

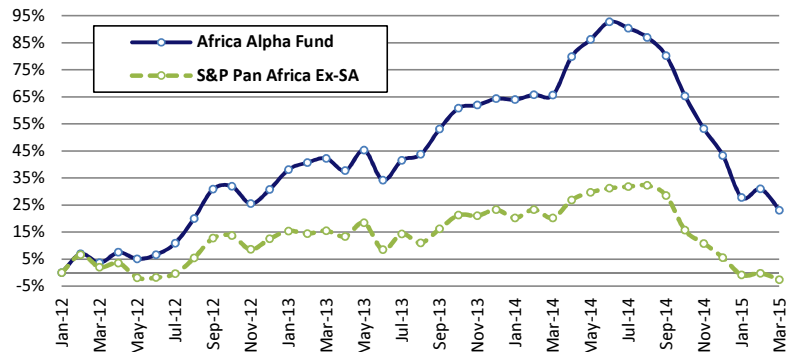
**Fund Description**

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.

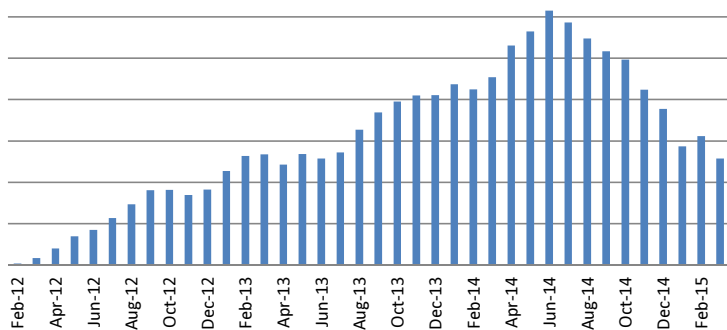
**Fund Information**

|                     |  |
|---------------------|--|
| Launch date:        | 1-Feb-12   |
| Fund AUM:           | USD 82.8m  |
| Firm AUM:           | USD 132.1m   |
| 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:            | <a href="mailto:info@sustainablecapital.mu">info@sustainablecapital.mu</a> |

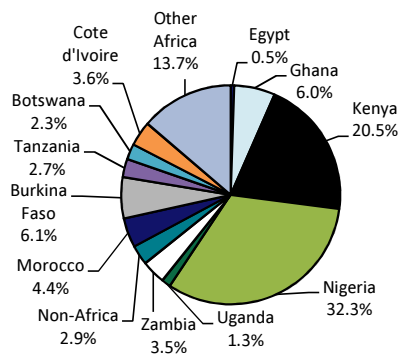
**Fund Performance (USD, GIPS\*, Since inception)**



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



**Geographic Spread (% Economic Footprint)**



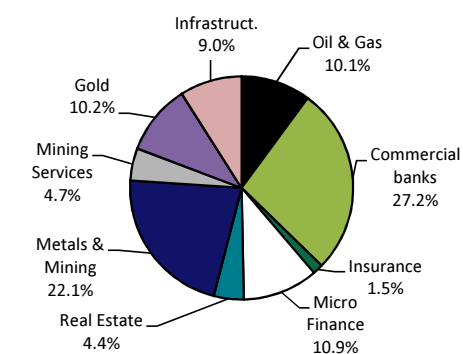
**Monthly Performance (% USD, GIPS\*)**

|      | 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 | -6.0 |      |      |      |      |      |      |      |      |      | -14.1    |

**Annualized Performance (% USD, GIPS\*)**

|                      | -1 yr | -3 yr | -5 yr | Since Inception |
|----------------------|-------|-------|-------|-----------------|
| Africa Alpha         | -25.7 | 5.9   | n.a.  | 6.8             |
| S&P Pan Africa Ex-SA | -19.0 | -1.5  | n.a.  | -0.8            |
| Relative Perf.       | -6.7  | 7.4   | n.a.  | 7.6             |

