

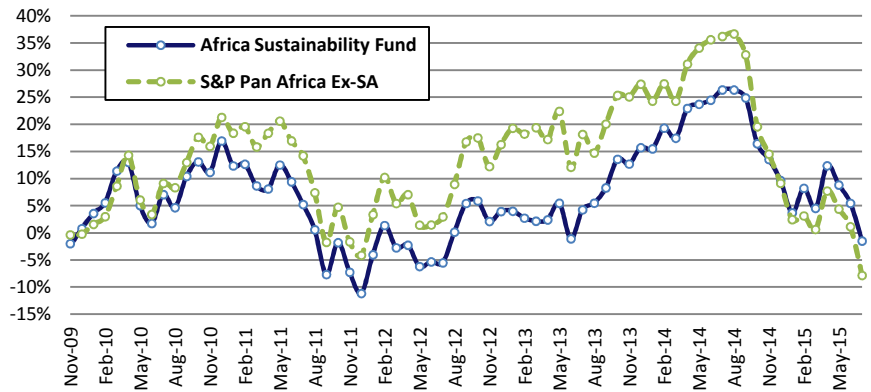
Fund Description

The Africa Sustainability Fund invests in the top-40 sustainable listed companies in Africa (ex-South Africa). The fund aims to provide investors with active equity exposure to African markets within a sustainable investment framework at relatively low cost. Stock selection is informed by detailed in-situ company due diligence with an emphasis on financial quality, robust corporate governance, and environmental and social operating environments.

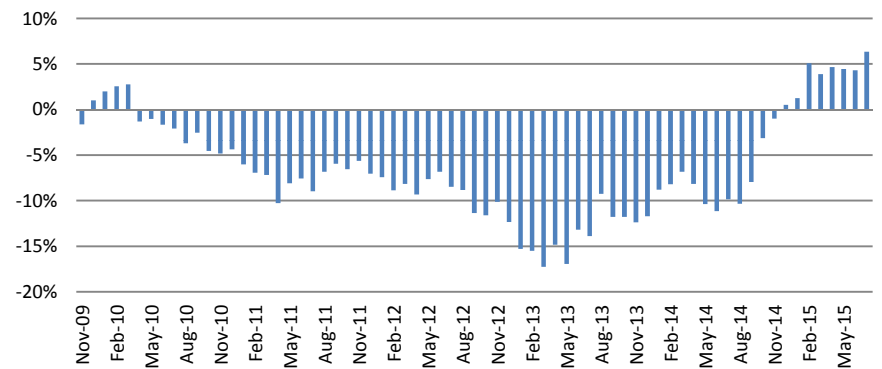
Fund Information

Launch date:	01 November 2009
Fund AUM:	USD 17.5m
Firm AUM:	USD 114.9m
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:	AFRSUST MP Equity
ISIN:	MU0272S00015
GIIN:	9UUK80.99999.SL.480
Reporting currency:	USD
Base Fee:	1.5%
Performance Fee:	None
Contact:	info@sustainablecapital.mu

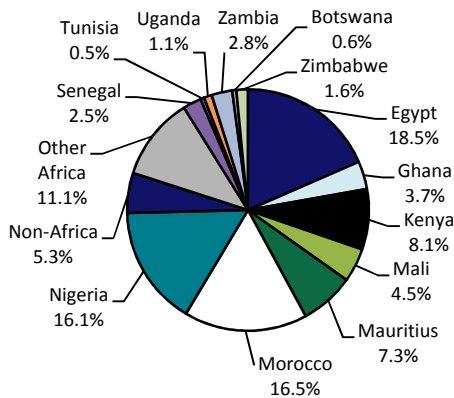
Fund Performance (USD, GIPS*, Since inception)



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



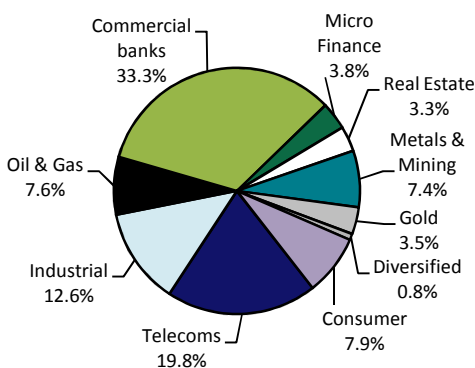
Geographic Spread (% Economic Footprint)



Monthly Performance (% USD, GIPS*)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar
2009											-2.0	2.8	0.8
2010	2.8	1.9	5.5	1.4	-7.0	-3.2	5.2	-2.3	5.5	2.4	-1.7	5.2	16.0
2011	-3.9	0.3	-3.5	-0.5	4.1	-2.8	-3.8	-4.4	-8.2	6.4	-5.6	-4.2	-24.0
2012	8.0	5.6	-4.1	0.5	-4.0	0.9	-0.2	6.0	5.3	0.4	-3.6	1.8	17.0
2013	0.1	-1.2	-0.5	0.2	3.0	-6.2	5.4	1.2	2.7	4.9	-0.8	2.7	11.3
2014	-0.2	3.3	-1.6	4.7	0.6	0.6	1.5	0.0	-1.2	-6.8	-2.5	-3.4	-5.2
2015	-5.4	4.4	-3.4	7.5	-3.2	-3.1	-6.6						-10.2

