

**MINUTES OF THE FIRST ANNUAL GENERAL MEETING OF SANLAM UMBRELLA FUND HELD AT NILE ROOM, KAMPALA SERENA HOTEL, ON THURSDAY, 16TH JUNE 2022 AT 11.00 A.M**

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**Members Present:** As per the attendance register there was a 68% representation of the Assets under Management in attendance including proxies at the meeting

<b>In Attendance:</b>	Jonathan Stichbury	Chief Executive Officer - SIEAL
	Gaurang Chavda	Head of Unit Trust Distribution/ MC - SIEAL
	Clare Lumbuye	Corporate Trustee , Standard Chartered Bank (SCB)
	Roseline Ochola	Custodian, Standard Chartered Bank ( SCB)
	Mubbale K. Mugalya	Fund Manager, SIEAL
	Clive Mayombe	External Auditor, PricewaterhouseCoopers (PwC)
	Sebugwawo Marvin Paul	External Company Secretary

**1.0 OPENING**

Mr. Gaurang Chavda, the Head of Unit Trust Distribution at Sanlam Umbrella Fund and MC for the day welcomed all Unit Holders and invitees present at the 1<sup>st</sup> Annual General Meeting of Sanlam Umbrella Fund (“Sanlam” or “the Fund”) and invited Gloria Ahikiriza to lead the Opening Prayer.

He thereafter introduced the team on the panel as listed above.

**2.0 QUORUM**

The presence of quorum was confirmed by the Company Secretary pursuant to Regulation 131 (1) of the Collective Investments Schemes (Unit Trust) Regulations of 2003 and in line with S.43 (1) of the Sanlam Unit trust Deed.

**3.0 PRESENTATION BY THE CEO & MD SIEAL**

- 1) The MC invited the CEO & MD SIEAL, Mr. Jonathan Stichbury to give opening remarks for the AGM.
- 2) The CEO thanked the Unitholders and other invited guests for their attendance and shared his presentation which highlighted, inter-alia, the following:-
  - i) Sanlam Group
  - ii) Sanlam East Africa Limited
  - iii) Service Offering and the approach to Investment
  - iv) Conclusion and Key Takeaways.
- 3) The CEO informed members that Sanlam Group is a diversified financial services company with over 150,000 employees and 10 million clients. It operates in 34 different countries in Africa which gives it the biggest footprint of any Financial Service Provider on the continent. It is listed on the Johannesburg Stock Exchange and its market capitalization is in excess of 8 Billion USD. It has an zaA+ S&P rating as of 31<sup>st</sup> Dec, 2021. In Uganda, Sanlam is represented by Sanlam Life Insurance, Sanlam General Insurance, and Sanlam Investments East Africa Limited (SIEAL).

- 4) He then highlighted the ownership structure for SIEAL. It is a subsidiary of the Sanlam Group which owns 51% and 49 % is owned by local East African investors. The Key financials as of December, 2021 showed a strong balance sheet and the company has been consistently profitable over the years. He added that the liquidity in capital requirements exceeds that required by the regulators. He emphasized that SIEAL had been managing assets for clients in the region since 1999; specifically in Uganda since 2004. It is licensed by the Capital Markets Authority & Uganda Retirement Benefits Authority in Uganda and in Kenya by the Capital markets Authority and Retirement Benefits Authority as well.
- 5) On the approach to investment, he believed what differentiates Sanlam as a Fund Manager was its business focus of generating the highest return for its clients on a risk adjustment basis. He added that SIEAL is research-driven and fully resourced with 45 employees full-time and 5 CFAs. In addition, Sanlam investments has a practicing license for CIFA and 10 members are CIFA approved and licensed. 55% of the employees are women and SIEAL is leading the industry in areas of governance, ethics, and transparency.
- 6) He informed members that the key takeaway is that people and culture have led SIEAL to grow. The Assets under Management were growing consistently over the years and were 1.6 Trillion Shillings as of the end of April, 2022 (430 Million USD). This makes SIEAL the market leader. Overall, SIEAL manages over 3 billion assets, 20 % market share in Kenya, and 43% market share in Uganda.
- 7) The CEO also highlighted the products which were mainly in three categories namely; segregated Pension Funding/ Institutional Fund Management, Unit Trust Business, and Corporate Cash Management Solutions where companies request SIEAL to invest their working capital to maximize returns.
- 8) On Governance & Risk, he explained that SIEAL emphasized risk controls and compliance.. It has robust control systems as well as policies and standards to ensure the safety and confidentiality of client information.
- 9) He concluded by thanking the clients and assuring them that SIEAL has a strong emphasis on capital preservation. It provides regular interactions and is committed to ethical practices.

