

AFRICA ALPHA FUND

As at end May 2012



IN ASSOCIATION WITH THE  Sanlam GROUP

Fund Overview

The objective of the Africa Alpha Fund is to provide long-term investors with active equity exposure to listed African companies within a valuation-driven, sustainable investment framework with the potential for material outperformance relative to a market-cap weighted index.

Investment Process

The aim of the investment process is to identify selected opportunities where the market price of a company has deviated materially from its fair value. Portfolio construction is driven by a disciplined, bottom-up research process with an emphasis on detailed, company-specific due diligence. The focus of idea generation is on high quality companies trading at below-average ratings.

Buy-sell discipline is led strictly by valuation using a long-term investment time horizon. Investment decision-making is informed by first-hand, proprietary data. Stock selection is informed by fundamental research conducted in-situ in African countries.

A company's position in the model portfolio is a function of the strength of the investment case, the level of conviction of the investment team, margin of safety (downside risk) and the extent of the discount (premium) to fair value.

Investment Team

Greg Barker, Head of Research & Portfolio Manager



CFA, MBA, MPhil (Sustainability), BTech (Eng). Greg heads up Sustainable Capital's investment team. He has over 13 years of industry experience and has led the development of Sustainable Capital's investment process.

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 34.3m.

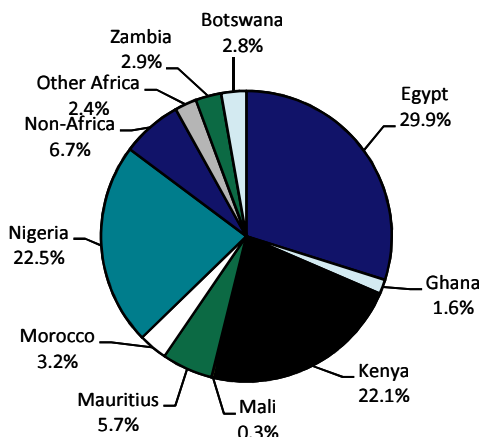


Gaëtan Herinckx, Senior Investment Analyst

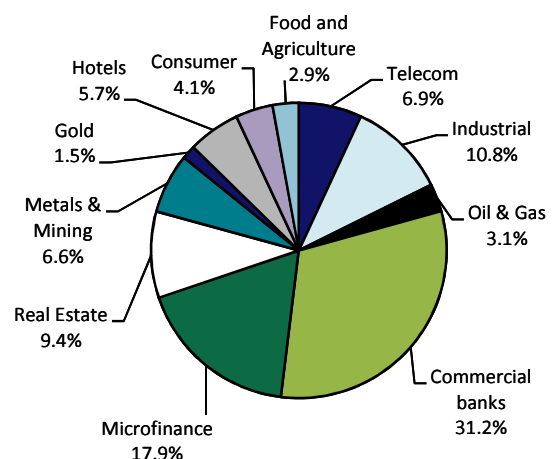


Msc (Financial Risk Management), Msc (Business Eng.), International Management Program at MBA Stern Business School, New York University. Gaetan has 11 years portfolio management experience in a sustainable investment environment.

Geographic Allocation (% of economic footprint)



Sector Allocation (% of equity)



Fund Valuation Metrics

Price to Earnings Ratio	10.5	Dividend Yield	4.7	Price to Book Ratio	1.2
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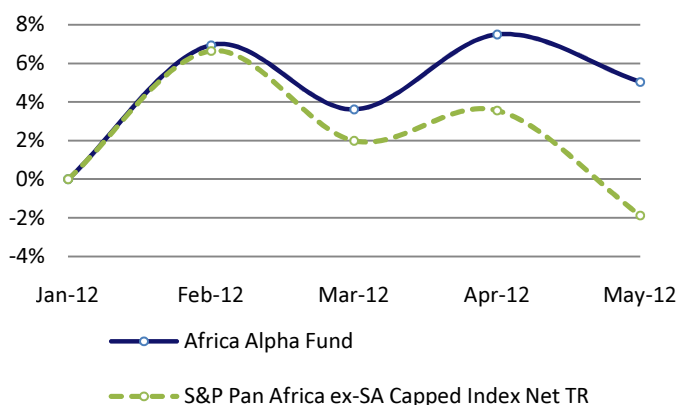
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Performance* (since inception, 1 February 2012)



	Africa Alpha Fund	S&P Pan Africa Ex SA Capped Index Net TR	Alpha
1 month	-2.3%	-5.3%	3.0%
Since Inception	5.0%	-1.9%	6.9%

Key Facts

Dealing:	Monthly
Fund size:	USD 12 million
Domicile:	Mauritius
Structure:	Open-ended, expert fund
ISIN:	MU0343S00006
Base fee:	1.5% per annum
Entry/exit fees:	None
Performance fee:	
Fee:	20.0% of outperformance above hurdle rate
Fund performance:	Net of all fees and expenses
Hurdle rate:	S&P Pan Africa Ex SA Capped Index Net TR
Benchmark code:	SPPAXSCN Index
Accrual:	Monthly
Crystallisation:	Annual (positive and negative accruals)
High water mark:	Perpetual carry-forward of underperformance
Fee cap:	Total fee capped at 4.0% per annum

Contact Details

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African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	-6.1%	4.1%	-12.7%	-0.6%
Egypt	-5.2%	29.4%	-5.2%	29.2%
Ghana	-3.1%	5.6%	-5.0%	-8.6%
Kenya	2.9%	13.9%	-0.7%	12.4%
Mauritius	0.4%	-4.4%	-2.6%	-6.3%
Morocco	-0.1%	-6.7%	-5.5%	-10.2%
Nigeria	-0.2%	6.4%	-1.7%	8.1%
Tunisia	-1.1%	6.6%	-6.4%	-1.5%
Uganda	-3.4%	15.4%	-3.6%	14.5%
Zambia	-1.6%	-7.5%	-3.3%	-11.2%

*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.