



# Minimum Disclosure Document

(Fund Fact Sheet)

## SANLAM UNIVERSAL FUNDS PLC/ABSA AFRICA EQUITY FUND

A sub-fund of the Sanlam Universal Funds plc

November 2021

### Fund Objective

The investment objective of the fund is to provide long term capital growth.

Africa is the last major frontier of economic development. Sub-Saharan Africa has been one of the fastest growing regions globally over the last decade and as the recent IMF estimates indicate (11% nominal GDP growth over the next five years) this is set to continue. Broadly speaking, there are four key drivers of Africa's economic transformation.

- Africa has a young and growing population which when coupled with robust productivity growth supports the emergence of the continent's work force and consumer base.
- Sub-Saharan Africa is the most rapidly urbanising region in the world. This agglomeration leads to benefits of economies of scale and more productive urban-based enterprises.
- The rate of technology penetration on the continent is profound, particularly in the area of mobile telephony where 15 million connections in 2000 became 500 million in ten short years and is expected to top one billion by the end of the decade.
- Rising incomes, technological enhancement and urbanisation are bringing Africans within reach of a broader suite of financial products.

This financial deepening provides the conditions for rapid growth for financial service providers and stimulates the development of financial systems that are a vital component in fostering more sustainable and inclusive growth.

### Fund Style

The Investment Manager looks to invest across a range of different classes. These asset class weightings will be determined by consideration of the performance and investment objectives of the Fund, and the Investment Manager's views of the expected risk and return of each asset class.

### Asset Allocation

Cash	-20.5
Bonds (CIS)	0.0
Equities	120.5
<b>Total</b>	<b>100%</b>

### Top 10 Holdings

17.59	Fawry For Banking
10.34	E Finance Investment
6.78	Vivo Energy Plc
6.36	ECOBANK TRANSNATL (NG)
5.94	Commercial Int Bank
5.72	Scancom Plc
5.47	Seplat Petroleum
5.02	Usd Sett Acc Eqabsa
3.80	SONATEL
3.47	Zenith Bank Plc

Source: Sanlam Asset Management (Ireland)

### Performance summary

#### Performance: annualised total returns (%)

	Account	Benchmark	Relative
30 November 2021	Return	Return	Return
1 Month(s)	1.54	-4.93	6.48
3 Month(s)	2.24	-1.15	3.39
6 Month(s)	6.38	4.27	2.11
1 Year(s)	17.65	12.50	5.15

#### Actual highest and lowest annual figures

<b>Highest 1Year Performance</b>	30/04/2018	44.32 %
<b>Lowest 1 Year Performance</b>	31/03/2020	-20.85%

### Fund Information

<b>Manager</b>	Sanlam Asset Management (Ireland)
<b>Investment Manager</b>	Absa Asset Management (Pty Ltd)
<b>Portfolio Manager</b>	Mr Godfrey Mwanza
<b>Trustee / Custodian</b>	Brown Brothers Harriman Trustee Services (Ireland) Ltd 30 Herbert Street, Dublin 2, Ireland Tel: +353 1 241 7130   Fax: +353 1 241 7131
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
<b>Transfer Agency</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
<b>Domicile</b>	Ireland
<b>Listing</b>	Irish Stock Exchange
<b>Salient Risk Factors</b>	This fund is deemed to be medium to high risk in relation to other asset classes due to its exposure to shares and stocks. The price of shares and the income from them may fall as well as rise and investors may not get back the amount they have invested.
<b>Base Currency</b>	US Dollar
<b>Benchmark</b>	MSCI EFM AFRICA EX-SOUTH AFRICA
<b>Fund Type</b>	Global—Equity
<b>Fund Size</b>	\$ 17,351,395,57
<b>Unit Price (Class A USD)</b>	\$ 1.2848
<b>Launch date</b>	15 November 2016
<b>Minimum investment</b>	\$1,000 (Class A USD)
<b>Dealing/Redemption frequency</b>	Daily
<b>Dealing deadline</b>	4 PM (Irish time on the business day preceding a dealing day)
<b>Valuation point</b>	Close of business in the applicable markets
<b>Daily publication of prices</b>	Irish Stock Exchange & www.sanlam.ie
<b>Distribution</b>	This fund does not distribute. Dividends and income are automatically added to the NAV of the fund



