

**MINUTES OF THE 6<sup>TH</sup> ANNUAL GENERAL MEETING OF THE UNIT HOLDERS OF THE SANLAM MONEY MARKET FUND, DIVIDEND PLUS FUND AND BALANCED FUND HELD VIRTUALLY/VIA ELECTRONIC MEANS ON THURSDAY, 10<sup>TH</sup> JUNE 2021 AT 11.00 AM**

---

<u>Present:</u>	Jonathan Stichbury	Chief Executive Officer/Managing Director, In the Chair
	Nicholas Malaki	Representing the Fund Manager
	Abraham Ongenge	Representing the Trustees; Stanbic Bank
	Joe Alaro	Representing the Trustees; Stanbic Bank – Joining Virtually
	Nicholas Musyoki	Representing the Custodian; Stanbic Bank
	Unit Holders	765 registered members
<u>In Attendance:</u>	Gaurang Chavda	Head of Unit Trust Distribution - Retail and the Master of Ceremony
	Kang'e Saiti	Representing PricewaterhouseCoopers: The External Auditors
	Alex Muchira	Representing D & F Secretarial Services: The Company Secretary
	Janet Odhiambo	Representing Capital Markets Authority – joining virtually

---

**MIN.2021/6/1: NOTICE CONVENING THE MEETING**

The Master of Ceremony called the meeting to order, welcomed the unit holders and all in attendance to the 6<sup>th</sup> Annual General Meeting and thanked them for attending. He then welcomed Lorna Ndirangu the Head of Unit Trust Operations, to lead in a word of prayer.

The Company Secretary confirmed the presence of a quorum (765 unit holders representing 31.17% of the total fund value had pre registered virtually inclusive of proxy) and declared that the meeting was properly constituted. The Notice and Agenda for the meeting, having been circulated to the Members, was read by the Company Secretary.

The MC welcomed Jonathan Stichbury (the Sanlam Investments East Africa CEO) to make his opening remarks and highlighted the following matters:

- a) He began by giving a brief history of Sanlam.
- b) He noted that SIEAL had exceeded the regulatory requirements in liquidity and Capital.
- c) He pointed out that SIEAL begun managing clients' assets in 1999 in Kenya and 2004 in Uganda and that SIEAL had been licensed by four local Authorities namely Capital Markets Authority (Kenya), Capital Markets Authority (Uganda) , Kenya Retirement Benefits Authority and Uganda Retirement Benefits Regulatory Authority. He also noted that SIEAL had a practising license from ICIFA and that 10 members of staff are ICIFA approved and licensed.
- d) He emphasized that the focus on fund management is research driven, fully resourced including 6 CFA Charterholders and avoid conflict of interest i.e SIEAL does not own a stock brokerage business and is not a subsidiary of a bank.
- e) He pointed out that SIEAL has helped lead the fund management industry in East Africa in a number of standards including governance, ethics, compliance and transparency.
- f) He highlighted that there is consistent growth in Asset Under Management (AUM) and the business is currently managing Kes 346B of Assets Under Management.
- g) He pointed out that SIEAL was a profitable business in 2020 having made Kes 277M before tax.

- h) He noted that SIEAL offers three main product type i.e Segregated Pension Fund and Institutional Fund Management, Unit Trusts and Corporate Cash Management Solutions.
- i) He pointed out that SIEAL places great importance upon risk controls
- j) He emphasized Sanlam unit trust assurance to the unit holders as having a prudent investment approach to achieve long term safety of client funds, consistent and competitive investment returns for the benefit of our clients, regular interactions with Sanlam senior management and transparency and ethical practices.

**MIN. 2021/6/2: CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 28<sup>TH</sup> AUGUST 2020**

The minutes of the previous meeting, having been circulated to members and posted on SIEAL website, were taken as read. There were no matters arising from the previous meeting and the minutes were proposed by Justina Musau and Seconded by William Kariithi.

**MIN. 2021/6/3: TO RECEIVE AND CONSIDER THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020, TOGETHER WITH THE CUSTODIAN REPORT, TRUSTEES REPORT, INVESTMENT REPORT AND AUDITORS REPORTS.**

**Trustees Report**

Abraham Ongenge representing the Trustees, presented the Trustee's report which highlighted the following matters:

