

ABC UNIT TRUST

Pioneers of Unit Trusts in Zambia.



ABC Asset
Management
part of



Effective 31st December 2019

ABOUT US

Pioneers of Unit Trusts in Zambia.

ABC Unit Trust is a Collective Investment Scheme (CIS), managed by African Banking Corporation Investments Services Limited T/A ABC Asset Management and wholly owned by Atlas Mara Zambia, which currently manages assets in excess of K130m. Our investment approach taps into strong fundamentals of asset and investment choices. We are a team of Investment Professionals offering investment services that cut across a wide range of investment classes.

OUR PROMISE

To be a fund manager of choice for all our investors.

Our philosophy is anchored on wealth management through value investing and capital preservation. We believe our clients work hard for their money, and that is why we ensure we reward them. A unit trust is a type of investment that provides you with easy and affordable access to financial markets. When you invest, you buy units in unit trusts of your choice.

What is a Unit trust?

These units belong to you until you decide to sell them. Your money is combined with that of other investors who have bought units in that unit trust. Experienced investment managers use the pool of money to buy securities such as money markets, fixed income instruments, cash, property, shares or a combination of these on the local or foreign markets, depending on the type of unit trust. How much your investment grows depends on the performance of these assets. You can buy more units whenever you want to and you can leave the value of your units to grow.

Why Invest in Unit Trusts?

You can invest in unit trusts for most of your financial goals, from saving longer term needs to meeting shorter-term objectives.

01

You only need
K500 a month

To benefit from our investment expertise, you need a minimum of just K500 to start your investment journey and set up a regular standing order per month. You can also start with an initial lump sum of K20,000 or more and add to your investment at any time with a minimum additional amount of K500.

02

Competitive Yields
on Investments

The unit trust have competitive yields that have been built over time in line with consistent investment strategies being pursued by the Investment managers. Our philosophy is anchored on wealth management through value investing and capital preservation. We believe our clients work hard for their money, and that is why we ensure we reward them every day.

Easily Accessible,
Flexible and
Transparent **03**

You can access your money as outlined per your chosen unit trust and are allowed to make changes to your investment portfolio whenever you need to without incurring any transaction fees. Investors are allowed to switch their investment portfolios across different unit trusts in line with their investment goals. Investment statements are provided on a quarterly basis to allow investors to track the performance of their investments.

Unit trusts come
with safeguards **04**

Each unit trust is compelled by law to appoint a trustee who holds the assets for the beneficial interests of the unit holders.. The trustee is usually a bank or financial institution that is not affiliated with the unit trust company or the investment manager. This means that if anything happens to the unit trust company or the investment manager, your investment will not be affected. This means that if anything happens to the investment manager, your investment will not be affected.

How Unit Trust make money for you.

Unit trusts make money for you in three ways:

Income

The underlying investments may earn interest, dividend or rental income. Depending on the type of unit trust, the interest and dividends earned by units may be paid out to investors or may be reinvested, increasing the value earned by investors.

Capital Growth

The value (price) of the shares or underlying investments may increase and may be sold for more than the price at which they were bought. Unit trusts can however, lose money if the prices of the underlying investments fall. It is therefore best not to invest in unit trusts using money that you may need at short notice. This is because if you have no choice but to sell your investment when you need the money, you run the risk of making a loss if the market, and therefore your investment is down.

Reduced Cost of Investment

Unit trusts are cost effective and optimize investment options available to individual. They thus reduce excessive amount of costs charged for investment advisory to individual investors. Additionally, transactions conducted are free of any transaction fees and no regular maintenance fees are charged to the account.



Choose a unit trust that suits your needs

There is a trade off between higher potential return and fluctuation on the one hand, and stability and lower risk on the other.

- When you choose a unit trust, there is a trade off between higher potential return and fluctuation on the one hand, and stability and lower risk on the other. Most investors' needs are met by our seven main unit trust;
 - *Money Market Fund*
 - *Balanced Fund*
 - *USD Dollar Fund*
 - *Equity Fund*
 - *Gratuity Fund*
 - *High Yield Fund ZMW*
 - *High Yield Fund ZMW USD.*
- If you want to earn returns from real estates market in Zambian market, you will soon be able to invest in our Property Fund that will include A-grade rated commercial properties and provide high return on real estates investments.

