

AFRICA SUSTAINABILITY FUND

January 2014



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.

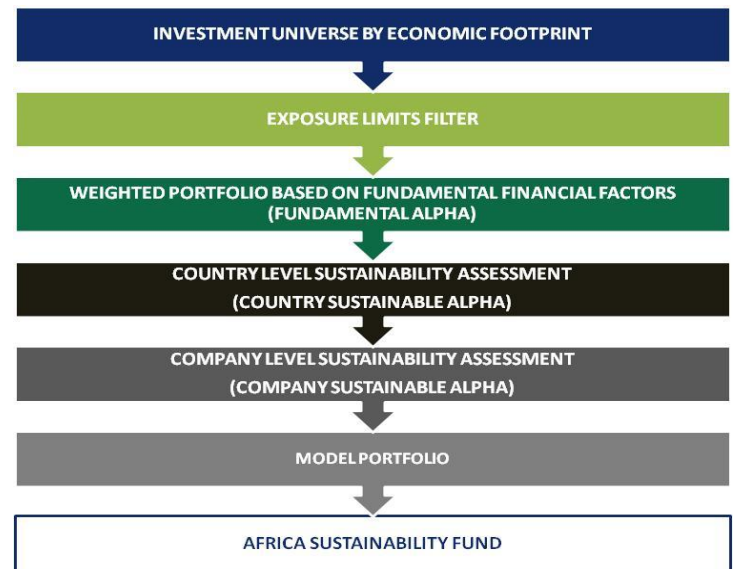
Investment Process

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 74.2m.



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

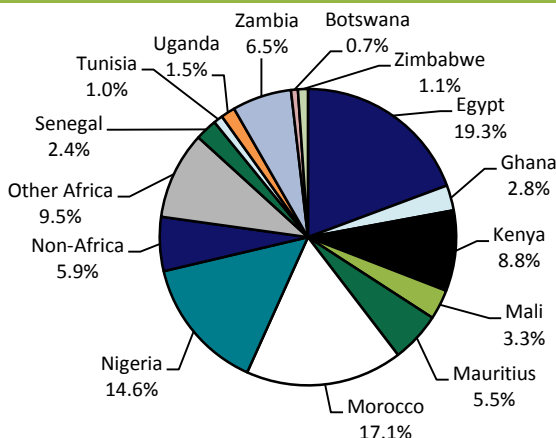
Senior Investment Analyst



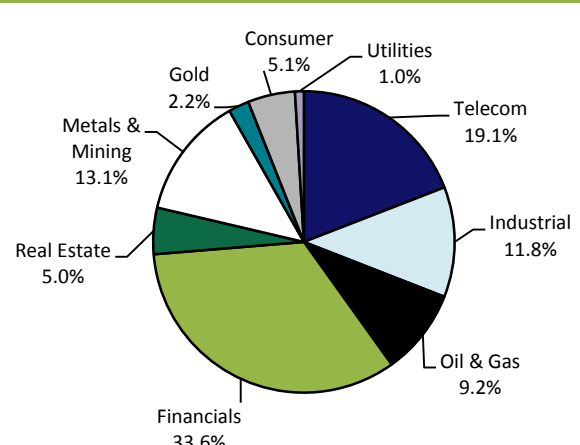
- Msc (International Finance), BA (Mgt Information Systems).

- Over 7 years of industry experience.

Geographic Allocation (% of economic footprint)



Sector Allocation (% of equity)



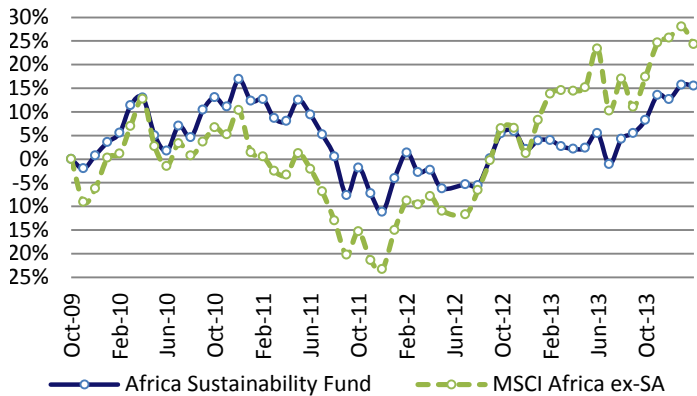
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Performance* (since inception, 1 November 2009)

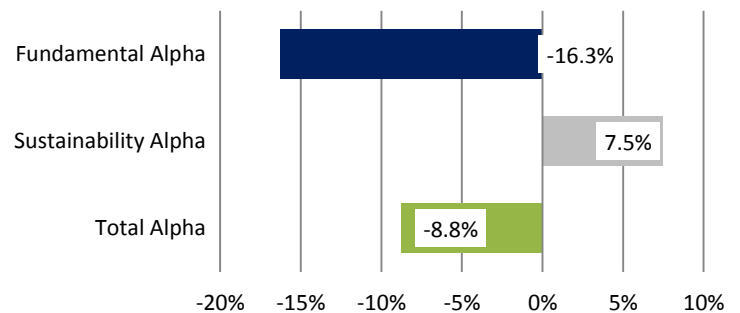


	Africa Sustainability Fund	MSCI Africa ex-SA Net Total Return	Alpha
1 month	-0.2%	-2.9%	2.8%
Calendar YTD	-0.2%	-2.9%	2.8%
1 year	11.1%	9.2%	1.8%
2 years	20.3%	46.3%	-26.0%
2 years (ann.)	9.7%	21.0%	-11.3%
3 years	2.8%	22.5%	-19.7%
3 years (ann.)	0.9%	7.0%	-6.1%
Since Inception	15.5%	24.3%	-8.8%
Since Incep (ann.)	3.4%	5.2%	-1.8%

Risk-Return Statistics** (since inception)

	Africa Sustainability Fund
Portfolio beta	0.68
Correlation	0.81
Tracking error	7.7%
Information ratio	-0.23
Relative downside dev.	4.5%
Sortino ratio	-0.40

Alpha Attribution (since inception)



African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
Egypt	9.2%	9.2%	8.9%	8.9%
Ghana	5.1%	5.1%	1.9%	1.9%
Kenya	-1.4%	-1.4%	-1.6%	-1.6%
Mauritius	-0.2%	-0.2%	-0.5%	-0.5%
Morocco	0.1%	0.1%	-1.3%	-1.3%
Nigeria	-1.8%	-1.8%	-3.2%	-3.2%
Tunisia	2.7%	2.7%	5.2%	5.2%
Uganda	-3.2%	-3.2%	-1.1%	-1.1%
Zambia	1.8%	1.8%	1.1%	1.1%
Zimbabwe	-6.4%	-6.4%	-6.4%	-6.4%

Key Facts

Initial investment:	USD 100,000
Dealing:	Monthly
Management fees:	1.5% annual, no performance fee
Entry/exit fees:	None
Fund size:	USD 24.7m
Domicile:	Mauritius
Structure:	Open-ended, expert fund
ISIN:	MU0272S00015
Lipper	68079261
Bloomberg:	AFRSUST MP Equity

Contact Details

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*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.