

## Renaissance Sub-Saharan Fund

31 January 2012

### Summary of Investment Objective and Strategy

The Fund will invest in companies listed on a Regulated Market in, domiciled in, or exercising the predominant part of their economic activity in Sub-Saharan Africa.

Investments in securities not listed on a Regulated Market remain possible within the limits provided by applicable laws and regulations.

The Fund seeks capital growth, but there can be no guarantee this will be achieved.

### Performance

	Since Inception	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
<b>2012</b>														
C	-16.0*	2.7												2.7
A	-	2.6												2.6
Bench.	-18.3*	1.7												1.7
	2011	2010					Since inception	Annualised ret.	Lowest month return	Largest month return				
C	-19.1	1.2*					-16.0*	-12.2	-10.7	6.6				
Bench.	-21.1	1.8*					-18.3*	-14.0	-11.9	5.5				

Percentage change in NAV, net of fees, charges and expenses.

\*Class C performance from end of investment period 15.10.10

### Portfolio breakdowns

Country breakdown	Fund	Bench.	Sector breakdown	Fund	Bench.
Nigeria	39.1	62.3	Financial	40.2	55.0
Kenya	21.3	19.9	Consumer, Non-cyclical	15.0	27.3
Panafrica	24.9	0.0	Communications	12.8	4.1
Mauritius	2.3	9.6	Energy	7.9	0.0
Botswana	1.0	6.3	Industrial	7.1	8.2
Gabon	1.1	0.0	Basic Materials	5.6	0.0
Ghana	3.2	1.9	Diversified	4.3	0.0
Malawi	0.9	0.0	Consumer, Cyclical	2.7	5.5
Namibia	0.3	0.0	Utilities	1.2	0.0
Zambia	0.9	0.0	Cash & Equivalents	3.2	0.0
Zimbabwe	1.8	0.0			
Cash & Equivalents	3.2	0.0			

### Top 10 holdings

Guaranty Trust Bank	7.8	Kenya Commercial Bank	4.4
MTN Group LTd	7.7	Tullow Oil	4.3
Zenith Bank	5.9	Anglo American Plc	4.0
First Bank Nigeria	5.4	Safaricom Ltd	3.9
Nigerian Breweries	4.7	Standard Bank Group	3.8

this century  
belongs to  
emerging  
markets

### Key Facts

#### A & C share classes, US\$

In addition to A & C shareclasses (retail and institutional classes respectively) an E shareclass (institutional, euro-denominated) will be added at a later date.

<b>Investment team</b>	Sven Richter
<b>Currency</b>	USD
<b>Structure</b>	UCITS IV SICAV
<b>Domicile</b>	Luxembourg
<b>Asset type</b>	Equities
<b>Launch date</b>	A: 02.11.10
<b>Launch date</b>	C: 01.10.10
<b>Launch price</b>	A: US\$ 10.00
<b>Launch price</b>	C: US\$ 10.00

**Dealing frequency** Daily

**Administrator** JPMorgan Bank  
Luxembourg SA

**Leverage** None

**Settlement period** T+3

#### Current price

NAV Price A: US\$ 8.20  
NAV Price C: US\$ 8.68

**AUM (Mln)** US\$ 45.22

#### Min. investment

A USD 2,000  
C USD 1,000,000

#### Annual management fees

A up to 2  
C up to 1.25

#### ISINs / Bloomberg tickers

**A** **ISIN:** LU0545678558  
**BBG:** RAMSSAA LX  
**C** **ISIN:** LU0545678632  
**BBG:** RAMSSAF LX

**CFI Code** EUOGRS

**Benchmark** MSCI FM Africa  
Ex TN + GH + BW 10/40

The Fund's portfolio may change significantly over a short period of time; no recommendation is made for the purchase or sale of any particular stock.