**Sector Spread**

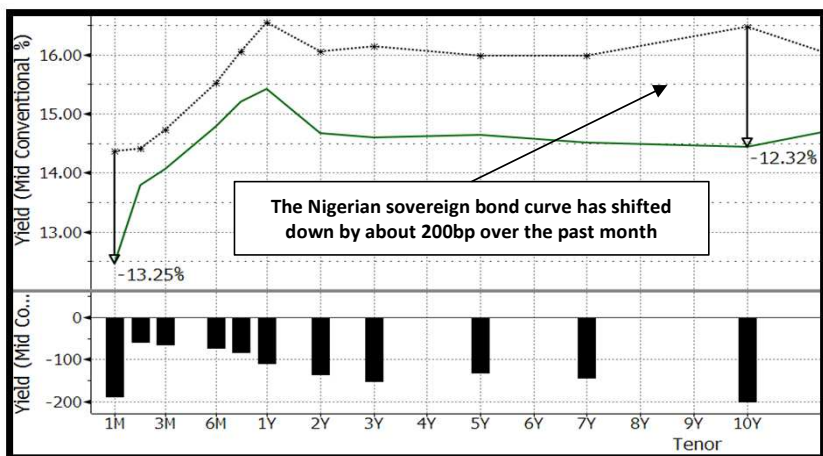


**Relative Risk and Return (USD, GIPS\*, Since Inception)**

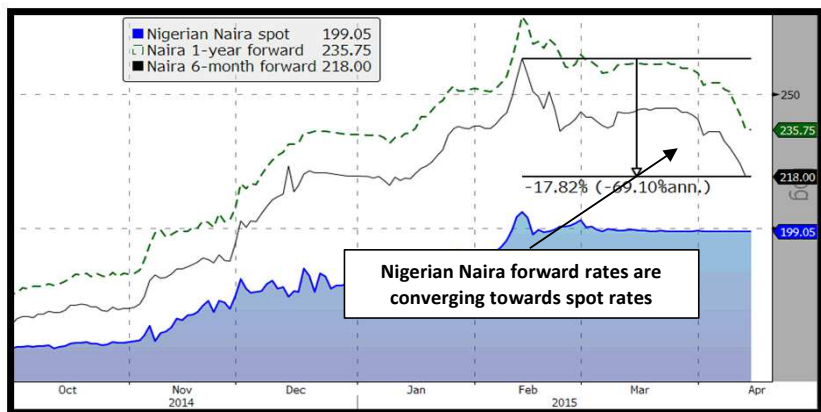
| Benchmark                              | S&P Pan Africa ex-SA Capped |
|--|-----------------------------|
| Portfolio Beta                         | 0.92                        |
| Correlation                            | 0.69                        |
| Tracking Error                         | 9.6%                        |
| Information Ratio                      | 0.80                        |
| Relative Downside Std. Deviation       | 5.6%                        |
| Sortino Ratio                          | 1.35                        |
| Stock Picking Alpha (% of total alpha) | 67%                         |

**Fund Manager Commentary - Nigeria socio-political risk unwinding:** The end of the first quarter of 2015 coincided with the much-anticipated political elections in Nigeria, with most domestic and international investors taking a ‘wait and see’ approach to Nigerian listed equities. In contrast to the widely held fears that these elections would be marred by violence and that the result would be rigged, Nigeria conducted a credible election process, realising the first handover of power between political parties in the country’s modern democratic history. It is notable that the incumbent president (Goodluck Jonathan) conceded defeat to his rival (Muhammadu Buhari) by congratulating him on his victory, which took the wind from the sails of any potential post-election violence. The role played by biometric technology, which severely limited the potential for election fraud and allowed for vote counts to be released a day after the election was concluded, should not be underestimated. The perfect storm of negative socio-political risk perception in Nigeria (including **election uncertainty, currency fears, terrorist activities of Boko Haram and uncertain asset quality amongst banks**) reached a crescendo in late March, and has subsequently begun to unwind. It is worth taking stock of how materially the risk picture in Nigeria has changed over the past month:

- **Election uncertainty:** Credible general and regional elections have been concluded with a peaceful handover of political power. The track record of the incoming leadership suggests that they will be tough on corruption and business-friendly (using Lagos state as an example). In our experience, bond markets in Africa are generally more efficient than their equity market counterparts. The Nigerian bond yield curve has shifted down at the short-end and for 10-year long bonds by about 2.0% over the past month. These lower discount rates have begun to translate into Nigerian equity market valuations.



- **Currency devaluation fears:** The Nigerian Naira has been relatively stable (refer to ‘notes on currency’ in our commentary last month). Black market rates are currently trading at a premium to the Central Bank rate (Dollar surplus, Naira shortage) . Note from the graph below that forward rates, which were inflated by speculators, have strengthened by 18% since mid-February.



- **Terrorism:** With the help of military intervention from its neighbours, Nigeria has reduced Boko Haram' footprint from an occupying force to what they are likely to remain: An underground terrorist group that makes opportunistic attacks. It seems highly probable that the new government will be more successful than the incumbent leadership in managing the threat of Boko Haram terrorism.
- **Commercial banks asset quality:** Full-year 2014 financial results have now been released for all of the listed commercial banks in Nigeria. The results indicate far less asset quality deterioration than was generally feared, with robust underlying loan growth assisted by currency translation effects. (refer to our previous commentary on the local currency hedge effect of Nigerian banks).

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.