

MINUTES OF THE 9TH ANNUAL GENERAL MEETING OF THE UNIT HOLDERS OF THE SANLAM MONEY MARKET FUND, FIXED INCOME FUND, BALANCED FUND AND SANLAM USD FIXED INCOME FUND HELD VIRTUALLY/VIA ELECTRONIC MEANS ON THURSDAY, 22ND May 2024 AT 10.00 AM

<u>Present:</u>	Jonathan Stichbury Unit Holders	Chief Executive Officer/Managing Director, In the Chair 1943 Unit Holders representing 63.76% of the Assets under management and including proxies were in attendance.
	Joe Alaro Mercy Lusweti Faith Omoongeh	Representing the Trustees; Stanbic Bank Representing the Custodian; Stanbic Bank Representing the Portfolio Manager (Sanlam Investments East Africa Limited)
<u>In Attendance:</u>	Gaurang Chavda Brain Muitherero Alex Muchira	Master of Ceremony (MC) - Head of Distribution - Retail Representing KPMG: The External Auditors Representing D & F Secretarial Services: The Company Secretary

MIN.2024/6/1: NOTICE CONVENING THE MEETING

The Master of Ceremony called the meeting to order, welcomed the unit holders and all in attendance to the 9th 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 (1943 Unit holders in attendance virtually inclusive of proxies) and declared that the meeting was properly constituted.

The MC welcomed Jonathan Stichbury (the CEO) to make the opening remarks.

The CEO highlighted the following matters:

- a) He reported that the Sanlam Investments East Africa Limited (SIEAL) is currently operating in Kenya, Uganda and Tanzania and is currently licensed by five Authorities namely Capital Markets Authority (Kenya), Capital Markets Authority (Uganda), Capital Markets & Securities Authority (Tanzania), Kenya Retirement Benefits Authority and Uganda Retirement Benefits Regulatory Authority.
- b) SIEAL currently manages assets amounting to KSH 450 billion as at 30th of April 2024 and it has also met and surpassed the regulatory liquidity and capital requirements as set by the CMA.
- c) He noted that SIEAL offers a wide range of product types with the three main products being Local pension & Institutional Fund Management, manage money on behalf of International Pension Funds & Institutional Investors and Unit Trusts.
- d) He emphasized that the focus on fund management is research driven, fully resourced and has a team comprising of 17 investment professionals of whom 7 are CFA charter holders. The SIEAL team has been with the organization for an average of 20 years and at the moment the total number of staff is 60 employees of which 55% of those are women.
- e) SIEAL investment approach is built on four key principles which are: Detailed research; Long- term perspective, extensive experience and ESG Considerations. SIEAL invests in a variety of assets classes including: Fixed income comprising of treasury bonds & bills, corporate bonds, commercial papers and bank deposits; Equities both unlisted and listed equities across Africa; Offshore investments such as mutual funds, equity funds, bond funds and ETFs. SIEAL also provides advisory services to its clients on matters relating to property and private equity investments as well as personal Investments through the unit funds.

- f) At SIEAL governance, compliance and technology are key to success and the investment approach places great importance upon risk controls. These risk control measures touch on liquidity, regulatory compliance, data privacy, business continuity and ESG.
- g) He ensured the members that SIEAL has a prudent investment approach to achieve consistent and competitive returns for the benefits of its clients; emphasis on capital preservation; has solid financial strength on account of its shareholding association with SanlamAllianz which is a joint venture of Sanlam the largest non-banking financial insurance company in Africa and Allianz which is the largest insurance company in the world.

The Company Secretary read the Notice and Agenda for the meeting and noted the same had been circulated to the Members via a newspaper advertisement published on 7th May 2024 and on the SIEAL website.

MIN. 2024/6/2 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 22nd JUNE 2023

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 Kevin Wamae and Seconded by Beatrice Ndungu.

MIN. 2024/6/3: TO RECEIVE AND CONSIDER THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2024, TOGETHER WITH THE CUSTODIAN REPORT, TRUSTEES REPORT, INVESTMENT REPORT AND AUDITOR'S REPORTS.

Report of the Trustee

Joe Alaro, representing Stanbic Bank Kenya Limited who are the Trustee, presented the Trustee's report and highlighted the below:

- The Unit Trust scheme consists of four funds. These are the: money market fund, the fixed income fund, the Sanlam US Dollar fixed income fund, the balance fund.
- During the year some changes were made to the incorporation documents. These changes included
 - i. A supplemental deed number four that to incorporates the US Dollar fixed income fund was introduced
 - ii. Increase of the management fee of the Sanlam Money Market Fund was 1.2% to 1.5% per annum.
- The scheme appointed KPMG Kenya as its external auditor replacing PwC Kenya whose term came to an end.
- On the overall compliance, all the operations of the unit schemes are in line with the incorporation documents and the capital markets collective investment schemes regulations of 2023.
- As per 2023 the regulations the trustee is to prepare financial statements for each year which give a true and fair view of the financial position of the funds at the end of the financial year and its performance for the year that ended. The trustee is also responsible for ensuring the fund keeps proper accounting records that are sufficient to show and explain the transactions of the fund, disclose with reasonable accuracy at any time, the financial position of the fund. The Trustee is also responsible for safeguarding the assets of the funds and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- The Trustees of the opinion based on the information and explanations given by the management and by the systems of internal control provides assurance that the financial records may be relied upon for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable but not absolute assurance against material misstatements or loss. Nothing has come to the attention of the Trustee indicate that any material breakdown in the functioning of these controls procedures or systems has occurred during the period under review.