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### Portfolio Manager Quarterly Comment

The third quarter of 2021 was broadly positive for African equity markets. In USD terms Nigeria was up 5.4% in the quarter (-3.2% year to date). Morocco was up +4.8% in the quarter (+15.0% YTD). After a stellar second quarter Kenya was relatively flat at +0.4% for the quarter (15.7% YTD). Egypt had its first positive quarter of the year, climbing 2.3% in 3Q21 (-2.9% YTD). The MSCI Emerging and Frontier Market Africa ex-South Africa benchmark was up 4.6% in the quarter (+9.7% YTD).

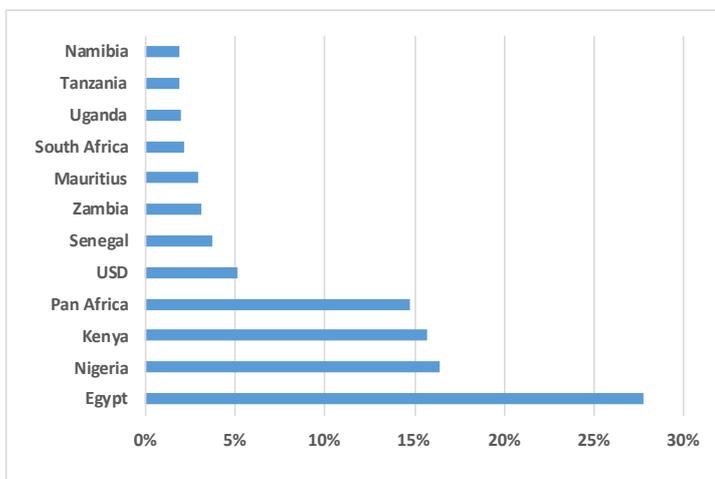
As mentioned in the previous quarterly commentary, the outlook for African sovereign balance sheets in the short term turned very positive due to strong commodity prices and the issuance by the International Monetary Fund (IMF) of USD 650 billion of its reserve currency Special Drawing Rights (SDRs). This came to fruition towards the end of the third quarter when USD 33 billion was credited to African central banks.

As anticipated, some countries benefitted more than others with Zambia being one of the main winners, doubling their foreign exchange reserves upon receipt. Ignited by this development and then further fuelled by the successful handover of power in the August elections, the Zambian Kwacha staged a staggering 43% rally against the US Dollar from mid-July to the end of August.

The manager initiated (and will maintain) small positions in Zambia on the back of what is in our view a dramatic structural decline in the risk premium associated with that country. While currency and bond markets reacted rapidly to this “de-risking”, equity markets have been much slower to respond with high quality businesses continuing to be sold in the market for cents to the dollar (or more accurately “ngwee to the kwacha”) despite a much more positive outlook.

The Egyptian equity market remains our largest exposure and is still very attractive from a valuation perspective, stability of its currency, and the resumption of fast GDP growth.

### Geographical breakdown



Source: Sanlam Asset Management (Ireland)

### Fees \*

<b>Initial fee / Front end load</b>	3.42% (Class A USD)
<b>Management fee</b>	0.15% effective 07 March 2018
<b>Performance fee</b>	None
<b>Exit Fee</b>	None
<b>Other allowed expenses</b>	Trustee fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees.
<b>Total Expense Ratio</b>	0.89% Transaction cost 1.12%

The Fund does not pay performance fees.

Full details of fees are contained in the fund supplement, which can be obtained free of charge at [www.sanlam.ie](http://www.sanlam.ie)

NOTE: A higher TER does not imply a poor return, nor does a low TER imply a good return. The current TER may not be an accurate indication of future TERs.

