

# AFRICA SUSTAINABILITY FUND

June 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.

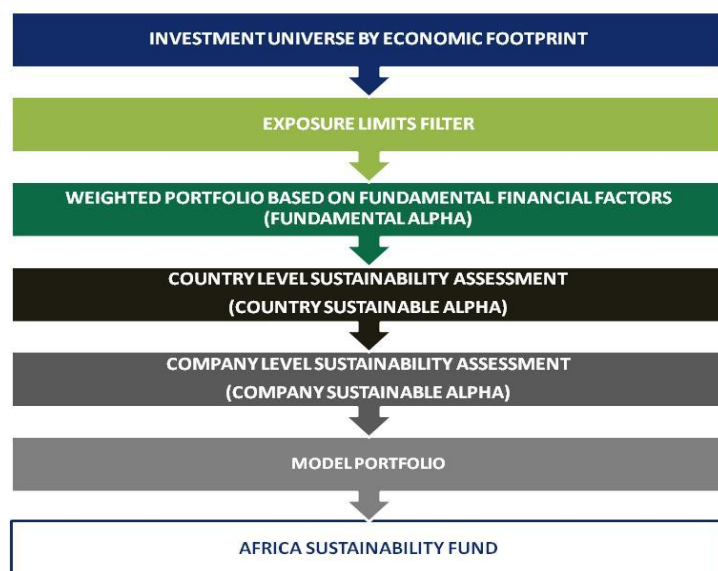
## Investment Process

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 117m.



## 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 12 years of industry experience.

### Omar Fahmy

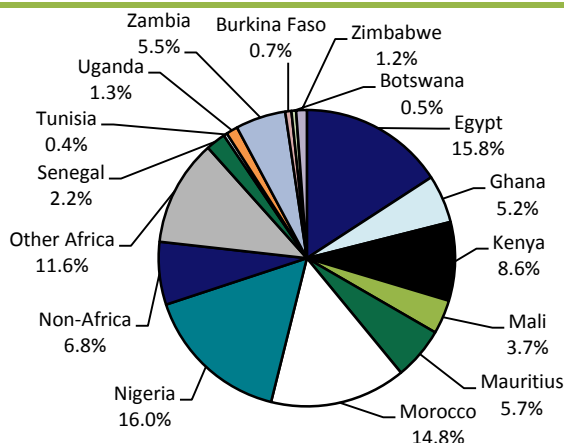
Senior Investment Analyst



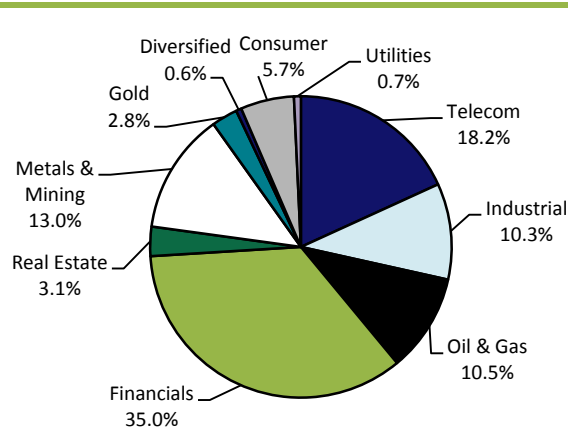
- Msc (International Finance), BA (Mgt Information Systems).

- Over 8 years of industry experience.

## Geographic Allocation (% of economic footprint)



## Sector Allocation (% of equity)



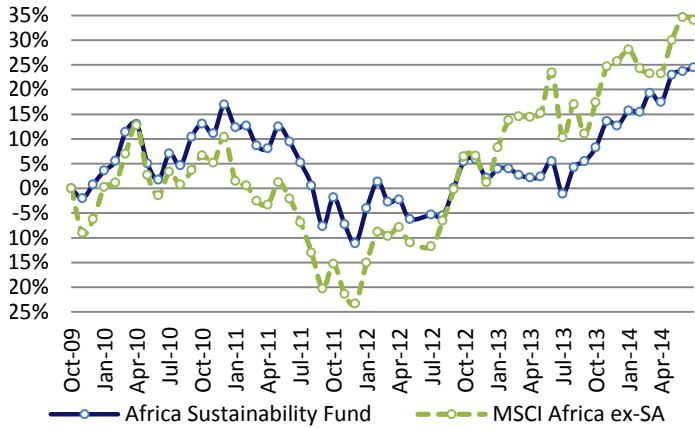
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## Performance\* (since inception, 1 November 2009)

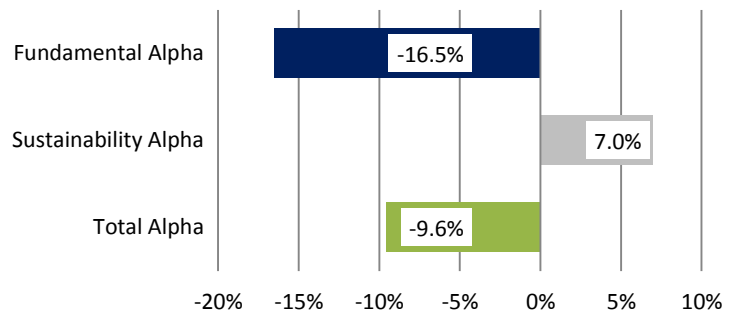


	Africa Sustainability Fund	MSCI Africa ex-SA Net Total Return	Alpha
1 month	0.6%	-0.4%	1.0%
Calendar YTD	7.6%	4.6%	2.9%
1 year	25.8%	21.6%	4.3%
2 years	31.5%	51.8%	-20.3%
2 years (ann.)	14.7%	23.2%	-8.5%
3 years	13.7%	36.9%	-23.1%
3 years (ann.)	4.4%	11.0%	-6.6%
Since Inception	24.5%	34.0%	-9.6%
Since Incep (ann.)	4.8%	6.5%	-1.7%

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

	Africa Sustainability Fund
Portfolio beta	0.67
Correlation	0.80
Tracking error	7.6%
Information ratio	-0.22
Relative downside dev.	4.4%
Sortino ratio	-0.38

## Alpha Attribution (since inception)



## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
Egypt	0.0%	20.3%	0.0%	16.9%
Ghana	2.3%	10.6%	-5.6%	-21.2%
Kenya	0.1%	-0.9%	0.4%	-2.3%
Mauritius	0.3%	-0.5%	0.7%	-1.0%
Morocco	-2.8%	1.2%	-2.4%	1.1%
Nigeria	2.4%	2.8%	2.3%	1.2%
Tunisia	1.3%	4.9%	-1.8%	2.7%
Uganda	5.1%	11.5%	2.3%	8.3%
Zambia	-0.4%	13.4%	8.9%	-0.2%
Zimbabwe	6.7%	-7.7%	6.7%	-7.7%

## 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 27.4m
<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.