1. He assured the Unit Holders that as corporate trustees, they continue to have interaction with fund managers, regulators, custodians and administrators during the period and remain confident that the Collective Investment Scheme continues to run smoothly.
2. He stated that the primary objective of Collective Investment Scheme is to provide a superior return while maintaining capital preservation.
3. He pointed out that Stanbic Bank remains the corporate Trustee of the Unit Trust and that the Trustees' overall responsibility is for the investment and the performance of the schemes.
4. He cited that the Trustees' also have a responsibility for the preparation of financial statements in accordance with International Financial Reporting Standards and Capital Market Act while ensuring that there are effective controls for the preparation of the financial Statements.
5. He confirmed to the Unit Holders that the Financial Statements fairly represent the affairs of the Unit Trust for the period ended 31<sup>st</sup> December 2020.
6. He noted the growth of the Scheme's Assets and profitability during the year and the general stability in the yields despite the decline in interest rates.
7. He confirmed that as Trustees, they are not aware of any material uncertainties related to events or conditions that may cast doubt to the Unit Trust Scheme ability to continue as a going concern in the future.
8. He also confirmed that all assets were being managed in accordance to the Collective Investments Scheme regulations.

**Investment Report**

Nicholas Malaki, Chief Investment Officer; Sanlam Investments East Africa Limited, presented the Investment report which highlighted the following matters:

1. He reported that Kenya's economy was estimated to decline in 2020 by -0.1% due to the lockdown measures and slow activities and a growth of 7.6% in 2021 was projected spurring economic activity.
2. He noted that inflation rose to 5.9% in May 2021 from 5.5% in a similar period last year.

3. He pointed out that interest rates across the yield curve had increased from Q4 2020 attributable to government increasing domestic borrowing target as a result of shortfall in revenue collection as the pandemic impacted business activity.
4. He noted that Sanlam Unit Trust had three products which were classified depending on the risk profile of the Unit Holder namely Sanlam Money Market Fund (Conservative), Sanlam Dividend Plus Fund (Moderate) and Sanlam Balanced Fund (Aggressive).
5. He confirmed that Sanlam Money Market Fund had done well and was above the 91 day Tbill, Kenya Deposit Rate Index and Inflation. He also confirmed that Sanlam Dividend Plus Fund had outperformed its benchmark
6. He highlighted that Sanlam Dividend Plus Fund had changed its name to **Sanlam Fixed Income Fund** and clients could switch to any fund they desire for free.
7. He reminded the Unit Holders of the reasons why they invest in Sanlam Money Market Fund which include capital investment preservation, access to money at anytime without loss of interest, interest is compounded monthly, no fixed investment period and withdrawals are processed within 3 working days.

### **Custodian Report**

Nicholas Musyoki, representing the Custodian, presented the custody report which covered the following matters:

1. The roles of the custodian with respect to the management of the unit trust funds. He highlighted that the custodian was tasked with ensuring the protection of the fund's assets, settlements, corporate actions and reporting to the fund.
2. He informed the members that the custodian held regular meetings with Trustees every three months.
3. He confirmed that the custodian was holding Fund's assets as disclosed in the financial statements and discharging the duties prescribed for a Custodian under Regulation 35, to the Sanlam Unit Trusts Funds in accordance with the Capital Markets CIS (Collective Investment Schemes) Regulation, 2001 and the Custody Agreement between Stanbic Bank Kenya Limited as Custodians and SIEAL as the fund manager.

### **Report of the Auditors**

Kang'e Saiti, representing the External Auditors (PwC) confirmed that the respective fund accounts had been reviewed and that the Financial Statements gave a true and fair view of the financial status of the Fund.

### **MIN. 2021/6/4: ADOPTION OF THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**

The motions to approve the financial statements for the Sanlam Unit Trust were proposed Dr. Richard Munang and seconded by Geoffrey Macharia and the same were unanimously adopted by the Unit Holders.

### **MIN. 2021/6/5: QUESTION AND ANSWER SESSION**

Investors asked various questions with regard to funds' performance and administration of the funds. The discussion points were noted as follows:

- That the profits made in the Unit Trust was distributed 100% to the Unit Holders at the date of distribution.

- That there was no cost for switching in between the funds provided by Sanlam.
- That Sanlam ensures consistent yield despite the fall in interest rates in the market.
- That all Unit Trusts are currently denominated in Kenya Shillings currency.
- The Interest is calculated daily on the balance in the account and subsequently compounded at the end of the month.
- That the function of the Trustees is a distinct function in Stanbic organization from the Custodian role. There is verifiable separation of roles and responsibilities to ensure that these functions are executed independently in Stanbic Bank Organization and that the Regulation allows that the same institution to perform the duties of both the Trustee and the Custodian.

**MIN. 2021/6/6: ANY OTHER BUSINESS**

There being no other Business, the MC thanked the members for their comments and for attending the Unit Holders Annual General Meeting and the Meeting was ended at 12:01 p.m.