ABC UNIT TRUST

A wide range of Unit Trusts

1. MONEY MARKET FUND

<i>What should you use this Unit Trust for?</i>	Our flagship unit trust and most stable unit trust, offering preservation and accessibility over the very short term. Aims to generate a sound level of income and achieve higher returns than a bank deposit.
<i>What does this unit trust invest in?</i>	Invests in regulated Zambian money market instruments issued by government, corporates and banks.
<i>Minimum recommended Investment Period</i>	None. It is suited for short term investing i.e. a year or less as return is unlikely to keep up with inflation.
<i>Management Fees</i>	4.5% per annum
<i>Suitable for Corporate/Retail</i>	Yes

2. BALANCED FUND (FIXED INCOME FUND)

<i>What should you use this Unit Trust for?</i>	This Unit Trust Offers steady long term investment returns. It balances Capital growth, income generation and investment risks.
<i>What does this unit trust invest in?</i>	Invests in regulated Zambian Fixed Income instruments issued by government, Corporates as well as Commercial Banks.
<i>Minimum recommended Investment Period</i>	1-3 years. To maximize the benefit of investing you need to stay invested over the long term, through periods of fluctuation. It is good for growth investments.
<i>Management Fees</i>	2.53% per annum
<i>Suitable for Corporate/Retail</i>	Yes

3. US DOLLAR FUND

<i>What should you use this Unit Trust for?</i>	This unit trust offers preservation of US Dollar denominated capital and accessibility over the very short term by generating sound level of income higher than returns in a US Dollar bank account.
<i>What does this unit trust invest in?</i>	Invests in regulated Zambian money market US Dollar denominated securities issued by Financial and other Corporate Institutions.
<i>Minimum recommended Investment Period</i>	None. It is suited for short term investing i.e. a year or less as returns remain above Libor.
<i>Management Fees</i>	1.15% per annum
<i>Suitable for Corporate/Retail</i>	Yes

4. GRATUITY FUND

<i>What should you use this Unit Trust for?</i>	For Corporate organizations seeking to managing their employee gratuities and avoid the stress of cash flow management when gratuity obligations fall due.
<i>What does this unit trust invest in?</i>	Invests in regulated Zambian market shorter and longer dated fixed income and money market instruments and has a maximum weighted duration of 180 days.
<i>Minimum recommended Investment Period</i>	None
<i>Management Fees</i>	2.88% per annum
<i>Suitable for Corporate/Retail</i>	Corporates Only

5. EQUITY FUND

<i>What should you use this Unit Trust for?</i>	Provide investors with competitive and sustainable risk adjusted returns over the medium to long term by investing in Lusaka Securities Exchange (LuSE) listed equities.
<i>What does this unit trust invest in?</i>	Our investment mandate is such that we invest 70% in Equity and 30% in money markets. Exposure to shares will not exceed 75% of the fund at any point in time.
<i>Minimum recommended Investment Period</i>	5 years. Ideal for investors seeking exposure to the LuSE by drawing on a balanced stock portfolio.
<i>Management Fees</i>	4.14% per annum
<i>Suitable for Corporate/Retail</i>	Yes

6. ZMW HIGH YIELD FUND

<i>What should you use this Unit Trust for?</i>	To mirror the 365 day T-bill or the long term bond yield curve by locking in funds in long term buckets whilst limiting redemptions to only once every after 12 months.
<i>What does this unit trust invest in?</i>	It invests in Treasury Bills, Government Bonds and longer tenor regulated money market securities.
<i>Minimum recommended Investment Period</i>	1 year. Suited for high value clients seeking to optimize returns.
<i>Management Fees</i>	2.1% per annum
<i>Suitable for Corporate/Retail</i>	Yes

7. USD HIGH YIELD FUND

<i>What should you use this Unit Trust for?</i>	To mirror the 364 Libor Rate + 250 basis points
<i>What does this unit trust invest in?</i>	Invests in regulated Zambian US Dollar denominated money market securities.
<i>Minimum recommended Investment Period</i>	1 year. Suited for high value US Dollar clients seeking to optimize returns.
<i>Management Fees</i>	1.15% per annum
<i>Suitable for Corporate/Retail</i>	Yes



Fees Charged

How much does it cost to invest?
There are three categories of charges that are charged as a proportion of the Net Asset Value.

