



Zimnat | ASSET
MANAGEMENT

associated with  **Sanlam** group

Corporate Profile & Investment Strategy

Table of Contents

- 1.0 WHO WE ARE 4
- 2.0 INVESTMENT PHILOSOPHY 5
- 3.0 OUR PARTNER - SANLAM..... 6
- 4.0 SERVICES & PRODUCTS OFFERED BY ZAM 7
- 5.0 INVESTMENT STRATEGY 8
- 6.0 PERFORMANCE 10
- 7.0 PEER COMPARATIVE FOR PENSION FUNDS..... 11
- 8.0 SNAPSHOT OF ZAM CLIENTS 12
- 9.0 CONTACT DETAILS 13

Numbers & Facts at a Glance

Funds Under Management

US\$140.5million – 31 December 2018

Asset Manager Performance Rankings

1st position on a 3, 4 and 5 year rolling period

49% p.a. return on a 3 year rolling period to 31 Dec 2018

Capitalization

US\$1.9million – Capital Base As at 31 Dec 2018

**Creating,
maintaining and
protecting wealth**

1.0 WHO WE ARE

1.1 Brief History

- Zimnat Asset Management is 60% owned by Zimnat Life Assurance Company Limited and 40% owned by Sanlam Emerging Markets.
- The company was incorporated in 1998 as an investment arm of the Zimnat Group; and commenced its Unit Trusts and Fund Management business in 2001.

1.2 Capitalization

- ZAM's capital position was US\$1.87 million as at 31 December 2018, against a minimum Securities and Exchange Commission of Zimbabwe (SECZ) required of US\$250,000.

1.3 Board of Directors & Management

Board of Directors

G.T. Manhambara	(Non-Executive Independent Chairman)	-	Zimbabwean
Paul Turner	(Non-Executive Independent Director)	-	Zimbabwean
Munesh Narotam	(Non-Executive Independent Director)	-	Zimbabwean
Rutendo Maziva	(Non-Executive Director - Masawara)	-	Zimbabwean
Oliver Lutz	Managing Director (Executive)	-	Zimbabwean

1.4 Management & Key Staff - Investment Management

Head of Research - Farai Gwaka

Head of Finance - Takudzwa Musonza CA (Z)

Risk & Compliance – Kerina Chitsamatanga

2.0 INVESTMENT PHILOSOPHY

i. The Primacy Of Risk Control

- Avoid investments that could result in a permanent loss of capital.
- If we avoid the losers, the winners will take care of themselves.
- Special emphasis on minimizing downside risk on any investment.
- Focus on achieving superior performance in bad times.

ii. Emphasis On Consistency

- Target superior multi-year average performance as opposed to single year performance, that is, prefer to have a high batting average rather than a mix of brilliant successes and dismal failures.

iii. Emphasis On Value & Defensive Investing

- Extra discipline and attention to valuations when buying and selling assets. Particular focus on buying high quality below their intrinsic value.
- Focus on long term value as opposed to short term gains.
- Adding risk when markets are cheap (undervalued) and reducing risk when markets are expensive (overvalued), i.e. being fearful when others are greedy and greedy when others are fearful - Warren Buffet.

iv. 20% Macro-Focus And 80% Micro-Focus

- Believe that consistent excellent performance can only be achieved through superior knowledge of companies and their securities, not through attempts at predicting what is in store for the economy, interest rates or the securities markets.
- Focus on bottom-up investment process based upon company-specific research.

Sanlam in brief.



**FOUNDED
IN 1918**



**GLOBAL PRESENCE
WITH OFFICES IN AFRICA,
MALAYSIA, INDIA, UK, USA, AUSTRALIA**



**FOOTPRINT IN
35
COUNTRIES
IN AFRICA**



**ASSETS UNDER
MANAGEMENT OF
US\$57.9 BILLION**



**MARKET
CAPITALISATION
US\$11 BILLION (9/3/2017)**



**75 930
ASSOCIATES
& SUBSIDIARIES**

15 856 EMPLOYEES IN SA

Why Sanlam for us?

