

## Mi-Plan

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Newlands on Main  
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Cape Town

26 February 2024

Attention: Anton Turpin

## Re: Instruments exposed to Bridge Taxi 6 and 8 SPVs

Vunani Fund Managers would like to advise you of specific instruments in your clients' investment portfolio that have been impacted by recent economic challenges in South Africa. The investments are in the taxi financing space. The investment instruments are in the Redink Rentals (RF) Limited ("Redink") and Martius (RF) Limited ("Martius") Note Programmes. Within the Programmes, client portfolios have exposure to two special purpose vehicles linked to Bridge Taxi Finance No. 8 (RF) (Pty) Ltd ("BTF 8") and Bridge Taxi Finance No. 6 (RF) (Pty) Ltd ("BTF 6"). As the names of the SPVs suggest, these are ring fenced vehicles. Martius funds the importation, insurance in transit, and licensing of new taxis. Redink finances the securitisation of debt once the taxis have been sold and leased to owners. The Martius notes reside in BTF 8 whilst the Redink notes reside in BTF 6.

The exposure to each instrument as a percentage of the MiPlan IP Enhanced Income Fund at inception of the Retention Fund / side-pocket is as follows:

Portfolio	RED707	RED706	MAR03B	MAR02B
MiPlan IP Enhanced Income Fund*	2.78%	1.19%	0.29%	4.45%

\*Reflects percentages as at 15 Feb 2024 prior to instruments migrating to the Retention Fund / side-pocket

## Background

Bridge Taxi Finance, established in 2013, provides development credit finance to South African entrepreneurs in the minibus taxi industry, empowering them to provide their clients with safe, secure, and reliable transport. Approximately 70% of all commuter journeys in South Africa are made using taxis. The critical shortage of minibus taxis in South Africa and high positive social impact of improving public transportation for millions of South Africans, while providing accessible finance to local entrepreneurs provided a compelling investment case, which has performed very well for our clients since our first investment in June 2018.

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## Economic strain

The prevailing credit environment, slowdown in new vehicle sales, elevated petrol prices and recent unfortunate passing on 4 January 2024 of Martin Bezuidenhout, the founder and CEO of Bridge Taxi Finance and its operating company, Mokoro, has placed significant pressure on the business. Although your exposure is to direct ownership of vehicles and leases, the business strains at Mokoro (collections and repossession agent) have had an impact.

## Vunani Fund Manager's plan of action

Rest assured, we are working tirelessly with the issuer, management, and other co-investors to understand the underlying cash flows and the liquidity pressures facing the business. Our dedicated efforts are aimed at effectively addressing the current pressures on the business to hasten and increase collection levels at Mokoro. These efforts include weekly and sometimes daily lender meetings with management that are driving towards enhancing the granularity of reporting and committing resources to the correct areas of the business. Our priority is to navigate these challenges prudently while striving to uphold the integrity of our investment portfolios.

Vunani Fund Managers holds notes in transactions 6 and 8, which are not currently in default. That notwithstanding, poor collection levels by Mokoro led to a decision by our Credit Committee and EXCO to suspend interest accruals on the respective instruments in client portfolios as a precautionary measure. Accordingly, interest will be accounted for only on receipt.

## Side-pockets / Retention Fund

Vunani Fund Managers manages collective investment schemes ("CIS") on behalf of certain clients, and, for these portfolios, a decision was taken in conjunction with the trustees of these schemes, and approval of the Financial Sector Conduct Authority, to create a retention portfolio to avoid potentially prejudicing incoming investors. The retention portfolio will be managed separately, the ultimate objective being to ensure that outstanding interest payments and capital redemptions are recovered and paid to investors exposed to the instruments at the date of the implementation of the retention portfolio. Each investor receives a participatory interest proportionate to the investors investment in the CIS they hold. This ensures fair treatment of all clients. Furthermore, no investment management fees will be levied on the retention portfolio.

## Committed to our clients' best interest

Vunani Fund Managers has a good recovery track record in cases where investments have had similar challenges, an experience which will be brought to bear in this case. Our commitment to transparency remains unwavering, and we are dedicated to keeping you informed of any significant developments in the resolution of this matter. Open lines of communication will be maintained to ensure that you are kept abreast of all critical updates.

Your sincerely,



Aadila Manjra

Acting Head of Business Development

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