AFRICA ALPHA FUND

February 2015

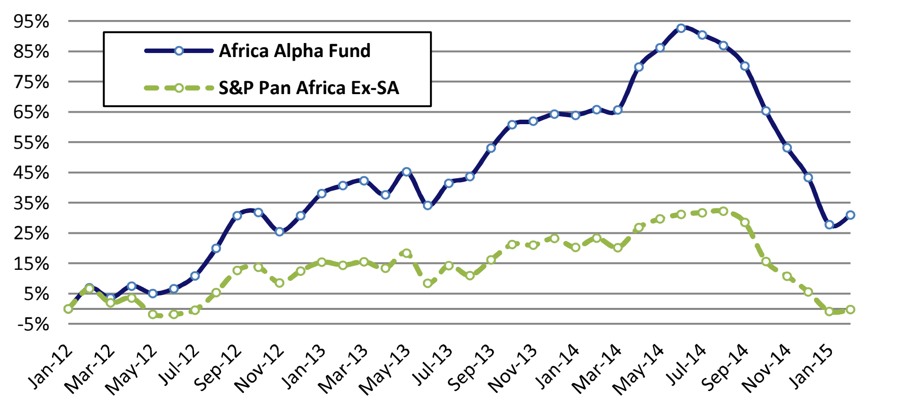
Fund Description

The Africa Alpha Fund invests in African listed equities (ex-South Africa). The fund aims to outperform the African markets using bottom-up research process with an emphasis on detailed, company-specific due diligence. Buy-sell discipline is led by valuation using a long-term investment time horizon. Stock selection is informed by fundamental research conducted in-situ in Africa.

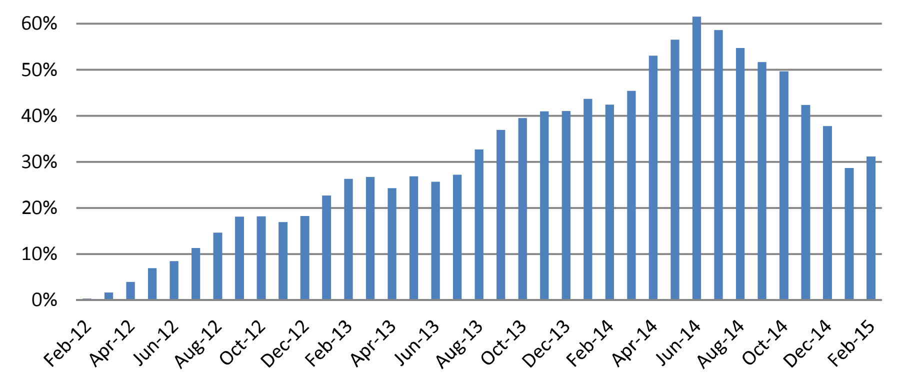
Fund Information

Launch date:	1 Febraury 2012
Fund AUM:	USD 87.8m
Firm AUM:	USD 136.7m
Structure:	Open-ended, Expert Fund
Domicile:	Mauritius
Regulator:	FSC Mauritius
Fund Manager:	Sustainable Capital Ltd
Administrator:	Apex Fund Services MU)
Global Custodian:	HSBC Bank Ltd (MU)
Auditor:	Ernst & Young
Dealing frequency:	Monthly
Bloomberg:	SUCAFAA MP Equity
ISIN:	MU0343S00014
GIIN:	KDIPCD.99999.SL.480
Reporting currency:	USD
Base Fee:	1.5%
Performance Fee:	20% above hurdle
Total Fee cap:	4.0%
Hurdle:	SPPAXSCN Index
High water mark:	Perpetual
Crystallisation:	Annual
Contact:	info@sustainablecapital.mu