“access to the technical knowledge base and skills of over 90,000 employees and associations of the Sanlam group, as well as their experience of operating businesses in 35 countries in Africa”

Why Sanlam for you?

“enhanced investment product formulation will give you more investment options to choose from & ultimately make your life better”

4.0 SERVICES & PRODUCTS OFFERED BY ZAM

- Zimnat Asset Management provides innovative investment solutions aimed at meeting the wide-ranging requirements of our clients.
- ZAM currently provides the following investment management products and services:

4.1 Institutional & Private Wealth Management

- Zimnat Asset Management provides discretionary and non-discretionary investment management and advisory services to pension funds, life assurance companies, corporate investment companies as well as private wealth funds.
- Each client's investments are managed according to a specific mandate and strategy which is extensively discussed and reviewed at each periodic client meeting, in order to align our investment strategy with client investment objectives.
- We help structure and protect a broad range of assets with our goal being to preserve and enhance the real value of our clients' wealth across market cycles.

4.2 Unit Trust Investments

- Zimnat Asset Management operates three fixed income unit trust funds; namely the Zimnat Gross Income Umbrella Fund for non-taxable clients, the Zimnat Net Income (Stable) Fund for taxable clients and the Zimnat Bond Umbrella Fund whose mandate is to invest in a portfolio of local bonds and debentures
- The unit trust money market funds are invested with reputable counterparties that are reviewed on a regular basis, based on fundamental analysis and market intelligence. Our structured money market maturity profile provides us with daily maturities which enable us to pay out any client withdrawals within a 48hour notice period and enables daily investments to participate immediately in the invested funds.

4.3 Alternative Investments Boutique

- This fund seeks to give clients exposure to non-traditional asset classes in the form of private equity investments, alternative fixed income investments and property investments.
- Emphasis is placed on the expected cashflows as well as security of investments in this asset class so as to preserve client value.

5.0 INVESTMENT STRATEGY

5.1 Core Investment Objectives

- i. **Capital Preservation** – This implies achieving an annual return for our clients that is at least above inflation.
- ii. **To beat the investment markets benchmarks** – This is to achieve investment returns including dividend income in excess of the ZSE All Share Index or the prevailing money market yields.
- iii. **To maximize investment opportunities for our clients across all asset classes.**

5.2 Equities Strategy

- Our overall long term strategy remains focused on value preservation through consolidating our positions in defensive stocks. We look for three key characteristics when selecting companies to invest on the stock market, namely, (1) Cash Generating Capacity, (2) Strong Governance Structure, and (3) Resilient Business Models with Sustainable Growth Prospects.
- We use a combination of fundamental and technical analysis in our company research and also meet the relevant management of the companies that we plan on investing in prior to purchasing their stock.

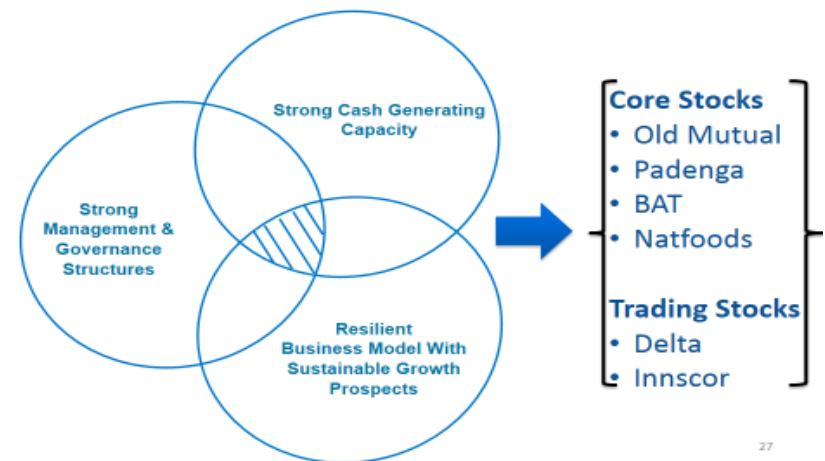
5.3 Alternative Investments

- We continue to explore investment opportunities that will preserve value in real terms. The projects are at various stages of implementation and potential investors will be approached when the projects are ready for funding.

