

# Key Investor Information

This document provides you with key investor information about the Africa Select Equity Fund (SICAV) plc (the “Fund”). It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

## Africa Select Equity Fund (SICAV) plc. Class B – EUR (ISIN: MT7000034328)

This Fund is managed by Mediterrania Capital Partners Limited

### Objectives and Investment Policy

#### Objective

The investment objective of the Fund is to provide long-term capital appreciation by investing in securities of companies operating predominantly in Africa.

#### Policy & Restrictions

The Fund is long-only and invests in transferable securities issued by corporate entities deriving at least 50% of their revenues, profits, assets, or net-asset-value from Africa, excluding South Africa.

The Fund will have exposure to transferable securities of issuers traded on African stock exchanges as well as other foreign markets. The Fund shall also invest in transferable securities in advance of a listing on a public exchange.

The Fund shall not use leverage or currency hedging.

The Fund selectively invests in transferable securities which offer the highest risk-adjusted returns, focusing on the ‘margin of safety’ and minimizing the risk of capital losses. Diversification across countries, sectors and currencies provide additional downside protection to the Fund’s investors.

The Investment Manager will not invest, on behalf of the Fund more than 20% of the Fund’s net asset value (on aggregate and cumulative basis), in transferable securities issued by the same body or by the same group of bodies. In addition to this, the Investment Manager shall not invest, on behalf of the Fund more than 35% of the Fund’s net asset value (on an aggregate and cumulative basis), in transferable securities issued by corporate entities located in the same jurisdiction and/or operating within the same sector/industry.

A more detailed description of the policies and restrictions that apply to the Fund is set out in the Prospectus of the Fund.

#### Process

The Fund’s investment decisions are based on a disciplined bottom-up, research-driven stock selection process.

The Investment Manager will conduct exhaustive research, entailing regular management contact and in-country site visits as part of the comprehensive due diligence process.

There is no industry or country focus, and the Fund is benchmark-agnostic and thus maintains a high active share.

The valuation process for each investment incorporates environmental, social, and governance factors (“ESG”) which are relevant and material specifically to each company, relying on hard and soft data. The Fund’s long-term investment horizon requires it to account for the ESG risks, which could take a long time to materialize.

#### Distribution

This class of units is not a distribution class. Dividend proceeds are reinvested in the Fund.

#### Dealing Day

Fund investors may redeem units on demand. subscriptions and redemptions of units are processed twice per month, on every 1<sup>st</sup> day and on the 16<sup>th</sup> day of every calendar month.

#### Recommended Holding Period

A minimum holding period of 5 years is recommended to be aligned with the investment objectives of the fund.

#### Benchmark

A benchmark used to assess the performance of the investment manager is the S&P All Africa excluding South Africa NR Capped Index\*. The benchmark has no influence on the investment decisions and the fund will deviate materially from the benchmark.

\* <https://www.spglobal.com/spdji/en/indices/equity/sp-all-africa-ex-south-africa-capped/#data>

### Risk and Reward Profile



The risk and reward indicator shown above, rates this Fund as Category 6, meaning that the Fund’s volatility is elevated, which could lead to potentially high returns or losses in the future. The Fund’s rating reflects the nature of its investments and the corresponding risks to which it is exposed. It should also be noted that the lowest category on the indicator does not mean risk-free. The indicated rating is not guaranteed and may change over time. The calculation is based on the historical performance of the benchmark for the period prior to the launch of the Fund. Historical

data may not be a reliable indication of the future performance of the Fund.

Emerging and Frontier markets in Africa can experience higher levels of volatility compared to more advanced markets. The Investment Manager shall focus on the ‘margin of safety’ for each investment in the portfolio in order to maximize the downside risk protection for the Fund.

Risk is continuously assessed and diligently managed to protect Fund’s investors at all times. The Investment Manager shall target investments in companies that offer an upside significantly higher than the downside risk.

The Fund does not intend to use currency hedging and currency risk will be managed at the portfolio level. Investments in transferable securities of companies listed in developed markets can lower the currency volatility risk.

The Fund is also subject to the following risks which are not included in the calculation of the risk-reward indicator:

**Liquidity risk:** The Fund's underlying investments might witness a low level of liquidity, which would limit its ability to sell an investment in the market.

**Equity Investment Risk:** Equity investments are subject to greater fluctuations in market value than other asset classes as a result of

factors such as a company's business performance, investor perceptions, stock market trends, and general economic conditions. Prospective investors should note that this could have an impact on the Fund's Net Asset Value.

A more detailed description of the risk factors that apply to this Fund is set out under the "Risk Factors" section of the Fund's Prospectus.

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## Charges

The charges paid by investors are used to cover the running costs of the Fund. These charges reduce the potential growth of your investment. The charges consist of the following:

A dilution levy would be applied for subscriptions or redemptions in excess of 5% of the Fund's assets. The levy is intended to protect existing investors against the performance impact of new or leaving investors in the fund.

Further information about charges is available in the "Fees, Compensation and Expenses" section of the Prospectus.

- **One-off charges:** Nil. There are no entry or exit charges.
- **Ongoing charges:**
  - **Management charge:** 1.75% maximum charge (actual charge might be less)
  - **Performance fee:** 20% of excess performance over the benchmark with a high-water mark provision.

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## Past Performance

There is no sufficient data to display past results.

First quotation date: 10<sup>th</sup> Nov 2023

Fund base currency: EUR

Past performance is not a guide to future performance

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## Practical Information

- Depositary: European Depositary Bank SA (Malta); Custodian: Citi Bank
- Administrator: Apex Fund Services (Malta) Limited
- Auditor: PricewaterhouseCoopers (PwC Malta)
- Further information about Africa Select Equity Fund (SICAV) Plc is available at [www.africaselectfund.com](http://www.africaselectfund.com). Copies of the prospectus, annual and half-yearly reports, are available by request free of charge from the fund administrator or the Fund manager ([info@africaselectfund.com](mailto:info@africaselectfund.com)).
- The Fund is subject to the tax laws in Malta. The investor's tax residence might have an impact on his/her personal tax position.
- Mediterranean Capital Partners Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate, or inconsistent with the relevant parts of the prospectus for the Fund.
- For any additional information please email [info@africaselectfund.com](mailto:info@africaselectfund.com) or visit [www.africaselectfund.com](http://www.africaselectfund.com).
- Information about other share classes, if applicable (KIID may be based on a representative class). Another class of units denominated in USD is also available for this Fund.