

SANLAM UMBRELLA FUND

MINUTES OF THE THIRD ANNUAL GENERAL MEETING OF SANLAM UMBRELLA FUND HELD ON 21ST JUNE 2024 AT 10.00 A.M VIA ELECTRONIC MEANS.

PANELISTS PRESENT

Jonathan Stichbury	Chief Executive Officer/Managing Director, In the Chair
Roseline Ochola	Representing the Trustees; Standard Chartered Bank
Duncan Kateemu Tayebwa	Representing the Custodian; Standard Chartered Bank
Mubbale Kabandamawa Mugalya	Representing the Portfolio Manager (Sanlam Investments East Africa Limited
Ann Mary Musoke	Representing the External Auditor, KPMG
Sebugwawo Marvin Paul	Representing the Company Secretary, Sebugwawo & Company Advocates

1.0 OPENING

Ms. Peace Gakwaya, the Business Development Manager of Sanlam Investments East Africa Limited in Uganda and also the MC for the day welcomed all Unit Holders, guests and colleagues who were online at the 3rd Annual General Meeting of Sanlam Umbrella Fund ("Sanlam" or "the Fund") and invited Phillis Mpumwire to lead the Opening Prayer.

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

2.0 QUORUM

With an online attendance of 290 Unit Holders, the presence of quorum was confirmed by the Company Secretary.

3.0 PRESENTATION BY THE CEO SIEAL

- 1) The MC invited the CEO SIEAL, Mr. Jonathan Stichbury to give opening remarks for the AGM.
- 2) The CEO thanked the Unit holders and other invited guests for their attendance.
- 3) He stated that SIEAL is a subsidiary of Sanlam Allianz the largest non-banking financial company which operated across 27 countries on the African continent. SIEAL has been operating for 25 years in East Africa. Over that time business has grown consistently and steadily with client assets under management worth UGX13 trillion.
- 4) The CEO informed members that SIEAL is duly licensed by the Capital Markets Authority (Kenya), Capital Markets Authority (Uganda), Retirement Benefits Authority (Kenya), Uganda Retirement Benefits regulatory Authority, Capital Markets & Security Authority (Tanzania).

- 5) On the ownership structure & Financial Robustness, he informed members that Sanlam Group includes Sanlam Allianz is the majority shareholder of SIEAL. Key financial metrics for SIEAL depict profitability (Total Assets UGX 22.5 billion, Total Liabilities UGX 10 billion, Net Assets UGX 12.5 billion, Profit before Tax UGX 14.4 billion) and liquidity exceeds UGX 8.4 billion while capital exceeds UGX 4.7 billion.
- 6) He stated that in East Africa, SIEAL offers three types of products namely Local Pension & Institutional Fund Management, International Pension & Institutional Investors and Unit Trusts.
- 7) He emphasized that as at 31st December 2023, SIEAL has a robust and experienced management team. It has over 60 employees in East Africa, 55% female representation, 17 investment professionals, 7 CFA Charter holders and 4 CFA ESG certified investment professionals.
- 8) On the approach to investment, he stated that SIEAL's philosophy is built on four key principles (i) detailed research, (ii) long-term perspective, (iii) extensive experience and (iv) the importance of ESG considerations in investment decision making. He added that as at 31st May, 2024, SIEAL has UGX 13 trillion invested across various asset classes namely Fixed Income, Equities, Offshore, Alternatives and Personal investments.
- 9) On Governance, Compliance & Technology Risk, he explained that SIEAL places great importance upon risk controls in particular liquidity constraints and cashflow requirements, regulatory and internal limits, data privacy, business continuity and ESG.
- 10) He concluded by explaining that SIEAL should be trusted to manage investment because it has a prudent investment approach, emphasizes capital preservation, has a solid financial strength and an institutionalized governance framework.

4.0 NOTICE

The Company Secretary informed the members that the Notice of the Annual General Meeting was published on 6th June 2024 and sent to all unit holders as well as updated on the website. The Notice convening the meeting was taken as read with the permission of the members.

The highlights were:

- To read the Notice convening the meeting and confirm the presence of a quorum.
- To confirm the minutes of the last Annual General Meeting held on 22nd June 2023.
- To consider, and if approved, adopt the Audited Financial Statements for the year ended 31st December 2023 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.

Thereafter the following agenda as per the notice was taken up for consideration.

ORDINARY BUSINESS:

5.0 CONFIRMATION OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON 2ND JUNE 2023.

The Minutes of the previous AGM held on 2nd June 2023 were uploaded on the company website. I propose that we take the report as read.

- 1) The MC invited the Company Secretary to confirm whether the proposal for confirmation of the minutes of the last Annual General Meeting held on 2nd June, 2023 had been made and seconded.
- 2) Mr. Sebugwawo confirmed the resolution had been proposed by Mr. Sharif Kayuyu and seconded by Ms. Shamim Kalungi.

The above resolution was carried unanimously.

6.0 ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 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, 2023, 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) represented by Ms. Roseline Ochola to present the Trustee report for the year ended 31st Dec, 2023.
- 2) She informed members that as per section 121(1) & (2) of the CIS (Unit Trust) Regulations 2003 that;
 - a) SIEAL had managed the fund in accordance with the limitations imposed on the Investment and borrowing powers of the fund manager and trustee by the Trust deed, Scheme Particulars and by the regulations
 - b) There were no deviations from the provisions of the trust deed and those of the regulations
- 3) A further confirmation was made as per Section 92 of the CIS (Unit Trust) Regulations that the Trustee was satisfied that the fund had maintained sufficient records of which the Audited Financial Statements were part.