5.4 Fixed Income Strategy

- Our fixed income strategy is focused on optimising returns in this asset class by investing in higher yielding short term bonds which are very liquid. Given the increased volatility on the equities market our strategic exposure to fixed income investments reduces our downside risk and enables us to take advantage of buying opportunities when they do arise.

TARGET DEFENSIVE COMPANIES



27

5.5 Prescribed Assets

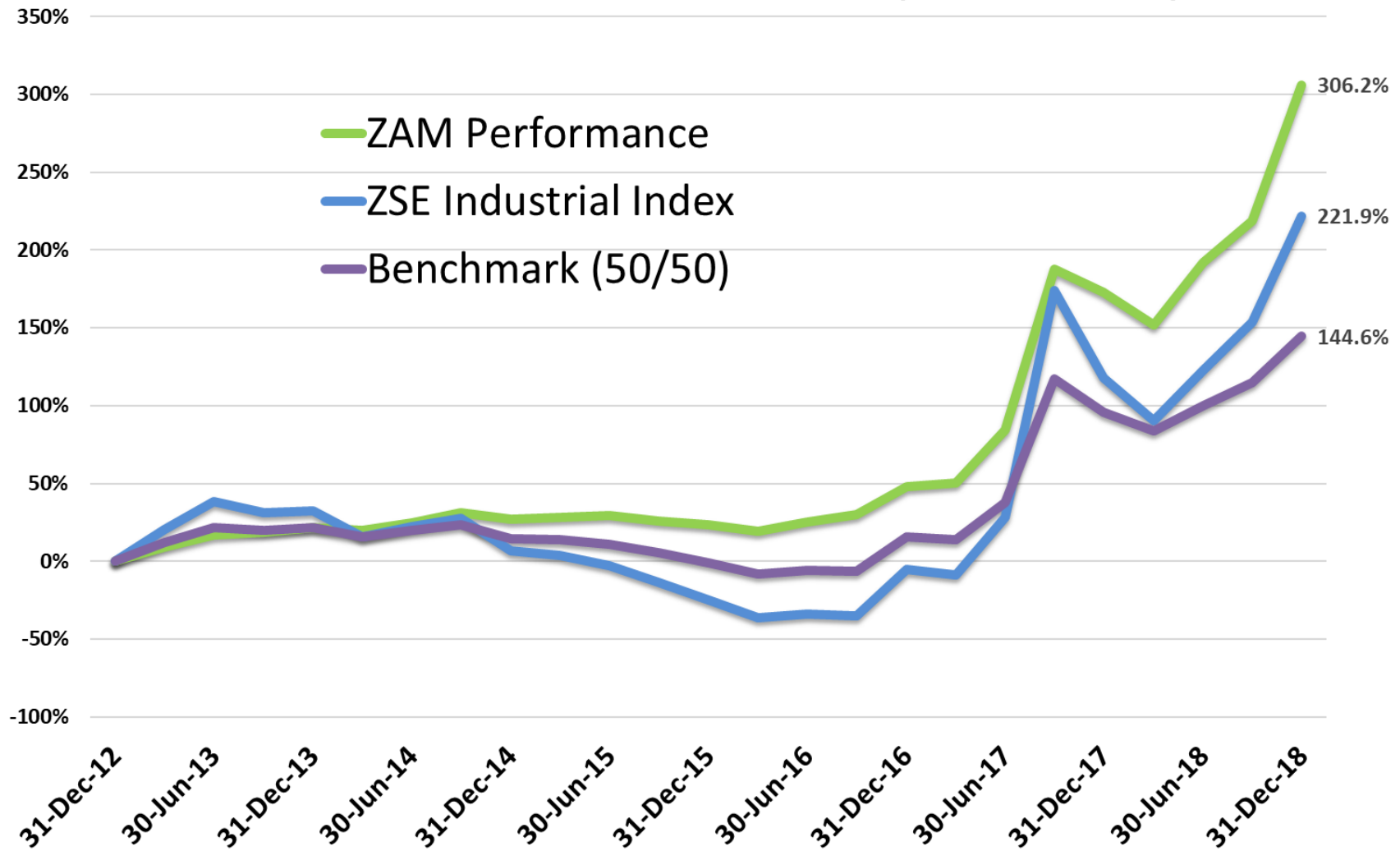
- Our core objective is to ensure that all our clients comply with IPEC and Government prescribed asset requirements. For all new prescribed asset or bond issuances, our policy is to undertake a comprehensive review of the bond assessing all the key features of the bond such as the, nature of the business, sinking fund, guarantees, cash flow ring-fencing, to name a few.

