

# CREDIT ARBITRAGE FUND

FUND FACT SHEET | MAY 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.

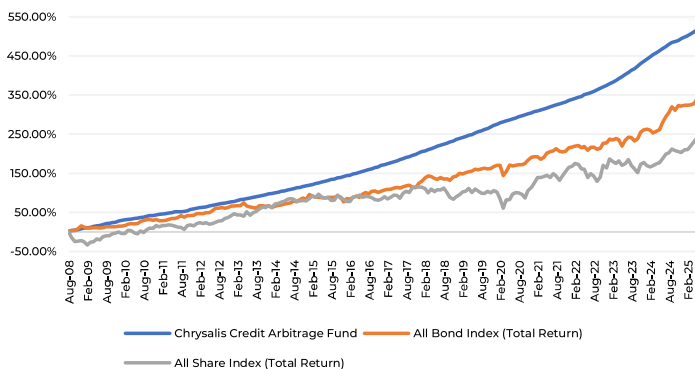
## FUND COMMENTARY

The current economic outlook for SA is for tepid growth, with the Reserve Bank adjusting their forecast GDP growth for the year to 1.2%, roughly in line with that of most economists. Mercifully inflation has stayed low, currently at 2.8% which means that the threat of stagflation has at least been kept at bay. The result has been a 25bps rate cut at the end of May, the consensus being that we'll see further cuts totalling 50bps by year-end.

In the real economy we have seen a pick-up of activity in the last few months. The themes include retail and office property acquisitions in the Cape Town CBD, development of residential-, student- and retirement accommodation in the Western Cape, growth capital for a manufacturer of beauty products and pre-listing finance to management of a large services business. Our existing book is well diversified, 61% senior secured and 76% of loans supported by balances sheets with Net Asset Values of more than R1bn.

## PERFORMANCE VS ALBI AND ALL SHARE SINCE INCEPTION

Fund performance vs All Bond and All Share



## INVESTMENT PERFORMANCE

Returns to 31 May 2025	Chrysalis	CPI	ALBI
1 Month	0.85%	0.23%	2.70%
3 Months	2.51%	0.93%	3.68%
6 Months	4.64%	2.22%	3.87%
12 Months	9.55%	2.85%	21.75%
Since Inception	516.93%	126.51%	339.53%
Since Inception p.a.	11.42%	4.98%	9.19%

Risk Measures	Chrysalis	CPI	ALBI
Standard Deviation (annualised)	0.99%	1.33%	7.64%
Loss Deviation	-	0.32%	4.23%
Gain Deviation	0.98%	1.22%	5.26%
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	202	189	140
Loss Periods	-	13	62
% Gain Periods	100.00%	93.56%	69.31%
Sharpe Ratio	5.84	-0.72	0.42
Sortino Ratio	n/a	-0.90	0.62
Correlation	1.00	-0.09	0.06
Value at Risk - 95%	1.36%	0.71%	3.62%

## SALIENT 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:	R491.1 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 BEcon (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%	1.67%	1.53%	<b>7.95%</b>
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%	<b>18.46%</b>
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%	<b>12.37%</b>
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%	<b>10.75%</b>
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%	<b>11.19%</b>
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%	<b>11.24%</b>
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%	<b>10.66%</b>
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%	<b>11.02%</b>
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%	<b>11.53%</b>
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%	<b>12.00%</b>
2018	0.95%	0.86%	0.88%	0.90%	0.88%	1.05%	0.78%	0.78%	0.73%	0.96%	0.67%	1.36%	<b>11.35%</b>
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%	<b>10.62%</b>
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%	<b>8.77%</b>
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%	<b>7.78%</b>
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%	<b>8.84%</b>
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%	<b>12.82%</b>
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%	<b>10.88%</b>
2025	0.72%	0.61%	0.81%	0.84%	0.85%	-	-	-	-	-	-	-	<b>3.88%</b>

**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 45692.