

# AFRICA SUSTAINABILITY FUND

December 2012



IN ASSOCIATION WITH THE  Sanlam GROUP

## Fund Overview

The Africa Sustainability Fund is a long-only, 40-stock equity portfolio diversified across African geographies, sectors and companies. The aim of the fund is to provide long-term investors with active equity exposure to Africa-dominant companies (excluding South-Africa) within a sustainable investment framework at relatively low cost.

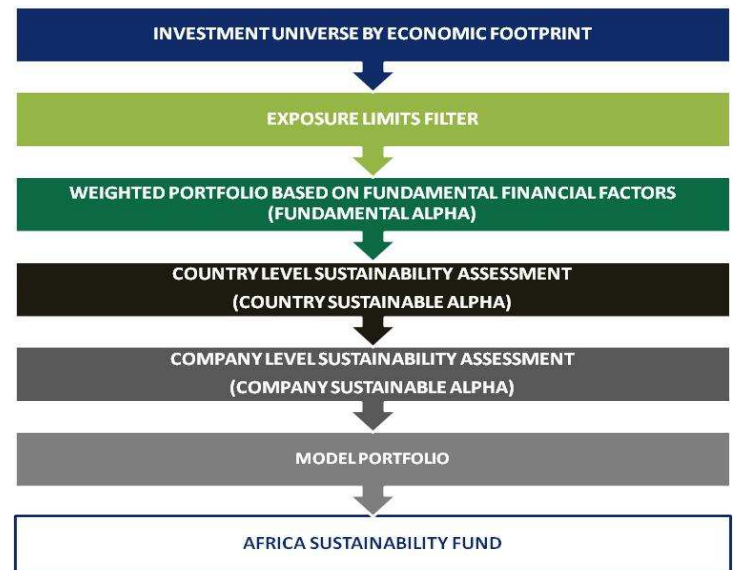
## Investment Process

The fund employs a rules-based investment process led by bottom-up research and detailed company due diligence. Stock selection is driven by company-level fundamental financial factors (revenues, operating cash flows, cash dividends and shareholders' equity) and Sustainable Capital's country and company sustainability assessments. The financial factors introduce a strong value bias into the portfolio construction process. The sustainability ratings act as a quality filter by aggressively up-weighting the highest quality companies and countries in Africa (and vice versa).

The fund's objective is to provide superior risk-adjusted returns in Africa ex-SA listed equities over long-term time horizons. The fund is actively managed (benchmark agnostic) with an emphasis on downside risk management. Buy-sell discipline is executed through regular portfolio rebalancing, in keeping with the fund's focus on cost efficiency. Liquidity risk is limited by applying an exposure limits filter.

## Fund Manager

Sustainable Capital is an independent, owner-managed, responsible investment asset manager that specialises in the research and management of listed African equity securities, with total assets under management of USD 43.6m.



## Investment Team

### Greg Barker

Co-manager, Africa Sustainability Fund



- CFA, MBA, MPhil (Sustainability), BTech (Eng).

- Over 13 years of industry experience.

### Gaëtan Herinckx

Co-manager, Africa Sustainability Fund



- Msc (Financial Risk Mgt), Msc (Business Eng.), IM Program at Stern Business School.

- Over 11 years of industry experience.

### Omar Fahmy

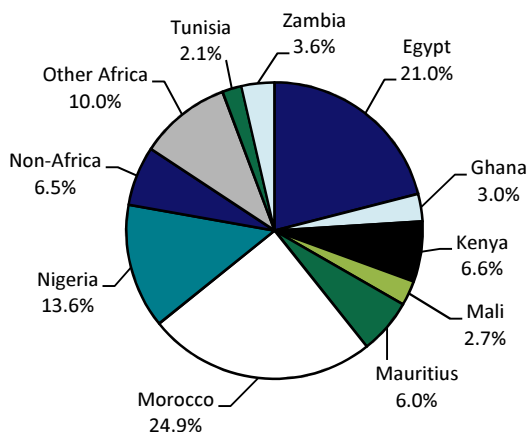
Senior Investment Analyst



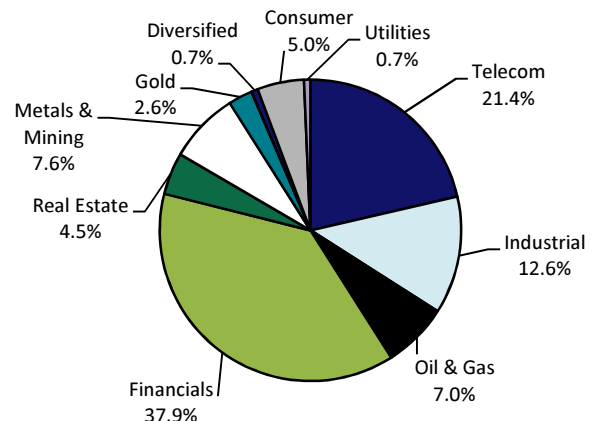
- Msc (International Finance), BA (Mgt Information Systems).