5.6 Asset Allocation

- Given the uncertainties on the monetary front, our overall asset allocations will remain slightly in favour of equities. Where the equities market gets too over heated, we will not hesitate to take profits and invest those profits in short term high yielding bonds, whilst waiting for new opportunities. As and when our property development opportunities become available for investment, we therefore will switch clients interested on each project out of equities or fixed income assets, into the development properties.

6.0 PERFORMANCE

ZAM HISTORICAL PERFORMANCE (2013 TO 2018)



7.0 PEER COMPARATIVE FOR PENSION FUNDS

Performance Survey as at 30 September 2018 for Discretionary Balanced Portfolios

ASSET MANAGER	Invesci	Zimnat	Platinum	OMIG	ABC	Atria	Datvest	Imara	Smartvest	Alpha	Purpose	ZSE Industrial Index
Q1 2018	↓ -4.95%	↓ -7.67%	↓ -6.26%	↓ -10.38%	↓ -6.14%	↓ -5.12%	↓ -5.02%	↓ -12.72%	↓ -9.65%	↑ 1.80%	↓ -2.57%	↓ -12.62%
Position Q1	3	8	7	10	6	5	4	11	9	1	2	
Q2 2018	↑ 11.94%	↑ 15.82%	↑ 10.94%	↑ 16.85%	↑ 12.34%	↑ 12.27%	↑ 11.12%	↑ 16.48%	↑ 13.33%	↑ 1.48%	↑ 3.53%	↑ 16.86%
Position Q2-2018	7	3	9	1	5	6	8	2	4	11	10	
Q3 2018	↑ 13.00%	↑ 9.24%	↑ 11.57%	↑ 9.72%	↑ 8.14%	↑ 6.67%	↑ 6.73%	↑ 9.27%	↑ 6.34%	↑ 4.41%	↑ 2.13%	↑ 13.79%
Position Q2-2018	1	5	2	3	6	8	7	4	9	10	11	
Year to 30 September 2018	↑ 20.23%	↑ 16.80%	↑ 16.03%	↑ 14.90%	↑ 14.03%	↑ 13.63%	↑ 12.64%	↑ 11.09%	↑ 8.61%	↑ 7.86%	↑ 4.05%	↑ 16.20%
Position YTD 2018	1	2	3	4	5	6	7	8	9	10	11	
Closing Value as at 30 Sept 2018 US\$ Millions	95.47	57.34	6.73	251.36	125.31	5.14	183.31	247.66	7.6	9.48	3.21	