Administration Fees
Average of 0.865% p.a. of NAV

- This may include all other costs such as Audit, Annual General Meetings as well as issuance of investor notices in the media.

Regulatory Fees Total of 0.125% p.a. of NAV

- The Fund is mandated to pay regulatory fees to the Securities Exchange.
- Total cost paid to SEC is 0.125% charged per annum on the net asset value.
- Annual issuer fees of K20,000 p.a

Management Fees

Management fees will vary across different funds but will not exceed 5% pa

- These are annual fees charged to each unit trust as set out in the offer documents for each respective unit trusts while trustee fees are 0.15% p.a
- Fees are based on the Net Asset Value of the Funds under management and computed daily.
- No Advice fees are charged.

Frequently Asked Questions

1. Do I have to commit to a fixed monthly premium for a set term, and what happens if I stop investing?

When you invest in our unit trusts, there are no “premiums”, and there is no commitment to a set investment period.

It's your investment –you decide how much, when and how you want to invest. You can add lump sums to your investment at any time. You can set up a debit order (minimum of K500) at any time, which you can change, pause or cancel as your needs change. You can do these transactions, at no cost, conveniently online, or you can complete and submit a form. It's your choice when and how much to invest, and there are no consequences if you choose not to invest more. You own the units you have bought and your investment continues to earn return until you decide to sell your units.

2. How do I know how my investment is doing?

We will send you periodic statements as agreed with yourself showing how many units you have in your account, and what the kwacha value is.

3. How do I know which unit trust is right for me?

Your decision should depend on how much return you want to earn and whether you are comfortable with ups and downs or prefer stability. Thinking about how long you have to invest for, and how quickly you might need to access your money can help you weigh the return you want against the stability you need. If you are not comfortable making your own investment decisions, you may wish to speak to a good, independent financial adviser.

4. Can I change my mind about my unit trust choice later?

It's best to make sure you are comfortable with your choice up front so that you can get the most out of the unit trust you have chosen and not make changes unnecessarily. However, you can change to a different unit trust, at no cost, whenever you feel your circumstances or needs have changed. This transaction is called a “switch”.

5. How often should I review my investment?

It's best to make sure you are comfortable with your choice up front so that you can get the most out of the unit trust you have chosen and not make changes unnecessarily. However, you can change to a different unit trust, at no cost, whenever you feel your circumstances or needs have changed. This transaction is called a “switch”.

6. How often should I review my investment?

It's a good idea to review your investment once a year, but if you are comfortable that you made the right choice up front, you only really need to consider changing your unit trust when your circumstances (specifically the time period before you need to access your money) change.

7. Can I open a Unit Trust in favour of my Child?

Yes you can. However, the unit trust will be held in trust to the parent/guardian until the child has attained the legal age to own his/her own unit trust account. The parent/guardian will be the legal owner of all transactions on the child's unit trust.

8. Do I have voting rights at the Annual General Meetings?

Yes you have. You are required by law to attend the proceedings of all Annual General Meetings as well as Extraordinary General Meetings. If unable to attend you can appoint a proxy to represent you.

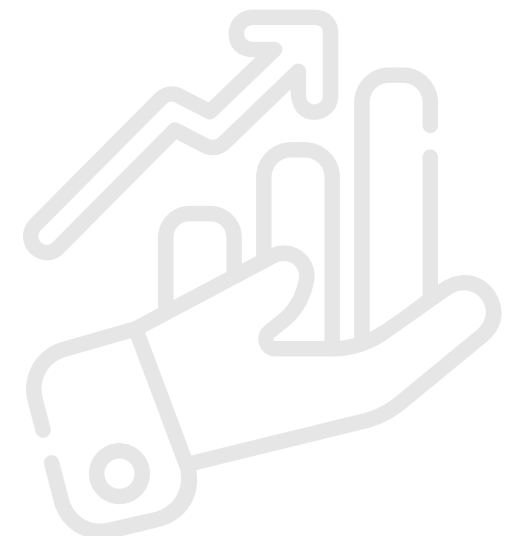
Ready to invest?