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, 2023.
- 2) He highlighted the following issues from his presentation namely;
 - a) Key Milestones of the Fund
 - b) Macro-economic update
 - c) Interest rates in Uganda
 - d) Investment Performance-SIF
- 3) He informed members that under the Sanlam Umbrella Unit Trust Fund , the Sanlam Income Fund had grown from 50 billion to 138 billion UGX. (176% growth year on year). Increase in touch points on how customers can access the services, increase in the technological capabilities allowed new enrollment to be done online. On WHT, through engagements with URA the fund was hopeful it would get a formal communication regarding WHT on unit trusts.
- 4) On Macro-economic update (2022-2023), GDP grew from USD 47 billion to USD 50 billion, Inflation decreased from 7.6% to 3.4%. The currency rate (UGX to USD) increased from 3715 to 3782. Government securities grew from UGX 31.3 to UGX 39.8 trillion.
- 5) On interest rates for government securities, they declined in early 2023 from 13% to 12% in June. However, from early this year to date they are back to 16%.
- 6) On performance, the SIF grew from 13.6 % in 2022 to 15.6% in 2023. Fixed income grew from 14.1% in 2022 to 15.7%, Money Markets grew from 11.6% to 13.9%, Benchmark (91 T-Bill) grew from 8.6% to 10.0% and the effective rate grew from 13.2 % to 12.3%.
- 7) Lastly, he restated that all information is readily available on the website. He emphasized that the Sanlam Income Fund is a Collective Investment Scheme in Uganda and the strategy for it is low risk. The fund is trying to attract individuals, sacco, investment clubs and gratuity & pension funds. The fund provides flexibility of investments without penalties.

6.3 Presentation of the Custody Report

- 1) The MC invited the Custodian (Standard Chartered Bank) represented by Mr. Duncan Kateemu Tayebwa to present the Custody report for the year ended 31st Dec, 2023.
- 2) He emphasized SCB had diligently carried out its custodian role.

- 3) He confirmed that the assets that were reported on by the Fund Manager are what the books reflect. As at 31st December, 2023, Fund closed with the following assets;
- | | |
|--------------------------|---|
| a) Cash at the bank | 29,216,272 (2022) and 817,499,713 (2023) |
| b) Fixed Deposits | 16,999,939,638 (2022) and 42,910,330,939 (2023) |
| c) Government Securities | 32,917,390,988 (2022) and 93,633,400,600 (2023) |
| TOTAL | UGX 49,946,546,897 (2022) and 137,361,231,251 (2023) |

6.4 Presentation of the Auditor's Report

- 1) The MC invited the Auditor (KPMG) represented by Ms. Ann Mary Musoke to present the Auditor's report for the year ended 31st Dec, 2023.
- 2) She read out the opinion of the Auditor which confirmed that the Financial Statements gave a true and fair view of the financial position of Sanlam Income Fund as at 31 December, 2023 and of its financial performance and its cash flows for the period ended in accordance with the International Financial Reporting Standards and had been prepared in a manner required by the Collective Investment Schemes (Financial and Accounting) Regulations, 2003.

7.0 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) First question was what is the minimum amount to invest in the SIF? The response was that the initial minimum amount is UGX 100,000 and minimum top up is UGX 50,000.
- 3) Second question was whether there was a provision for a minor to join the fund. The MC read the response that a minor can join however jointly with a guardian.
- 4) The third question was an inquiry about the location details of the office where inquiries about the Fund can be made. The details were provided as 7th Floor, Workers House, Pilkington Road, Kampala.
- 5) Fourth question was with the new UGX ratings by S&P and Moody being lowered what would be the impact on performance of the Fund & value of Government bonds. The Fund Manager responded that the fund engaged with S&P and Moody and the expectations are that interest rates should remain the same.
- 6) The next question was in regard to WHT on whether the tax already withheld will be refunded if it turns out that the tax was held in error. Fund Manager responded that the fund was expecting a firm position on the taxation of unit trusts from government.

- 7) A unit holder inquired if there are individual limit restrictions on investments with the fund. The response was that the minimum is UGX 100,000. Thereafter it is open without an upper limit.
- 8) The last question was whether the regulator has conducted onsite supervision? If so, how do they rate the fund? Have there been any regulatory issues? How does the fund protect itself against prohibited activities like money laundering? The fund manager responded by stating that there was a money laundering policy in place. The fund also is supervised by the Capital Markets Authority to ensure there is compliance. There have been no regulatory issues.
- 9) The MC stated that the panelists were not able to respond to all questions raised during this virtual AGM due to time limitations. She encouraged the attendees to continue sending all their questions which would be collated and responded to via the website.

8.0 ORDINARY RESOLUTION

- 3) The MC invited the Company Secretary to confirm whether the proposal for approval of the Audited Financial Statements for the year ended 31st December 2023 together with the Custody report, the Trustee report, the Investment report and reports of the Auditors had been made and seconded.

- 4) Mr. Sebugwawo informed the Unit Holders that the resolution put forward was;

“THAT the Audited Financial Statements for the year ended 31st December 2023, together with the Custody report, the Trustee report, the Investment report and reports of the Auditors thereon, be and are hereby approved and adopted.”

He confirmed the resolution had been proposed and seconded.

The above resolution was carried unanimously.

9.0 CLOSURE OF THE MEETING

- 1) There being no other business of which due notice has been given, the MC concluded the business of the 3rd Annual General Meeting.
- 2) She thanked all for the attendance and the Meeting was closed at 11.02 a.m.

CONFIRMED AS A TRUE RECORD

The Company Secretary

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

Date: _____