity,
- The creation or development of capacity or expertise for beneficiary entities needed to manufacture or produce goods or services not manufactured or produced in the Republic of South Africa,
- Facilitating access to credit for beneficiary entities without access to similar credit facilities through traditional means owing to lack of credit history, high risk or lack of collateral,
- Provision of training or mentoring to beneficiary entities which will assist the beneficial entities to increase their operational or financial capacity, and
- The maintenance of the Enterprise Development by Enterprise Development teams who focuses exclusively on support of beneficiary entities or candidate beneficiary entities.

## Impact at a glance for the year ending March 2021



**500**  
investors  
in Inyosi Loan Books

Inyosi has provided over  
**R352 million**  
in loan funding to small black-owned businesses across the ED, ED ICT and SD funds.



Inyosi's loan book contained  
**91 beneficiaries**  
across the three funds.



# KEY INVESTMENT RISKS AND THEIR MITIGATING FACTORS

KEY RISKS	RISK MITIGATION
<b>Enterprise Development will be exposed to unlisted investments</b>	Enterprise Development makes an initial loan into New Amalfi Technology <sup>†</sup> who on-lends to Inyosi Enterprise. Ultimately loans will be made to diversified black owned beneficiaries nationally and across different sectors. Inyosi Solutions <sup>‡</sup> is the 3rd party implementing agent of New Amalfi Technology and Inyosi Enterprise. <sup>‡</sup>
<b>The investments are unrated</b>	Although the investments are unrated, Enterprise Development will ensure that the maximum possible security is obtained by imposing financial covenants on the borrower, and through our sound investment process, due diligence and ongoing reporting and monitoring of investments.
<b>The investments are difficult to price</b>	Enterprise Development assets earn no interest. In the debt portfolio, all loans are carried at book value unless there is a clear indication that the borrower is unable to pay interest, if applicable, or capital at which point the valuation will be adjusted to reflect this.
<b>The investments are illiquid</b>	Enterprise Development loans are for a fixed term. The loans are illiquid during the loan term.
<b>Liquidity in the event of a redemption</b>	Enterprise Development is well diversified and should manage to fund any redemptions. The following process will facilitate redemptions: <ol style="list-style-type: none"> <li>Enterprise Development will always hold a small component of cash</li> <li>Liquidations will be funded by inflows</li> <li>In the loan portfolio the underlying loan assets are staggered in maturity and thus there are ongoing loan maturities which could fund any redemptions.</li> <li>The investor must provide 60 days notice. This enables Enterprise Development to secure the liquidity needed to fund the withdrawal.</li> <li>All early surrenders are subject to the liquidity provisions of Enterprise Development, and assets may be ring-fenced within the 60 day period. In the event of Enterprise Development not being able to liquidate the underlying investments during this time, Inyosi Enterprise may elect to pass the investments in specie to the client.</li> </ol>
<b>Enterprise Development rating is subject to the current legislative environment</b>	Enterprise Development's empowerment rating performance is subject to changes in legislation that may impact negatively on the Portfolio's rating. This will be mitigated by Inyosi Solutions keeping abreast of legislative changes and reviewing Enterprise Development's mandate where and when appropriate.
<b>Risk to capital</b>	Enterprise Development will make working capital loans to qualifying entities in terms of the DTI scorecard via a single interest free loan to New Amalfi Technology. The qualifying entities are typically smaller enterprises who require working capital to fund growth. If an entity to whom a loan was made is unable to repay capital or interest this will negatively impact on the value of the Enterprise Development portfolio and will also negatively impact on the value of your own investment leading to capital or income losses. Our rigorous screening process of such entities together with the portfolio diversification will mitigate some of this risk.
<b>Returns</b>	Investors into the Enterprise Development Portfolio are investing into interest free loans and earn no return on this investment.

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## QUESTIONS AND ANSWERS

### What happens after you complete an application form and invest?

1. When we receive your money we will write to you to acknowledge receipt of your application within 5 working days,
2. We will buy units in Enterprise Development on the next business day, and
3. Within 21 business days after we have invested your money we will issue confirmation of your investment in the form of a loan agreement.

### How will we keep you informed?

We will send you a statement monthly on the first business day of every month showing the details of your investment. You may also access this information online via our secure website at [www.inyosi.co.za](http://www.inyosi.co.za).

### How do you receive your annual Enterprise Development statement and Preferred Procurement report (if applicable)?

On every financial year-end of your investment we will provide you with an empowerment accredited Enterprise Development statement and within 30 days after the company's year-end. The Enterprise Development statement will be issued to you based on your investment's current market value and Enterprise Development's latest Enterprise Development rating. Portfolio's statements will be based off the Portfolio's current Enterprise Development rating.

### What if you need your money?

Upon written request received prior to the last business day of the month, the proceeds of the redemption net of the surrender fee of 3% (excl VAT) will be paid within 60 days from the end of that month provided that we have been able to liquidate the investments. Inyosi --- may ring-fence assets within the portfolio and will endeavour to liquidate them over the 60 day period. Finally we will distribute the assets to you in *specie* if we are not able to liquidate them. An accredited empowerment rating agency statement will not be issued in the next year of exit.

### What happens to your investment in the event of your death?

We will give your estate or any beneficiaries' access to the investment. They may decide whether to keep the investment, or withdraw the money.

### What are the risks associated with this investment?

The investments are primarily unlisted debt with a specific aim of providing exposure to qualifying Enterprise Development entities through the provision of working capital loans. Although these loans will go through our rigorous credit process they carry risks to capital. We also value these investments at their realistic mark to market. However, it should be noted that this mark to market is not a traded price as these investments have lower liquidity and do not trade often. These are debt instruments with a finite maturity date. On maturity the counterparty has to repay capital, which only provides evidence of the loan strength at that point.

## CONTACT DETAILS: T 021 657 8760 E [info@inyosi.co.za](mailto:info@inyosi.co.za) [www.inyosi.co.za](http://www.inyosi.co.za)

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AHI Asset Management (Pty) Ltd (Reg.No. 1953/001254/07) is an authorised financial services provider, FSP636.  
September 2022