12 June 2020

Dear Noteholder,

CM Diversified Credit Ltd ("CMDC") was launched in March 2019. The vehicle has had its first full year of trading and has been popular with investors. As at the date of this letter, CMDC has 400+ noteholders, a reference portfolio comprising MUR 1.75bn of A-rated or above secured debt securities, and has consistently paid out an interest income above the 3-month Government of Mauritius Securities. This letter provides you with a summary of CMDC's performance to date.

1. Key Highlights

Attractive Short Term Investment	Since its launch in March 2019, CMDC has offered a premium of 1.1% above the 90-day Treasury bills to investors. An investor with MUR1m in CMDC would have earned interests of MUR 39,000 compared to MUR 29,000 in 90-day Treasury bills over the same period.
A Diversified Investment Portfolio	Four Mauritian corporates with no single issuer accounting for more than 29% of the portfolio
Rated CARE MAU A- (SO)	51.4% of the portfolio is rated CARE MAU AA or CARE MAU AA- and the remainder is rated CARE MAU A or CARE MAU A-
Long-Term Rated Notes	Weighted average maturity of 7.7 years. During the next 12 months, MUR 200m (11.4%) of the portfolio is due to mature.
Track Record in paying out on Puts	Since its launch in March 2019, CMDC has consistently paid all investors who have exercised their puts.

2. Analysis of each constituent

2.1. OHTE, rated CARE MAU A- (stable)

Omnicane Holdings (La Baraque) Thermal Energy Ltd **("OHTE")** is a 60% shareholder of Omnicane Thermal Energy Operations (La Baraque) Ltd ("**OTEOLB**"), the largest independent electricity producing company in Mauritius. The CEB purchases all the power produced by OTEOLB under the terms of a power purchase agreement. Since OTEOLB has not experienced any shortfall in production as a result of the COVID-19 pandemic, OHTE's management expects that it will be able to meet all its debt payment obligations.

2.2. MUA, rated CARE MAU AA- (stable)

We anticipate that insurance businesses will be one of the most resilient sectors to the economic difficulties created by the COVID-19 pandemic. As at 31 March 2020, MUA's long term debts amounted to MUR 600m representing a gearing ratio of c. 24%.

2.3. ENL, rated CARE MAU A

Prior to the COVID-19 pandemic, ENL Ltd ("ENL") had reported strong financial results with a group turnover of MUR 8.7bn for the six months ended 31 December 2019, an increase of 9% from the corresponding period in 2018.

ENL's CEO letter of 5 May 2020 provided additional disclosures regarding its company's financial strength. We note that:

- ENL has limited short-term debts: "*We currently have no significant short-term financial commitments which could have been a burden on cash…*"; and
- ENL, through its investee companies, has raised equity from third parties: "…*We have recently finalised strong equity partnerships providing us with the substantial financial resources we need to pursue our growth momentum and to strengthen our market leadership in this [the real estate] segment…"*

Furthermore, CARE Ratings (Africa) Private Limited completed ENL's annual surveillance exercise in [May 2020]. Although the rating was put on credit watch, the A-rating was nonetheless reaffirmed. We also note that CARE expects ENL Ltd to receive the sum of MUR 1.5bn from equity investors in relation to its real estate activities. The combination of ENL having no material short term debts falling due and its cash position following the equity partnerships are supportive of a comfortable debt serviceability.

2.4. CIEL, rated CARE MAU AA

CIEL Ltd ("CIEL") main source of revenue is dividend income from its investee companies in textile, hospitality, healthcare, finance and agro segments. Out of these five clusters, the hotel and textile segments are directly affected by the COVID 19 crisis while the remaining three clusters should, over time, suffer a low-to-moderate impact from the pandemic.

For the nine months ending 31 March 2020, CIEL reported a revenue of MUR 479m and EBITDA of MUR 302m. While the 9 months EBITDA included a contribution from the textile sector, no inflows from the hospitality sector were included. CIEL's interest costs amount to approximately MUR 130m per year and has limited short-term debt repayment obligations.

As a pass-through vehicle, CMDC's strength reflects that of its constituents. As mentioned above, CMDC's prudently constructed investment portfolio provides investors with a degree of resilience against the economic impact of the COVID-19 pandemic. CMDC shall continue to monitor the performance of its existing investment portfolio and keep noteholders apprised of any material developments.

We thank you for your confidence placed in CMDC and remain available to answer any question or queries you may have.

Sincerely

THE DIRECTORS OF CMDC