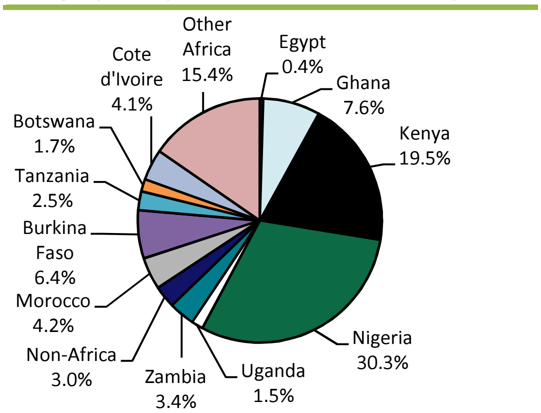
Fund Performance (USD, GIPS*, Since inception)



Cumulative Relative Performance (USD, GIPS*, Since Inception)



Geographic Spread (% Economic Footprint)



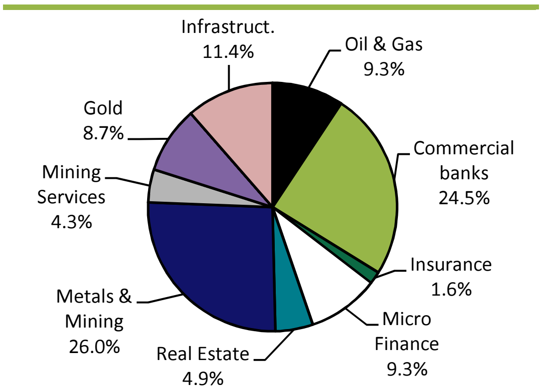
Monthly Performance (%, USD, GIPS*)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar
2012		6.9	-3.1	3.7	-2.3	1.5	4.0	8.2	9.0	0.8	-4.8	4.2	30.7
2013	5.6	1.9	1.1	-3.2	5.5	-7.7	5.5	1.6	6.5	5.0	0.7	1.5	25.7
2014	-0.2	1.1	-0.1	8.6	3.5	3.5	-1.2	-1.8	-3.6	-8.2	-7.4	-6.4	-12.8
2015	-10.9	2.5											-8.6

Annualized Performance (%, USD, GIPS*)

	-1 yr	-3 yr	-5 yr	Since Inception
Africa Alpha	-21.0	7.0	n.a.	9.1
S&P Pan Africa Ex-SA	-19.1	-2.2	n.a.	-0.1
Relative Perf.	-1.9	9.2	n.a.	9.2

Sector Spread



Relative Risk and Return (USD, GIPS*, Since Inception)

Benchmark	S&P Pan Africa ex-SA Capped
Portfolio Beta	0.93
Correlation	0.70
Tracking Error	9.5%
Information Ratio	0.97
Relative Downside Std. Deviation	5.5%
Sortino Ratio	1.68
Stock Picking Alpha (% of total alpha)	68%

Fund Manager Comments

The dislocation in global exchange rates ('the currency wars') that intensified from mid-2014 onwards and coincided with material devaluations in several emerging market currencies has naturally led to many questions from our investors about the impact these currency movements on the Africa Alpha Fund. The table below presents the most material currencies in which the fund is invested (by listing domicile) and the main African currencies in terms of listed equities (returns are annualised for periods of over 1 year and measured to the end of January 2015 to coincide with the fund's 3-year track record since inception).

Given the extent of the recent hype around the devaluation of the Nigerian Naira, it may surprise our investors to note that since mid-2014, the worst performing currency in this list is the Australian Dollar, which has devalued by 21.4% against the USD since mid-2014. This is closely followed by the Euro, which is the worst-performer over the past year (having depreciated 19.5% against the USD) and the Canadian Dollar, which has lost 19.3% against the USD since mid-2014. The British Pound has fared almost as poorly, having lost 13.5% against the USD since mid-2014.