Sector Spread



Annualized Performance (% USD, GIPS*)

	-1 yr	-3 yr	-5 yr	Since Inception
Africa Sustainability	-22.0	1.4	-1.7	-0.3
S&P Pan Africa Ex-SA	-32.3	-3.6	-3.3	-1.4
Relative Perf.	10.3	5.0	1.7	1.1

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

Portfolio Beta	0.82
Correlation	0.85
Tracking Error	6.2%
Information Ratio	0.19
Relative Downside Std. Deviation	3.7%
Sortino Ratio	0.31
Stock Picking Alpha (% of total alpha)	94%

Fund Manager Comments

The Africa Sustainability Fund sustained an unusually large drawdown in July, led by continued weakness in the market prices of commodity-related companies and Nigerian-listed equities. The fund demonstrated its downside risk protection characteristics by outperforming the African market by more than 2%.

In contrast to the short-term performance of the fund, the underlying fundamentals of the vast majority of the companies in which the fund is invested are strong, as evidenced by the financial results that we have received over the course of the current mid-year earnings reporting season e.g.:

- First Bank of Nigeria (PE ratio = 2.8, PB ratio = 0.44): Half-year revenues up 28%; driven by non-interest income growth of 42% (includes currency hedge effects); Operating income up 23%; After-tax profit growth of 8%, a good result in the context of a difficult macroeconomic environment; Prudent NPL provision cover of 127%; Management has committed to avoiding a potentially dilutive equity raise in 2015, a positive signal for capital allocation.
- Dangote Cement (PE = 16.4 and EV/EBITDA = 13.8, while compound annual growth in cement volumes is expected to be around 10% over the next 5 years): Revenue up 16%; EBITDA up 14% on the back of improved fuel mix; EBITDA margin 60.9%; Earnings per share up 28%, commissioning of new cement plants across Africa is on track; low level of gearing (Net Debt to Equity = 42% or Net Debt/EBITDA = 1.75).
- First Quantum (Trailing P/B = 0.56x, current market cap is 85% of capital budget for Cobre Panama, clearly undervalued despite electricity constraints in Zambia): Expect 20% compound annual growth in copper volumes from 2014 to 2019; Cobre Panama project remains on track for commissioning in 2h17 and on budget with 32% of concrete works completed; Cash cost of production for 2015 revised downward to \$1.33/lb, estimated AISC \$2.16/lb.
- Access Bank (awaiting audited half-year results, PE ratio = 2.6, PB ratio = 0.38): Local currency hedge strength evident from 1Q15 results: ROE = 19.2%; non-interest income growth of 47%; Operating income up by 28%; Gross NPL ratio 2.1%; Prudent provisioning covers 165% of bad loans. Evident structural improvements in credit allocation practices and asset quality; Equity capital raise concluded at 40% premium to current market price.
- Tullow Oil (Trailing P/B = 1.1x, trading at \$3.2 per boe of resource where finding cost is \$4/boe for TLW and over \$5/boe for industry): TEN project in Ghana to double economically attributable production volumes with first oil due mid-2016 (65% complete and on budget within schedule, now less than a year away); Expect 15% compound annual growth in oil volumes from 2014 to 2017. Tullow's share of Kenya and Uganda potential field production is 3 times its 2014 production (project sanction expected end 2016); Lifting cost of \$9/bbl in Ghana puts Tullow at the lower end of the cost curve; 60% of 2015 oil sales hedged at \$86/bbl, mitigating short-term oil price risk (53% of 2016 production is hedged at \$79/bbl).
- Equity Bank (PE ratio = 6.4, compressing by approximately 30% per year; PB ratio = 2.4 while justified from fundamentals is 3.5): Outstanding half-year results with surprisingly high deposit growth of 40% and 27% loan growth, the full benefit of which will only be realised over the remainder of 2015 and into 2016; Industry-leading asset quality maintained (gross NPL ratio 4.4%); Non-interest income has grown by 30% (mostly fees and commissions); Normalised profit growth (excluding 1-off IT costs) of 30%; Expect earnings growth to accelerate further over the next year as the endowment effect of higher Kenyan rates takes hold and technology investments bear fruit.

What becomes clear from our analysis is that current market price of the fund holding are increasingly disconnected with the actual long term earning potential of the high-quality companies included in the portfolio.

The information contained herein does not constitute an offer to sell or the solicitation of an offer to purchase the Africa Sustainability 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.