

SANLAM UMBRELLA FUND

MINUTES OF THE SECOND ANNUAL GENERAL MEETING OF SANLAM UMBRELLA FUND HELD AT GOLF COURSE HOTEL, ON FRIDAY, 2ND JUNE 2023 AT 10.30 A.M

PANELISTS PRESENT

1.	Gaurang Chavda	Head of Unit Trust Distribution
2.	Mark Mulatya	Chief Operating Officer - SIEAL
3.	Roseline Ochola	Custodian SCB
4.	Mubbale Mugalya	Fund Manager SIEAL
5.	Clive Mayombe	External Auditor, PWC
6.	Sebugwawo Marvin Paul	Company Secretary
7.	Duncan Tayebwa	Corporate Trustee

MEMBERS PRESENT

As per the attendance register there was a 72% representation of the Assets under Management in attendance including proxies at the meeting.

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 2nd Annual General Meeting of Sanlam Umbrella Fund (“Sanlam” or “the Fund”) and invited Eileen to lead the Opening Prayer.

He also acknowledged the presence of the SIEAL staff who are also following the proceedings and thanked them for their dedicated service and commitment over the years.

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

2.0 QUORUM

The presence of quorum was confirmed by the Company Secretary, Mr. Sebugwawo Marvin Paul 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 COO SIEAL

- 1) The MC invited the COO for SIEAL, Mr. Mark Mulatya to give the opening remarks for this year’s AGM.
- 2) The COO 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 Investments East Africa Limited
 - iii) Service Offering and the approach to Investment
 - iv) Conclusion and Key Takeaways.

- 3) The COO informed members that Sanlam Group is a diversified financial services company currently operating in over 33 Countries in Africa,
- 4) The Sanlam Group, similarly, is the largest non-banking financial services firm in the continent. It has an Enterprise Value of \$9 billion and has over \$82 billion assets under management and administration serving over 20 million+ clients across all market segments. The Group currently has a workforce of over 154 675 employees globally.
- 5) The COO highlighted the ownership structure for Sanlam Investments East Africa Limited (SIEAL). It is a subsidiary of the Sanlam Group which owns 51% and 49 % is owned by local East African investors.
- 6) The Key financials as of December 2022 showed a strong balance sheet and the company has been consistently profitable over the years. He highlighted the figures as such; Total Assets at 22.6 billion Uganda shillings, Total Liabilities at -11.3 billion Uganda Shillings, Net Assets at 11.3 Billion Uganda Shillings and Profit Before Tax 10.5 Billion Uganda Shillings.
- 7) 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.
- 8) On SIEAL's investment approach and competencies, he noted that SIEAL focuses on fund management aimed at generating the highest return for its clients on a risk adjustment basis. He added that SIEAL fully resourced, including 6 CFA Charter holders, SIEAL has a practising license from ICIFA and 10 employees are ICIFA approved and licensed. 55% of its employees are women and it employs the highest industry leading standards in governance, ethics, compliance and transparency.
- 9) The COO noted that SIEAL's steady growth in Uganda is characterised by putting emphasis on consistency in investment performance and client retention. This has led to a significant increase in assets under management from 76 billion Uganda Shillings in 2009 to 1865 billion Uganda Shillings by 2022. SIEAL is the market leader in Client segments, particularly, retirement funds and local institutional clients, International institutional clients and Unit Trusts. He went ahead and acknowledged the SIEAL Unit trust and management team.
- 10) On Governance, Compliance & Technology the COO stated that Sanlam Investments places great importance upon risk controls, due consideration of liquidity constraints and cash flow requirements, with strong and robust control systems to monitor regulatory and internal limits system.
- 11) Further, SIEAL maintains policies and Systems designed to offer safety and confidentiality of client information, robust business continuity management plans to ensure continuous offer to its clients.

12) He concluded by assuring the Clients that SIEAL puts strong emphasis on capital preservation, 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 11th May 2023 and also published on the Sanlam website and in the newspapers. 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 31st December 2022 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.

5.0 The Minutes of the previous AGM held on 16th June 2022 were as posted on the SIEAL website. It was proposed by the Company Secretary that the notice be taken as read. The resolution was proposed by Nelson Ogua and seconded by Gladys Buteraba

ORDINARY BUSINESS:

6.0 ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 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, 2022, including the reports of the Custodian, Trustee, Fund Manager and External Auditors were made available to unit holders.