- Having made an assessment of the fund's ability to continue as a going, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Sanlam Unit Trust.

Investment Report

Faith Omoongeh, presented the Investment report and highlighted the following matters;

- It was reported that the Kenya's economy grew by 5.6% in 2023, which was an increment from 4.9% in 2022. This was majorly supported by a growth in the Agricultural. The economy is expected to grow by approximately 5% in 2024 with Agriculture fueling the growth.
- Kenya experienced a high inflationary environment in 2023 with the rate picking at 9.2% in June 2023. This is however slowly coming off with the rate as at April 2024 being 5%. The CBK target inflation rate is between 2.5% and 7.5% to ensure that the economy operates at its best potential.
- Over the course of the year ended the interest rates picked with the rates trending up to 17% but this is slowly coming off with levels getting to 16.5%.
- The Kenyan shilling had depreciated by approximately 20.9% earlier in the year. However, due to various government efforts, including the successful issuance of the Eurobond the Kenyan Shilling appreciated by up to 20% to date.
- Taking into consideration that SIEAL is now operating as USD Fund it is important to note and consider the United States market. The inflation in the United States remains sticky and on a year-to-date basis it has gone up by 10bips this has resulted in the Fed rate target remaining consistent as 5.5%. The expectation is that the interest rates in developed markets will continue to remain elevated with expectations for lower interest rates towards the end of the year.
- The return on the Sanlam Money Market Fund as at end of April 2024 was 14.6 % over 12 months and the benchmark return was 15.8%. Over three years this scheme has delivered a good return of 12.4% against its benchmark of 11.8%
- The Sanlam Fixed Income Fund yielded a return of 7.9% over the last twelve months, outperforming its benchmark of 7%. Over three years this scheme has delivered a good return of 10.2% against its benchmark of 8.7%
- The Sanlam Balance Fund yielded a return of 11% over the last twelve months, significantly outperforming its benchmark of 4.7%. Over a three-year period, this fund has delivered a return of 10.2%.
- The return on the relatively new Sanlam USD Fixed Income Fund stood at 4% in the last 6 months against a benchmark of 2.6%. Since its inception nine months ago the fund has given a return of 5.4% against a benchmark of 3.5%

Custodian Report

Mercy Lusweti, representing Stanbic Bank Kenya Limited who are the Custodian, presented the custody report and highlighted the following:

- a) The role of the Custodian is Safekeeping and safeguarding the assets of the Unit Trust scheme including title documents, securities and cash amounts; Settlement upon receipt of proper instructions from the fund manager; Collection of all incomes due to the unit trust scheme and Reporting to the Trustee, Fund Manager, Unit Holders and Regulatory Authorities.
- b) In accordance with the Capital Markets (Collective Investment Schemes) Regulations of 2001 and the Custody Agreement between Stanbic Bank Kenya Limited as the Custodian and SIEAL as the Fund Manager, the Custodian has discharged the duties prescribed for Custodian under Regulation 35 of the Regulations, to the Sanlam Unit Trust Scheme and the Custodian has for the period starting 1st January

2023 and ending 31st December 2023 held the assets of the Sanlam Unit Trust Scheme; including securities and income accrued thereof, to the order of the Trustee and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager.

Audited Financial Statements and Auditors Report

It was noted that the Audited Financial Statements had been circulated to the unit holders and were available on the SIEAL website. They were taken as read.

Brain Muitherero, representing the KPMG who are the External Auditors, presented the audit opinion.

He confirmed that the Auditors have audited the financial statements of the Sanlam Unit Trust Scheme that comprises of the four funds that covers the four funds and confirmed the Auditors had the four funds and this comprised the respective statements of finance as at the year ended 31st December 2023, the statements of profit and loss and other comprehensive income, the statement of changes in unit holders balances and the statements of cash flows for the year or the periods ended.

He reported that in the Auditor's opinion the financial statements gave a true and fair view of the financial position of the funds as at 31st December 2023, and of their financial performance and their cash flows for the year and period then in accordance with IFRS accounting standards as issued by the International Accounting Standards Board and is also in accordance with the requirements of the capital markets collective investment scheme regulations of 2001.

Question and Answer session

The MC requested the unit holders to send any queries and questions relating to the various reports presented through the SSD code *483*901#.

Various members of staff of SIEAL responded to the questions raised by the unit holders either directly on the platform or at the meeting.

Approval and adoption of the reports

The Company Secretary tabled the motion to adopt and approve the Audited Financial Statements for the year ended 31st December 2023, together with the Custody Report, the Trustee Report, the Investment Report, and the Reports of the Auditors to the unit holders.

The resolution to adopt and approve the Audited Financial Statements for the year ended 31st December 2023, the Custody Report, the Trustee Report, the Investment Report, and the Reports of the Auditors was proposed by Cecilia Munguti and seconded by James Opiyo.

MIN. 2024/8/7 ANY OTHER BUSINESS:

There being no other Business, the MC thanked the members for their comments and for attending the unitholders Annual General Meeting and the Meeting was terminated at 11:40 p.m.