To 31 January 2015:	From mid-2014	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years
Australian dollar	21.4%	12.7%	15.8%	11.0%	2.6%	0.0%	-1.3%
Euro	21.3%	19.5%	9.7%	5.1%	4.2%	1.5%	-1.0%
Canadian dollar	19.3%	14.4%	13.0%	8.3%	3.5%	0.3%	-0.9%
Moroccan dirham	**17.0%**	**15.5%**	**7.7%**	**4.0%**	**3.4%**	**1.2%**	**-0.5%**
Nigerian naira	**15.2%**	**15.5%**	**9.3%**	**5.2%**	**4.4%**	**3.6%**	**4.3%**
British pound	13.5%	9.1%	2.6%	1.5%	1.2%	2.3%	0.5%
South African rand	**9.5%**	**4.7%**	**14.0%**	**14.2%**	**8.8%**	**6.9%**	**4.2%**
Egyptian pound	**6.1%**	**9.0%**	**6.3%**	**8.0%**	**6.8%**	**2.7%**	**5.4%**
Kenyan shilling	**4.6%**	**6.0%**	**2.6%**	**3.0%**	**3.8%**	**1.7%**	**1.6%**
Mauritian rupee	*8.1%*	*8.3%*	*3.5%*	*3.7%*	*1.8%*	*1.4%*	*1.7%*
CFA franc	*20.7%*	*18.9%*	*9.5%*	*4.9%*	*4.2%*	*1.4%*	*-1.0%*
Botswana pula	*9.5%*	*5.7%*	*9.7%*	*9.6%*	*7.2%*	*8.0%*	*4.9%*
Tunisian dinar	*15.1%*	*20.5%*	*12.2%*	*8.6%*	*7.3%*	*4.6%*	*2.8%*
Zambian kwacha	*2.9%*	*16.0%*	*10.3%*	*8.1%*	*7.3%*	*3.4%*	*5.6%*
Ghana cedi	*1.5%*	*38.2%*	*33.4%*	*26.3%*	*18.8%*	*14.2%*	*16.1%*

The Moroccan Dirham is the worst-performing African currency since mid-2014, which is a function of being pegged mainly to the Euro (of the smaller African currencies, the CFA Franc and the Tunisian Dinar also fall into this category). Over the past 3 years, the worst-performing of the 'major currencies' is the South African Rand, with an annualised loss of 14.2% (it is also the worst performer of these currencies over 5 and 10 year periods). This leads us to the remarkable conclusion that, with the exception of the Moroccan Dirham (which is pegged mainly to the Euro), the Nigerian Naira is the only unpegged domestic African currency amongst the worst 7 performers on this list. Not one of the 'big four' listed equity currencies in Africa ex-SA fall amongst the worst performing currencies over any of the time periods presented up to a 10 year history.

A review of the longer-term history of these African currencies (over 3, 5, 10 and 15 year periods) reveals that they broadly obey the conventional exchange rate theory on interest rate differentials, exchange rate differentials and purchasing power parity. In most cases, these African currencies have performed slightly better than would have been suggested by these traditional currency theories. We believe that this is explained by the relative strength of these economies and the structural reforms that have taken place in these African countries over the past 10-15 years. At Sustainable Capital, we think about currencies as the stock price of a country: The stronger the 'fundamentals of the country', the more capital it will attract and the greater 'stock price' it can justify.

Over the past 3 years, currency movements have detracted 1.0% per annum from alpha (relative performance) and 7.1% per annum from the fund's absolute performance (ignoring the effect of local currency hedges). The current positioning of the fund (which comprises 59.7% USD-based companies and a further 23.1% of partial hedges) means that, in practice, more than half of this mathematical currency effect is offset by local currency hedges, which naturally benefit from domestic currency weakness through a simple translation effect.

The information contained herein does not constitute an offer to sell or the solicitation of an offer to purchase the Sustainable Capital Africa Alpha Fund (the "Fund"). Any such offer or solicitation may only be made by means of delivery of an approved confidential offering memorandum that contains material information not present herein and which supersedes this information in its entirety. Any offer or solicitation pursuant to such memorandum shall only be in those jurisdictions where permitted by law. The shares in the Fund have not been registered under the U.S. Securities Act of 1933, as amended ("the 1933 Act"). Accordingly, the offer and sale of any of the shares of the Fund is not permitted in the United States except pursuant to an exemption from registration under the 1933 Act and other applicable U.S. federal and state securities laws, rules and regulations. Any decision to invest in the Fund or any other strategy managed by Sustainable Capital should be made after reviewing such definitive offering memorandum, conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment.

*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.