6.1 Presentation of the Trustee Report

1) The MC invited the Trustee (Standard Chartered Bank (u) Ltd) (SCB) represented by Mr. Duncan Tayebwa to present the Trustee report for the year ended 31st Dec, 2022.

- 2) He noted SCB’s longstanding commitment in Uganda having been in the country since 1912 offering custody services since 2010 and trustee services since 2013 licensed by both URBRA and CMA.
- 3) He noted emphasized that SCB was the market leader, the only custodian offering automated custody reports for local clients and award-winning payments and custody platforms to service clients.
- 4) He highlighted some of the achievement s of SCB among them;
 - Enhanced auto generated MIS report to clients in an improved format that contains more indicators from settlement to corporate actions.
 - Automation of holdings report for local and foreign clients to reduce manual interventions and errors
 - Best Custody Specialist Africa by The Asset Triple Award for five consecutive years
- 5) He noted that as of December 2023, the assets under management were UGX 49,946,546,897 from UGX 9,381,839,941 in 2022.

6.2 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 31st Dec, 2022.
- 2) He highlighted four issues from his presentation namely;
 - a) Introduction –SUF & Key Milestones
 - b) Macro –economic update
 - c) Interest rates in Uganda
 - d) Investment Performance -SIF
 - e) Question and Answer session
- 3) The key milestones achieved over the past year were noted as;
 - Growth of assets under management
 - Ease of access to the investment account
 - Growth of technology capabilities to support partnerships
 - Discussion on the imposition of Withholding Tax

- 4) He provided a micro economic update summarized as below;

	2021	2022	2023
GDP	USD 42 Bn	USD 50 Bn	↑
Inflation	2.2%	7.6%	↓
Currency	3544	3715	↑
Govt Securities	UGX 27.9 2022	UGX 32.7 Tn	↑

- 5) Further, he also provided a performance report for the Sanlam Investment Fund summarized as below;

Since Inception	9 Months	12 Months
	2021	2022
Sanlam Income Fund	9.4%	13.6%
Fixed Income	10.1%	14.1%
Money Markets	7.8%	11.6%
Benchmark (91 T-Bill)	5.4%	8.6%
Effective Rate(32-dec)	10.5%	13.2%

6.3 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 31st Dec, 2022.
- 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 31st December, 2022, Fund closed with the following assets;
 - a) Cash at the bank UGX 29,216,272
 - b) Fixed Deposits UGX 16,999,939,638
 - c) Government Securities UGX 32,917,390,988
 - TOTAL UGX 49,946,546,897**

6.4 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, 2022.
- 2) He undertook to explain to the unit holders how income tax on unit trusts was levied and imposed. In particular, taxation of a unit trust scheme, taxation of the distributions made by the unit trust to its unitholders and tax changes earlier suggested by government but were withdrawn.
- 3) He informed members that the Auditors Report on the Financial Statements was issued on 29th of March, 2022.

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 2022 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 31st December 2022, together with the Custody report, the Trustee report, the Investment report and reports of the Auditors thereon, be and are hereby approved and adopted.”

3) He confirmed the resolution had been proposed by Tumuhimbise Edwin and seconded by Sheevon Katureebe.

The above resolution was carried unanimously.

8.0 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) The Chairperson of the SACCOS umbrella inquired as to whether institutional investors like themselves are subject to the same tax regime as individual investors.

3) Mr. Kasule was grateful to Sanlam for inviting investment advisors specifically the real estate investors who gave them a much better understanding of the sector.

4) James inquired about the availability of the Sanlam Umbrella Fund App's availability on laptops and computers as some of them preferred not access it through their mobile phones.

5) 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.

6) 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.

9.0 MOBILE APP PRESENTATION

1) The Business Development Manager, Mrs. Peace Gakwaya was then tasked to take the members through the process of accessing and using the new and revamped Sanlam Umbrella Fund App.

- 2) An overview of the App's key features as shown on its home page. The App is able to display the client profile, client portfolio, how to transact (withdraw or top up) and all recent transactions.
- 3) The BDM went ahead and gave a demonstration of the App. She later took questions over the same.

10.0 CLOSURE OF THE MEETING

- 1) The MC confirmed that there was no notice received for any other business to be conducted at the 2nd AGM.
- 2) He thanked all for the attendance and concluded the Meeting. The Meeting was closed at 12.30 p.m.

CONFIRMED AS A TRUE RECORD

The Company Secretary

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

Date: _____