Call to speak with any of our investment advisors:

- Direct Line: +260 211 253 745
- Switchboard: +260 257 970 ext222
- Email: investmentszm@bancabc.com
- Website: www.atlasmarazambia.com

The following will be required to open a unit trust account:

- (2) recent passport size photographs
- Valid National Registration Card (NRC), passport or driver's license.
- Proof of residence not older than 3 months/Tenancy Agreement and /or copy of utility bill (water/electricity/ rates)
- Reference letter from existing customer, employer and/or commissioner of Oaths.



About Collective Investment Schemes

CIS are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance.

Fluctuations or movements in exchange rates may cause the value of underlying international investments in a fund to move up or down. Income from the fund is reflected daily through increased unit prices. Prices are calculated on a net asset value (NAV) basis which is the total value of all assets in a fund including any income accrual and less permissible deductions from the fund. Unit prices are available daily and can be obtained by sending an email via investmentszm@bancabc.com.

Fees and charges associated with running the funds, are available as disclosed in the marketing brochures. CIS are financial products and not investments in insurance policies with an insurer and therefore cooling off periods do not apply. ABC Asset Management does not provide any guarantee either with respect to the capital or there turn of a fund.

The directors and personnel of ABC Asset Management may also have investments in any of the Unit Trusts. ABC Asset Management utilizes Atlas Mara Zambia's core banking, electronic and telephone banking platform. All requests for transactions received on or before 16:00 hours everyday will traded at ruling prices and valued after 16:00 hours on that day. Investments in funds with foreign securities may involve various material risks, which include potential constraints on liquidity and there repatriation of funds, macroeconomic, political, foreign exchange, tax and settlement risks and potential limitations on the availability of market information and there may be tax to be levied on certain of the benefits accruing to the investor from the funds and ABC Asset Management may be required to deduct and pay over to the authorities any such tax from such benefits before paying any balance to or for the benefit of the investor.

With the approval of the Trustee and the Commission, ABC Asset Management may in exceptional circumstances suspend the issue, cancellation, sale and redemption of units in the fund. The investor understands that the legal and tax environment is continually changing, and that ABC Asset Management cannot be held responsible for any changes to the law which might have an effect on their investment, and which did not exist at the time their investment was made. Additional information on the fund including, but not limited to, brochures, application forms, annual and half-yearly reports are available free of charge from the ABC Asset Management office at *Atlas Mara House, Ground Floor, Corner of Church/Nasser Roads or upon request via investmentszm@bancabc.com.*

The investor further acknowledges that they are aware that ABC Unit Trusts are not bank deposit accounts, a constant unit price of K1 (one kwacha) will be maintained although, owing to circumstances, it may be amended to a lower amount, the total return to the investor is made of interest received and any gain or loss made on any particular instrument, in most cases there turn will merely have the effect of increasing or decreasing the daily yield but in cases of abnormal losses it can have the effect of reducing the capital value, the yield is calculated using an annualized seven day rolling average and excessive withdrawals may place liquidity pressures and in such circumstances a process of ring fencing of withdrawal instructions and managed pay-outs over time may be followed. The investment return is not guaranteed and is dependent on the performance of the underlying investments.

ABC Unit Trust will not have more than 25% in any one single entity. African Banking Corporation Investments Services Limited T/A ABC Asset Management is a registered Dealer and Collective Investment Scheme Manager and a full member of the Capital Markets Association of Zambia. This document is part of the Minimum Disclosure in terms of the Advertising, Marketing and Information Disclosure requirements for Collective Investment Schemes as requested by the Securities Act of Zambia.

Taxation: The Fund is exempt from Income Tax under the Second Schedule of the Income Tax Act. It is entitled to Withholding Tax Exemption upon application to ZRA, the Withholding Tax Certificate exempts the Fund

from taxes on revenue earned from Dividend Income and Interest earned on savings and deposit accounts. However, the Fund is not exempted from interest earned on Corporate Bonds, Government Bonds and Treasury Bills. The Fund is also not exempt from VAT. However, investors need to note that the

returns from the fund could be affected by changes in the tax treatment or interpretation of the fund and or changes in law relating to the taxation of the property transactions.

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