

# AFRICA SUSTAINABILITY FUND

March 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.

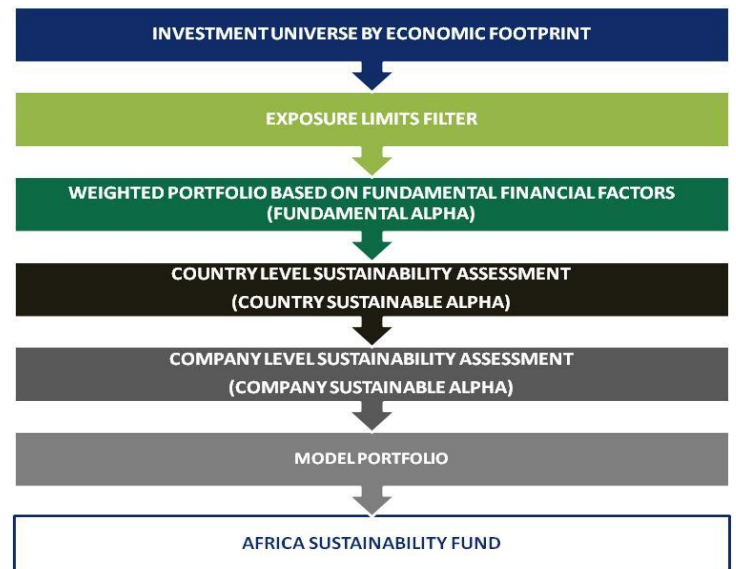
## Investment Process

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 84.9m.



## 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

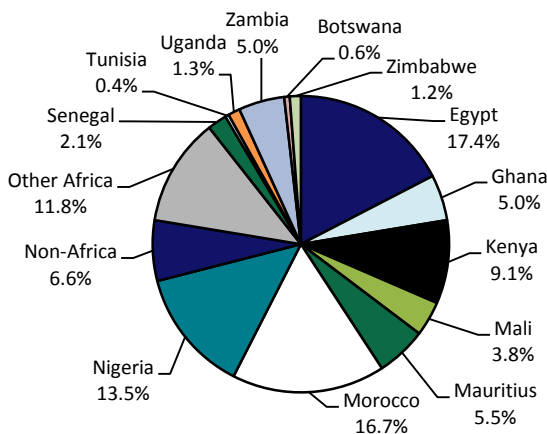
Senior Investment Analyst



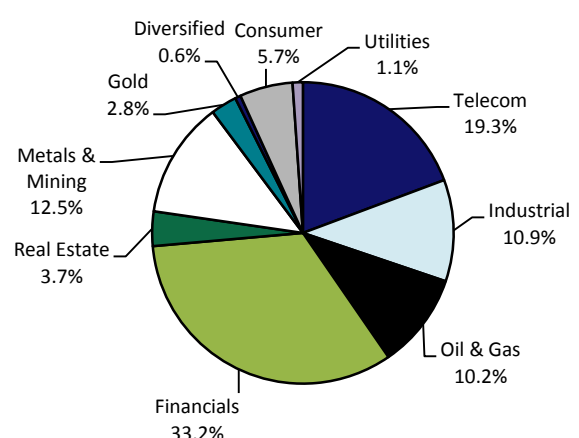
- Msc (International Finance), BA (Mgt Information Systems).

- Over 7 years of industry experience.

## Geographic Allocation (% of economic footprint)



## Sector Allocation (% of equity)



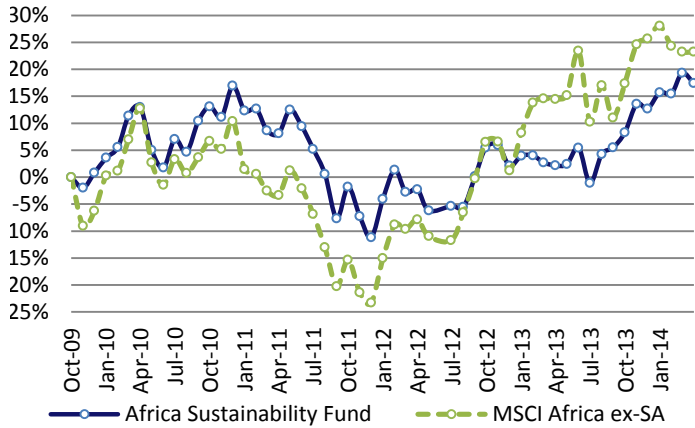
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## Performance\* (since inception, 1 November 2009)

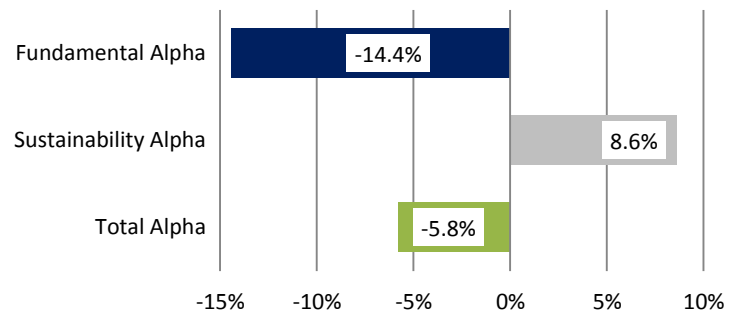


	Africa Sustainability Fund	MSCI Africa ex-SA Net Total Return	Alpha
1 month	-1.6%	0.0%	-1.6%
Calendar YTD	1.5%	-3.8%	5.3%
1 year	15.0%	7.7%	7.3%
2 years	20.8%	36.4%	-15.6%
2 years (ann.)	9.9%	16.8%	-6.9%
3 years	8.1%	26.4%	-18.3%
3 years (ann.)	2.6%	8.1%	-5.5%
Since Inception	17.4%	23.2%	-5.8%
Since Incep (ann.)	3.7%	4.8%	-1.1%

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

	Africa Sustainability Fund
Portfolio beta	0.68
Correlation	0.80
Tracking error	7.7%
Information ratio	-0.15
Relative downside dev.	4.5%
Sortino ratio	-0.25

## Alpha Attribution (since inception)



## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
Egypt	-4.0%	15.1%	-4.1%	14.7%
Ghana	-1.4%	11.3%	-4.4%	-0.6%
Kenya	0.3%	0.4%	0.2%	0.4%
Mauritius	0.4%	-0.4%	0.5%	-0.5%
Morocco	0.8%	4.4%	0.6%	4.6%
Nigeria	-2.0%	-6.2%	-2.0%	-8.9%
Tunisia	-2.6%	4.8%	-3.0%	9.0%
Uganda	0.7%	-1.2%	0.1%	-2.0%
Zambia	9.8%	9.7%	4.0%	-1.1%
Zimbabwe	-6.9%	-12.8%	-6.9%	-12.8%

## 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 25.1m
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund
<b>ISIN:</b>	MU0272S00015
<b>Lipper</b>	68079261
<b>Bloomberg:</b>	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.