

# AFRICA SUSTAINABILITY FUND

31 October 2012



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.

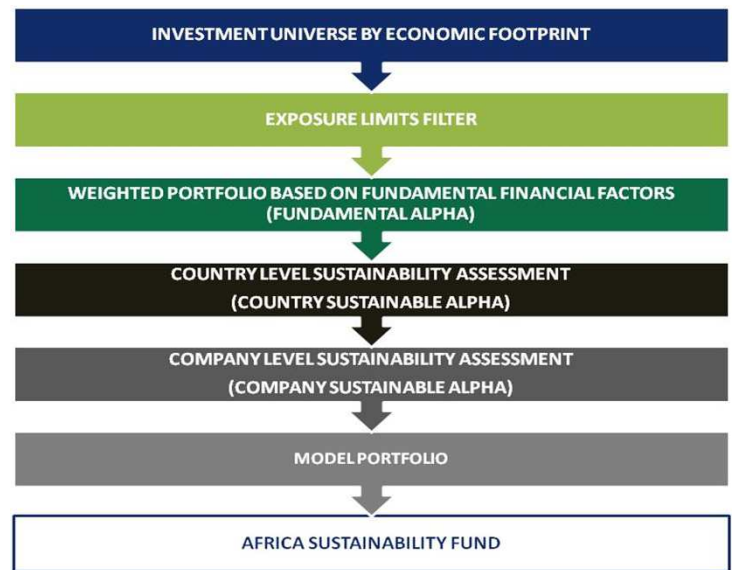
## Investment Process

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 43.7m.



## 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.

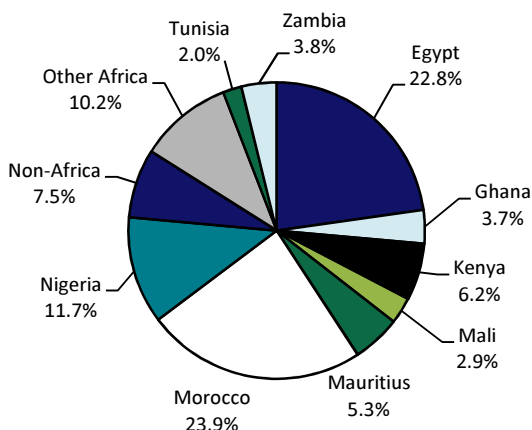
### Omar Fahmy

Senior Investment Analyst

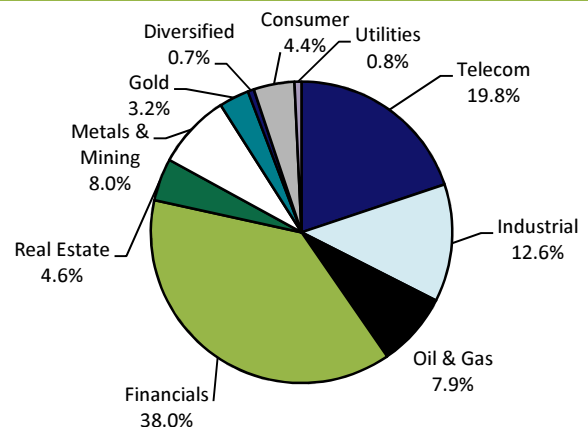


- Msc (International Finance), BA (Mgt Information Systems).  
- Over 7 years of industry experience.

## Geographic Allocation (% of economic footprint)



## Sector Allocation (% of equity)



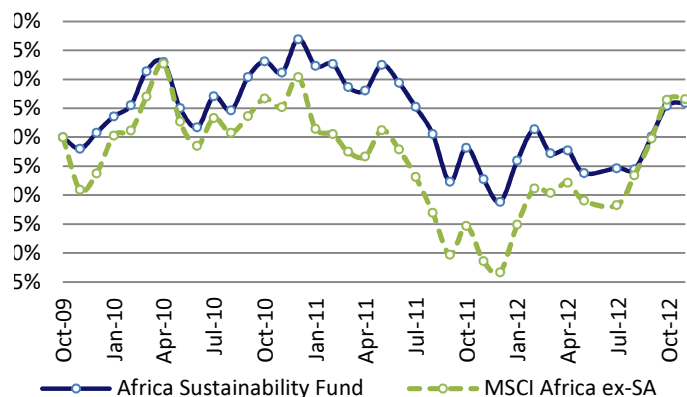
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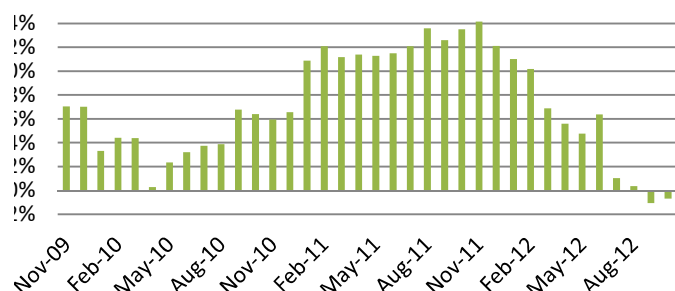
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## Performance\* (since inception, 1 November 2009)

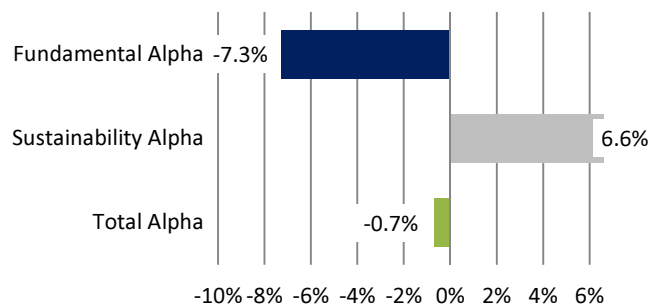


	Africa Sustainability Fund	MSCI Africa ex-SA Net Total Return	Alpha
1 month	0.4%	0.1%	0.4%
Calendar YTD	19.2%	39.0%	-19.7%
1 year	7.8%	25.8%	-18.0%
2 years	-6.4%	-0.1%	-6.3%
2 years (ann.)	-3.2%	0.0%	-3.2%
3 years	5.9%	6.6%	-0.7%
3 years (ann.)	1.9%	2.1%	-0.2%
Since Inception	5.9%	6.6%	-0.7%
Since Incep (ann.)	1.9%	2.1%	-0.2%

## Cumulative Alpha\* (since inception)



## Alpha Attribution (since inception)



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

	Africa Sustainability Fund
Portfolio beta	0.73
Correlation	0.86
Tracking error	-3.2%
Information ratio	-0.03
Relative downside dev.	4.2%
Sortino ratio	-0.05

## 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 19.7 million
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	-1.3%	5.4%	-1.3%	5.0%
Egypt	1.2%	62.7%	1.1%	60.7%
Ghana	3.1%	11.4%	4.1%	-2.7%
Kenya	4.3%	29.2%	4.4%	29.0%
Mauritius	-1.2%	-10.9%	-3.7%	-16.2%
Morocco	0.0%	-14.1%	0.2%	-14.3%
Nigeria	3.7%	30.2%	3.9%	34.6%
Tunisia	-1.2%	3.8%	-0.7%	-1.0%
Uganda	6.3%	36.8%	4.7%	31.0%
Zambia	-0.4%	-11.5%	-3.1%	-13.4%

## Contact Details

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<b>Lipper</b>	68079261
<b>Bloomberg:</b>	AFRSUST MP Equity

\*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.