#### 4.0 NOTICE

- 1) The Company Secretary informed the members that the Notice of the Annual General Meeting was sent out on 2<sup>nd</sup> June 2022 via email and also published on the Sanlam website. Guided by the Collective Investment Schemes Act and regulations 122 & 130 of the Unit Trusts regulations thereunder, Market Notice No 1 of 2020 & S.41 (1) and 42 of the Sanlam Unit Trust Deed, the Notice was served over and above the required 14 days.

The highlights as projected were:

- To read the Notice convening the meeting and confirm the presence of a quorum.
- To consider, and if approved, adopt the Audited Financial Statements for the year ended 31<sup>st</sup>

December 2021 together with the Custody report, the Trustee report, the Investment report, and reports of the Auditors.

- To transact any other business of the Umbrella Fund of which due notice has been received.

- 2) The Notice convening the meeting was taken as read with the permission of the members. Thereafter the following agenda as per the notice was taken up for consideration.

### **ORDINARY BUSINESS:**

#### **5.0 ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER THE CUSTODY REPORT, THE TRUSTEE REPORT, THE INVESTMENT REPORT, AND REPORTS OF THE AUDITORS THEREON**

The annual audited financial statements for the year ended December 31, 2021, including the reports of the Custodian, Trustee, Fund Manager and External Auditors were made available to unit holders.

##### **5.1 Presentation of the Trustee Report**

- 1) The MC invited the Trustee (Standard Chartered Bank (u) Ltd) represented by Ms. Clare Lumbuye to present the Trustee report for the year ended 31<sup>st</sup> Dec, 2021.
- 2) She informed members that as per section 121(1) & (2) of the CIS (Unit Trust) Regulations that;
  - a) SIEAL had managed the fund in accordance with the limitations imposed on the Investment and borrowing powers of the fund manager and trustee by the Trust deed, Scheme Particulars and by the regulations.
  - b) There were no deviations from the provisions of the trust deed and those of the regulations.
- 3) A further confirmation was made as per Section 92 of the CIS (Unit Trust) Regulations that the Trustee was satisfied that the fund had maintained sufficient records of which the Audited Financial Statements were part.

##### **5.2 Presentation of the Investment Report**

- 1) The MC invited the Fund Manager (SIEAL) represented by Mr. Mubbale Kabandamawa Mugalya to present the Investment report for the year ended 31<sup>st</sup> Dec, 2021.
- 2) He highlighted three issues from his presentation namely;
  - a) History of the Fund
  - b) Performance of the Fund
  - c) Reconfirmation of the strategy of the Fund
- 3) He informed members that in the last quarter of 2020, the Sanlam Umbrella Fund received regulatory approval from the Capital Markets Authority to operate unit trusts in Uganda. In the First quarter of 2021, Sanlam ensured all requirements from the governance

perspective were in place and it commenced its operations in April, 2021. The Fund was launched online around September, 2021 due to COVID 19.

- 4) The fund manager then elaborated on the four major considerations for Unit holders in respect to the investment environment;
  - a) Overall economy  
He noted that despite COVID 19, there was a continuous growth of 42 Billion USD in 2021. Projections of the team based on the budget of Uganda indicated that the economy would continue growing in 2022 to 45 Billion USD mainly due to government expenditure.
  - b) Inflation  
He noted that as at the date of the meeting, the rate stood at 6 %. Over the last 2years it was relatively low. However by the end of the year 2022, it was expected to be much higher.
  - c) Currency  
There was volatility in regard to the Ugandan currency. In December 2020 it was at 3650 but as at the date of the meeting it was trading at around 3800 against the dollar. The team believed that the volatility would continue due to the change in the demand and supply of dollars.
  - d) Government securities  
He informed members that the Fund was primary invested in Treasury Bills and Bonds. Between 2020 & 2021, the volume outstanding on the securities was due to the borrowing of government domestically. It increased from 24 trillion to 28 trillion. Government continues to borrow so this figure was expected to rise in 2022.
- 5) In regard to the performance of the Fund, the Fund manager reconfirmed that there had been a return of 9.4 % on investment over a period of 9 months (April, 2021 to December, 2021). Given that most of the money was invested in government bonds, the return on investment for the 9 months averaged 10% while the one on treasury bills and fixed deposits averaged about 7.8 %. At the beginning of the year, the Fund closed with an interest rate of 10.5% and from June 2022, the current effective annual yield was around 11.3 %.
- 6) He concluded by reaffirming value proposition of the Fund which is that the Income Fund would continue to provide value not only to corporate circles and investment clubs but also to pension funds and individuals.
- 7) Lastly, he restated that the Fund was licensed by the Capital Markets Authority and its operations were all within the provisions of the current regulations.