Asset Manager Cumulative Returns

ASSET MANAGER	Zimnat	Platinum	Imara	Datvest	Smartvest	OMIG	ABC	Alpha	ZSE Industrial
3 Year Rolling Return	↑ 153.37%	↑ 148.89%	↑ 138.35%	↑ 133.69%	↑ 133.02%	↑ 123.83%	↑ 116.54%	↑ 73.91%	↑ 193.33%
Position	1	2	3	4	5	6	7	8	
ASSET MANAGER	Zimnat	Platinum	Datvest	Imara	OMIG	Smartvest	Alpha	ABC	ZSE Industrial
4 Year Rolling Return	↑ 142.53%	↑ 113.60%	↑ 105.06%	↑ 104.94%	↑ 96.95%	↑ 90.40%	↑ 87.96%	↑ 85.18%	↑ 98.20%
Position	1	2	3	4	5	6	7	8	
ASSET MANAGER	Zimnat	Platinum	Datvest	Alpha	OMIG	Imara	Smartvest	ABC	ZSE Industrial
5 Year Rolling Return	↑ 168.74%	↑ 124.42%	↑ 115.08%	↑ 112.19%	↑ 108.53%	↑ 106.96%	↑ 97.37%	↑ 96.20%	↑ 93.05%
Position	1	2	3	4	5	6		8	

Asset Manager Yearly returns 2013-2017

ASSET MANAGER	Smartvest	Platinum	ABC	Imara	Zimnat	Datvest	Alpha	OMIG	ZSE Industrial
FY 2017	↑ 80.92%	↑ 78.45%	↑ 61.01%	↑ 87.81%	↑ 84.57%	↑ 80.53%	↑ 37.60%	↑ 74.53%	↑ 130.42%
Position	3	5	7	1	2	4	8	6	
FY 2016	↑ 29.38%	↑ 25.98%	↑ 22.28%	↑ 21.15%	↑ 19.61%	↑ 19.39%	↑ 16.54%	↑ 15.75%	↑ 25.83%
Position	1	2	3	4	5	6	7	8	
FY 2015	↓ -16.78%	↓ -11.12%	↓ -8.84%	↓ -9.54%	↓ -1.89%	↓ -9.16%	↑ 6.17%	↓ -7.98%	↓ -29.45%
Position	8	7	4	6	2	5	1	3	
FY 2014	↓ -7.70%	↓ -4.80%	↓ -6.88%	↓ -11.46%	↑ 4.05%	↓ -3.92%	↑ 11.52%	↓ -4.26%	↓ -19.46%
Position	7	5	6	8	2	3	1	4	
FY 2013	↑ 20.28%	↑ 18.06%	↑ 25.54%	↑ 31.03%	↑ 21.81%	↑ 17.39%	↑ 13.21%	↑ 19.14%	↑ 32.62%
Position	4	6	2	1	3	7	8	5	

Source: **MINERVA**
ASSET MANAGEMENT

8.0 SNAPSHOT OF ZAM CLIENTS



J Mann & Co (Pvt) Ltd

Mining Equipment - Mining Equipment Supplies



9.0 CONTACT DETAILS

Physical Address

Zimnat Asset Management

17 Plover Road, Mt Pleasant, Harare, Zimbabwe

Landline: +263-242-884351, 882827, 883895

Telular: +263-772 161 846/7

Key Contacts

- Oliver Lutz - Managing Director (Email: oliver@zam.co.zw ; Cell: +263-772 235 389)
- Farai A. Gwaka - Research (Email: farai@zam.co.zw; Cell: +263-773 590 809)
- Takudzwa Musonza - Finance (Email: takudzwa@zam.co.zw; Cell: +263-772 932 801)

BANKING DETAILS

A. Gross Income Fund (Non-Taxable Clients)

Bank: Stanbic Bank
Branch: Samora Machel Ave
A/c Name: Zimnat Gross Umbrella Fund
A/c Number: 9140003041165

B. Zimnat Stable Income Fund (Taxable Clients)

Bank: Stanbic Bank
Branch: Samora Machel Ave
A/c Name: Zimnat Stable Income Fund
A/c Number: 9140000850607

C. ZAM Direct Money Market Clients

Bank: Stanbic Bank
Branch: Samora Machel Ave
A/c Name: ZAM Direct Money Market Clients
A/c Number: 9140002860871