Transaction costs are a necessary cost in administering the Financial Product and impacts Financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

### Contact Information

#### Manager: Sanlam Asset Management (Ireland)

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Web: [www.sanlam.ie](http://www.sanlam.ie)

Tel: +353 1 2053510

Fax: +353 1 2053521

e-mail: [intouch@sanlam.ie](mailto:intouch@sanlam.ie)

Company registration number: 267640 – UCITS IV Management Company & Alternative Investment Fund Manager regulated by the Central Bank of Ireland and is licensed as a Financial Services Provider in terms of Section 8 of the South African FAIS Act of 2002.

#### Investment Manager: Absa Asset Management (Pty) Ltd

The investment management is outsourced to Absa Asset Management (Pty) Ltd.

(Authorised Financial Services Provider FSP 522)

Address: 2nd Floor Absa Sandton Campus South, 15 Alice Lane, Sandton, 2196 South Africa

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Fax: +27 0865322607

e-mail: [Godfrey.mwanza@abam.co.za](mailto:Godfrey.mwanza@abam.co.za)

#### Client Service: Absa Asset Management (Pty) Ltd

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Web: [www.absainvestment.co.za](http://www.absainvestment.co.za)

### Codes (Class A USD)

ISIN IE00BD07TW65

SEDOL BD07TW6

Bloomberg

Morningstar Category



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### Risk Profile

This fund is relatively high risk in relation to other asset classes due to its equity based investment approach and emerging and frontier markets exposure, it may be affected by uncertainties such as international political developments and changes in governmental policy or taxation.

Irish domestic law implementing EU and United Nations sanctions may limit or prohibit investment in particular African markets and this may have an adverse impact on the operations of the Fund. Investing in international companies means that currency exchange rate fluctuations will have an impact on the Fund returns. Foreign currency shortages in some frontier markets could reduce the fund's ability to repatriate funds. The investment manager aims to reduce the overall risk by their value and fundamental stance.

Other risks are Settlement and Clearing Risk, Political Custody Risk, Legal Risk, Efficient Portfolio Management Risk, Reinvestment of Cash Collateral Risk And Securities Lending Risk

### Regulatory statement

The Fund is a sub-fund of the Sanlam Universal Funds plc, a company incorporated with limited liability as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank.

The Fund is managed by Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4, Ireland, Tel + 353 1 205 3510, Fax + 353 1 205 3521 which is authorised by the Central Bank of Ireland, as a UCITS Management Company, and an Alternative Investment Fund Manager, and is licensed as a Financial Service Provider in terms of Section 8 of the South African FAIS Act of 2002.

The Sanlam Universal Funds Plc full prospectus, the Fund supplement, the MDD and the KIID is available free of charge from the Manager or at [www.sanlam.ie](http://www.sanlam.ie). This is neither an offer to sell, nor a solicitation to buy any securities in any fund managed by us. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, and the relevant subscription/application forms, all of which must be read in their entirety together with the Sanlam Universal Funds plc prospectus, the Fund supplement the MDD and the KIID. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents, and the completion of all appropriate documentation. A schedule of fees and charges and maximum commissions is available on request from the Manager.

This is a Section 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). Sanlam Collective Investments (RF) (Pty) Ltd is the South African Representative Office for this fund.

The information to follow does not constitute financial advice as contemplated in terms of the South African Financial Advisory and Intermediary Services Act

Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision, not all investments are suitable for all investors.

Collective Investment Schemes (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the product.

The information to follow does not constitute financial advice as contemplated in terms of the South African Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk.

Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ based on the initial fees applicable, the actual investment date, the date of reinvestment of income as well as dividend withholding tax.

Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Trail commission and incentives may be paid and are for the account of the Manager.

The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates. Performance figures for periods longer than 12 months are annualized

The Manager retains full legal responsibility for this Fund.

### Glossary Terms

#### Annualised total returns

Annualised return is the weighted average compound growth rate over the period measured.

#### Capital growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

#### Equities

Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

#### Undervalued equity stocks (Value investing approach)

This is a strategy of selecting shares that trade for less than their intrinsic values. Value investors actively seek stocks that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's actual long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.

#### Securities

A general term for shares, bonds, money market instruments and debentures.

#### Collective investment scheme (CIS)

Collective investment schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

#### Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

#### Standard deviation

Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the amount of expected volatility in an investment.