### 5.3 Presentation of the Custody Report

- 1) The MC invited the Custodian (Standard Chartered Bank) represented by Ms. Roseline Ochola to present the Custody report for the year ended 31<sup>st</sup> Dec, 2021.

- 2) She began by explaining the role of a custodian which is safe keeping and servicing of assets. She added that SCB does market insights and develops products in line with what the clients want. SCB also sends out publications on what is happening in the financial market.
- 3) Lastly, she confirmed that the assets that were reported on by the Fund Manager are what the books reflect. As at 31<sup>st</sup> December, 2021, Fund closed with the following assets;
 

a) Cash at the bank	UGX 14,894,369
b) Fixed Deposits	UGX 1,815,198,013
c) Government Securities	UGX 7,545,320,927
<b>TOTAL</b>	<b>UGX 9,375,413,309</b>

#### 5.4 Presentation of the Auditor's Report

- 1) The MC invited the Auditor (PricewaterhouseCoopers) represented by Mr. Clive Mayombwe to present the Auditor's report for the year ended 31st Dec, 2021.
- 2) He informed members that the Auditors Report on the Financial Statements was issued on 29<sup>th</sup> of March, 2022.
- 3) He then read out the opinion of the Auditor which confirmed that the Financial Statements gave a true and fair view of the financial position of Sanlam Income Fund as at 31 December, 2021 and of its financial performance and its cash flows for the period ended in accordance with the International Financial Reporting Standards and had been prepared in a manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003.

#### 6.0 QUESTION & ANSWER SESSION

- 1) The MC invited questions in regard to the Fund from the Unit Holders and the following were taken up and answered by the Panelists.
- 2) Albert inquired how payments to the Fund can be made through mobile Money.
- 3) Ms. Phillis Mpumwire responded by informing members that at the moment the payments through mobile money can be made via MTN. She then explained the prompts for accessing this service.
- 4) Another Unit Holder congratulated Sanlam for the financial performance. He then inquired what the impact of inflation and tightening of the monetary policy meant for the investment strategy and return on investment.
- 5) The Fund Manager responded to this by stating that Inflation would continue to rise this year. However, Sanlam was taking advantage of the situation since a rise in interest rates by implication leads to a rise in the interest rates of securities in the market. The bonds would not be affected because they are amortized daily.

## 7.0 ORDINARY RESOLUTION

1) The MC invited the Company Secretary to confirm whether the proposal for approval of the Audited Financial Statements for the year ended 31st December 2021 together with the Custody report, the Trustee report, the Investment report and reports of the Auditors had been made and seconded.

2) Mr. Sebugwawo informed the Unit Holders that the resolution put forward was;

“THAT the Audited Financial Statements for the year ended 31<sup>st</sup> December 2021, together with the Custody report, the Trustee report, the Investment report and reports of the Auditors thereon, be and are hereby approved and adopted.”

He confirmed the resolution had been proposed by Mr. Patrick Sebowa and seconded by Mr. Nelson Obua.

The above resolution was carried unanimously.

## 8.0 CLOSURE OF THE MEETING

1) The MC confirmed that there was no notice received for any other business to be conducted at the 1<sup>st</sup> AGM.

2) He thanked all for the attendance and concluded the Meeting. The Meeting was closed at 12.06 p.m.

## CONFIRMED AS A TRUE RECORD

The Company Secretary

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Sebugwawo & Co. Advocates  
(Represented by Sebugwawo Marvin Paul)

Date: \_\_\_\_\_