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## Renaissance Sub-Saharan Fund

### Manager's Comment

#### MARKET SUMMARY

	US\$	Local		US\$	Local
Namibia	6.19%	2.53%	Malawi	0.72%	1.61%
Botswana	2.14%	0.08%	Tanzania	-1.44%	-0.38%
Kenya	2.06%	0.60%	Ghana	-1.91%	0.57%
BRVM Complex	1.76%	0.77%	Mauritius	-3.01%	-3.18%
Nigeria	1.45%	0.70%	Zambia	-6.90%	-6.81%
Uganda	1.09%	-5.44%	Zimbabwe	-11.74%	-11.74%

Market performances for the month of January 2012 quoted in US\$ and (local currency) terms. Source: Bloomberg

#### PERFORMANCE

The Fund's performance for the month of January 2012 was 2.7% while the MSCI FM Africa Ex TN + GH + BW 10/40 benchmark returned 1.7%.

#### MARKET COMMENTARY & FUND MANAGER ACTIVITY

Frontier markets in January failed to gather much steam and ended only 0.5% higher despite a 4.4% run in the S&P and an 11.2% gain in the MSCI Emerging Market index. Sub Saharan Africa outperformed its frontier peers, but still did not see the pick-up in activity witnessed in emerging or developed markets. That said we did see some interest returning to quality stocks that have drifted to low levels, and this assisted the outperformance of the portfolio.

Namibia and Botswana were the best performing markets in our universe in January, largely due to their close link to the South African market. Zambia and Zimbabwe were the worst performing bourses, although this was just a reversal of the gains achieved in both countries in the last few days of the prior year.

During the month the fund benefited most from our stock selection within the financial sector, despite an overall underweight position in the sector. This supports our strategy of limiting our exposure to the top quality stocks in this sector. In regional terms the fund benefited from Pan African stocks listed in London and South Africa; largely a result of the aforementioned outperformance of emerging and developed markets compared to frontier markets during the month. The largest detractor to performance was our stock selection within the Kenyan market.

January was a busy month for news-flow in Nigeria, with certain sector reforms at the forefront of our attention. Most widely publicized was the removal of the fuel subsidy. After an attempt to fully remove the subsidies which led to nationwide strikes and protests, President Jonathan agreed to remove part of the subsidies immediately with the view to full abolishment at

a later date. The subsidies have been said to be costing the state the combined budget of health, agriculture and education, and adding to corruption in the sector, and therefore have been a massive impediment to country development. Yet civilian reliance on the subsidies has meant that no previous president has been brave enough to remove them. The short term inflationary impact of the removal should be greatly outweighed by the long term developmental benefits.

A second development that was not as widely publicized was the abolishment of the electricity power holding company of Nigeria (PHCN). The PHCN has been a major hurdle in attempts to reform the country's underdeveloped power grid. Undersupply of power and the unreliability of supply is a major cost of doing business in Nigeria, and thus progress in dealing with this issue is a positive development for future economic growth and business competitiveness. From our viewpoint it is encouraging that the president is making the tough decisions that will have long term rewards for the economy.

The International Criminal Court's (ICC) ruled during the month that the cases of four Kenyans alleged to have incited the 2007 post election violence will go to trial. This is a somewhat complicated issue seeing that two of the defendants are presidential hopefuls in the upcoming elections – Minister of Finance and Deputy Prime Minister Uhuru Kenyatta and former Agriculture and Higher Education Minister William Ruto. The fact that figures from both sides of the dispute are being tried by the ICC gives the process credibility in the eyes of Kenyans. The trial also heightens accountability in the run-up to the elections which are expected to be held in 4Q12 or 1Q13. This development should therefore decrease the possibility of repeated violence in these elections.

Kenyatta or Ruto are still permitted to run for president, although if either won the election and were subsequently found guilty they could be impeached. Kenyatta has however stepped down as Minister of Finance and Robinson Githae, a minister for metropolitan development, will take his place. Githae enters as inflation is high (18.3%) but has fallen for two consecutive months, and the shilling has recovered to 25% from its lows. The finance community will have their eyes on Githae to see that he continues the positive moves.

#### OUTLOOK

Heightened investor interest in equities which we saw in the more developed markets in January could filter through into Sub Saharan Africa in coming months. That said, we continue to focus on the long term potential in the region. The markets are still showing value, and there is still opportunity to pick up quality counters that could benefit from the strategic reforms and the demographic changes occurring in the region. All data source Bloomberg

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