- Over 7 years of industry experience.

## Geographic Allocation (% of economic footprint)



## Sector Allocation (% of equity)



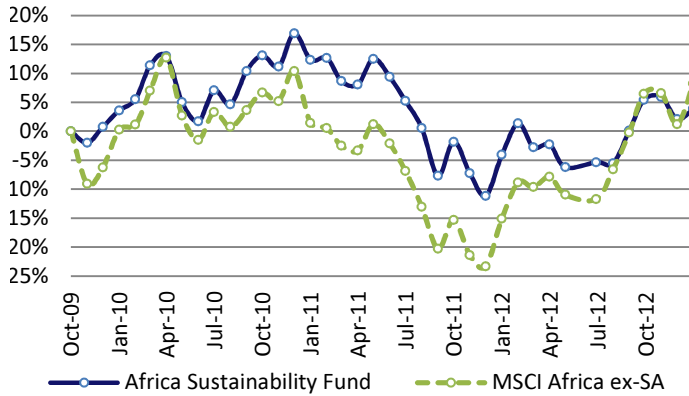
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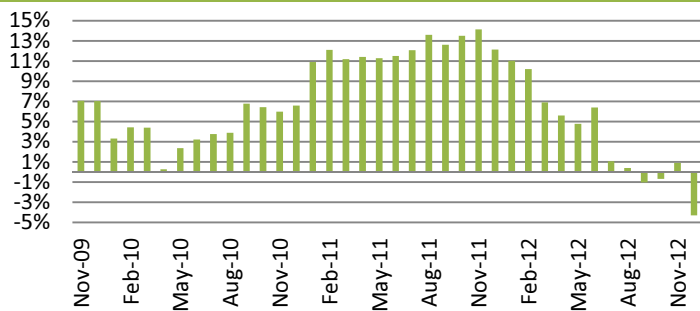
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## Performance\* (since inception, 1 November 2009)

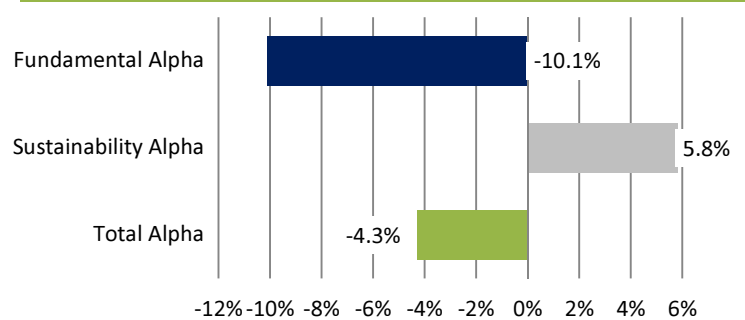


	Africa Sustainability Fund	MSCI Africa ex-SA Net Total Return	Alpha
1 month	1.8%	6.9%	-5.1%
Calendar YTD	17.0%	41.1%	-24.1%
1 year	17.0%	41.1%	-24.1%
2 years	-11.1%	-1.9%	-9.2%
2 years (ann.)	-5.7%	-1.0%	-4.7%
3 years	3.1%	15.4%	-12.3%
3 years (ann.)	1.0%	4.9%	-3.9%
Since Inception	3.9%	8.2%	-4.3%
Since Incep (ann.)	1.2%	2.5%	-1.3%

## Cumulative Alpha\* (since inception)



## Alpha Attribution (since inception)



## Risk-Return Statistics\*\* (since inception)

	Africa Sustainability Fund
Portfolio beta	0.73
Correlation	0.85
Tracking error	7.2%
Information ratio	-0.18
Relative downside dev.	4.2%
Sortino ratio	-0.31

## Key Facts

<b>Initial investment:</b>	USD 100,000
<b>Dealing:</b>	Monthly
<b>Management fees:</b>	1.5% annual, no performance fee
<b>Entry/exit fees:</b>	None
<b>Fund size:</b>	USD 19.3 million
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	2.4%	19.9%	4.1%	22.2%
Egypt	13.6%	50.8%	9.1%	42.9%
Ghana	5.8%	23.8%	5.8%	6.6%
Kenya	1.2%	29.0%	0.7%	27.4%
Mauritius	3.0%	-8.3%	4.2%	-11.9%
Morocco	-3.8%	-15.1%	-2.6%	-13.9%
Nigeria	6.0%	35.4%	6.7%	40.8%
Tunisia	-2.0%	-3.0%	-0.6%	-6.4%
Uganda	2.2%	39.3%	2.4%	29.0%
Zambia	3.2%	-10.7%	3.6%	-12.1%

## Contact Details

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**Lipper** 68079261  
**Bloomberg:** AFRSUST MP Equity

\*Sustainable Capital claims compliance with the **Global Investment Performance Standards (GIPS)** and has prepared and presented this report in compliance with the GIPS standards. Sustainable Capital has not been independently verified.

\*\*The risk measures included in this report are computed based on NAVs calculated daily based on Bloomberg data. The Africa Sustainability Fund has a monthly audited NAV.