

AFRICA ALPHA FUND

February 2014



IN ASSOCIATION WITH THE  Sanlam GROUP

Fund Overview

The objective of the Africa Alpha Fund is to provide long-term investors with active equity exposure to listed African companies within a valuation-driven, sustainable investment framework with the potential for material outperformance relative to a market-cap weighted index.

Investment Process

The aim of the investment process is to identify selected opportunities where the market price of a company has deviated materially from its fair value. Portfolio construction is driven by a disciplined, bottom-up research process with an emphasis on detailed, company-specific due diligence. The focus of idea generation is on high quality companies trading at below-average ratings.

Buy-sell discipline is led strictly by valuation using a long-term investment time horizon. Investment decision-making is informed by first-hand, proprietary data. Stock selection is informed by fundamental research conducted in-situ in African countries.

A company's position in the model portfolio is a function of the strength of the investment case, the level of conviction of the investment team, margin of safety (downside risk) and the extent of the discount (premium) to fair value.

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 75.8m



Investment Team

Greg Barker
Manager, Africa Alpha Fund



- CFA, MBA, MPhil (Sustainability), BTech (Eng).
- Over 13 years of industry experience.

Gaëtan Herinckx
Senior Investment Analyst



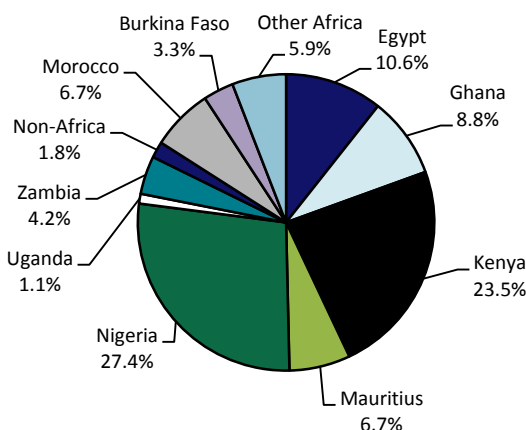
- Msc (Financial Risk Mgt), Msc (Business Eng.), IM Program at Stern Business School.
- Over 12 years of industry experience.

Omar Fahmy
Senior Investment Analyst

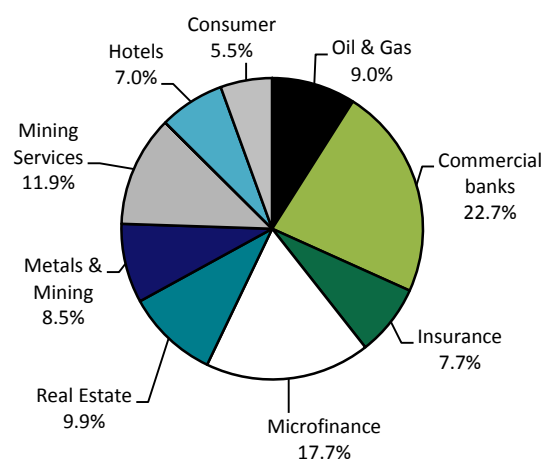


- Msc (International Finance), BA (Mgt Information Systems).
- Over 8 years of industry experience.

Geographic Allocation (% of economic footprint)



Sector Allocation (% of equity)



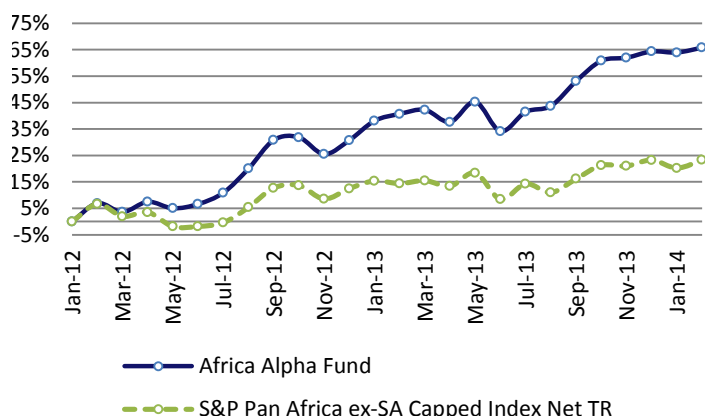
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Performance* (since inception, 1 February 2012)



	Africa Alpha Fund	S&P Africa ex-SA Capped	Alpha
1 month	1.1%	2.6%	-1.4%
Calendar YTD	0.9%	0.1%	0.8%
1 year	17.8%	7.8%	10.0%
2 years	55.0%	15.7%	39.4%
2 years (ann.)	24.5%	7.5%	17.0%
Since Inception	65.8%	23.3%	42.5%
Since Incep (ann.)	27.5%	10.6%	16.9%

Risk-Return Statistics** (since inception)

	Africa Alpha Fund
Portfolio beta	0.67
Correlation	0.56
Tracking error	11.2%
Information ratio	1.51
Relative downside dev.	6.9%
Sortino ratio	2.45

Key Facts

Dealing:	Monthly
Fund size:	USD 28.2m
Domicile:	Mauritius
Structure:	Open-ended, expert fund
ISIN:	MU0343S00014
Base fee:	1.5% per annum
Entry/exit fees:	None

African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
Egypt	9.8%	19.8%	9.8%	19.6%
Ghana	7.3%	12.9%	1.9%	3.9%
Kenya	1.6%	0.1%	1.8%	0.2%
Mauritius	-0.6%	-0.8%	-0.5%	-1.0%
Morocco	3.5%	3.6%	5.4%	4.0%
Nigeria	-2.5%	-4.3%	-4.1%	-7.1%
Tunisia	4.8%	7.6%	6.8%	12.4%
Uganda	1.4%	-1.9%	-1.1%	-2.2%
Zambia	-1.8%	-0.1%	-5.9%	-4.9%
Zimbabwe	0.1%	-6.3%	0.1%	-6.3%

Performance fee:

Fee:	20.0% of outperformance above hurdle rate
Fund performance:	Net of all fees and expenses
Hurdle rate:	S&P Pan Africa Ex SA Capped Index Net TR
Benchmark code:	SPPAXSCN Index
Accrual:	Monthly
Crystallisation:	Annual
High water mark:	Perpetual carry-forward
Fee cap:	Total fee capped at 4.0% per annum
Class:	A (Class B closed to new investors)

Contact Details

Kevin Macdonald

email: kevin@sustainablecapital.mu
Phone: +230 5258 13 69

Rishi Ramkorun

email: rishi@sustainablecapital.mu
Phone: +230 5250 62 21

*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 Alpha Fund has a monthly audited NAV.