

### FACTSHEET

#### Performance Returns

For the month of January 2017 the Drakens Africa ex S.A. UCITS Fund returned 1.06% against the 3.3% return of the benchmark which is the Standard & Poor's All Africa ex-South Africa Index.

#### Investment Objective & Strategy

Drakens Capital employs a long only equity strategy with a heavy focus on sustainability that is the result of two decades of investing in emerging markets. The investment philosophy at Drakens Capital is distilled into a four factor investment valuation model that encompasses Socially Responsible Investing, Risk, Quality and Value. The Fund invests in equities which derive the majority of earnings from the African continent, with the exception of those listed in South Africa. The tremendous growth opportunities found on the continent provide a rapidly expanding pool of investment opportunities. Growth and volatility often go hand in hand hence the Fund's measured and systematic investment approach seeks to tap into the emergence of the African continent whilst mitigating the risks associated with the Africa Rising story.

#### Market Commentary

In North Africa, several of the fund's overweight Egyptian holdings performed strongly during the month. Egypt issued a \$4billion Eurobond, exceeding the targeted \$2billion, at lower yields than expected. This increased reserves to \$26.4 billion by the end of January, from \$16.5 a year ago. Capital flows into local equity and debt markets of \$1.5billion (EFG Hermes), have been confirmed in the three months since November. Meanwhile, key reforms continue to be implemented under the IMF deal. The underweight to Morocco was negative for the fund, as the market rose 5.9% in US dollar terms, helped by some strength in the Dirham. Morocco re-joined the AU toward month end. We note that valuations for various large Moroccan businesses appear less attractive relative to the valuations of quality African peers, combined with often lower earnings growth expectations. Our underweight exposure to multinationals was the most significant cause of benchmark underperformance in January.

In East Africa, Kenya, Uganda and Tanzania were all down for the month by 10.1%, 9.3% and 5.5% in US dollar terms. International investors have been selling out of Kenya, in light of the increased currency risk given strain on the current account from higher oil prices and drought conditions, as well as pressure on the budget deficit due to elections in August. As such, the overweight in Kenya was negative for the fund. The World Bank in January announced that it expected Kenya's economy to grow by 6% in 2017, up from 5.6% in 2016. We are confident that the fund owns top quality businesses in the Kenyan market. The IMF has advised Kenya to lift the rate cap, which would benefit the portfolio, although we expect no decision on this prior to the August elections. In Tanzania, the market continued to experience low liquidity due to a difficult consumer and banking environment amidst healthy government reforms. In January, the World Bank predicted economic growth of 7.1% for Tanzania in 2017. Mauritius had a positive month, up 3% in US dollars, benefiting from a stronger Rupee. This performance was despite rare political noise, as the leader of the ruling party, Pravin Jugnauth, took over from his father as Prime Minister, after being appointed by the president.

Nigeria's production of crude oil improved to 1.6 million barrels per day, below the budgeted production level of 2.2 million, with the price of crude closed the month at \$55.7, higher by 62% year on year. Reserves increased, as the 30 day weighted average climbed to \$28.2 billion from \$25.8 billion the prior month. The positive additions to reserves, as well as the potential for Nigeria to issue a Eurobond, improve the outlook for Nigerian businesses that require access to US dollars.

SOURCE: Bloomberg as of 31 January 2017, unless stated otherwise.

#### UCITS Fund Performance

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	1.06%												1.06%
2016											0.23%	0.23%	0.46%
Benchmark	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	3.28%												3.28%
2016											0.21%	3.13%	3.35%

The performance figures quoted above represent the performance of the Drakens Africa ex S.A UCITS Fund since launch on 28<sup>th</sup> November 2016. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.

### THE MANAGER



#### Sven Richter

Sven started investing in emerging markets 21 years ago. He joined Drakens Capital in 2011 and was instrumental in the 2016 management buyout. He came to the firm from Franklin Templeton where he launched one of the first Frontier Funds in the world which has today become a household name in frontier investing.

#### Orrin Flugel, CFA

Orrin has over 10 years of industry experience as a macro and company research analyst. Orrin excelled at company research at Cape-Town based Oasis Asset Managers then progressed as a Senior Industrial Analyst at First National Bank.

#### Paul Ross, CFA, CA(SA)

Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Renaissance Asset Managers, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

#### Jeremy Gorven, CFA

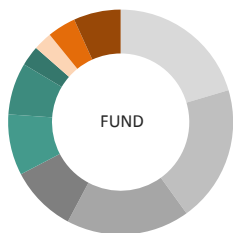
Jeremy has 7 years of industry experience, and over 3 years of investment experience. He joined as an Investment Analyst in 2014. Jeremy was a founding member of The IQ Business Group's strategic advisory division. Thereafter he progressed to Merchant West where he stood out as a Credit Analyst.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$20.6 million
Inception	28th November 2016
Share Class	Institutional
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%
Perf. Fee	0%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD3S0347 USD: IE00BD3S0560 CHF: IE00BD3S0677 GBP: IE00BD3S0453
Share Class	Retail
Currency	EUR/USD/CHF/GBP
Mgt. Fee	2.00%
Perf. Fee	0%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BD3S0784 USD: IE00BD3S0909 CHF: IE00BD3S0B24 GBP: IE00BD3S0891

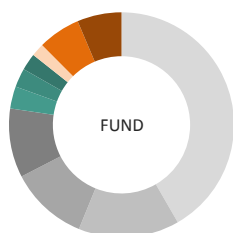
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Egypt	20.5	5.4
Nigeria	19.7	6.0
Kenya	17.8	8.8
Multinational	9.6	-17.3
Morocco	8.8	-8.4
Mauritius	7.5	3.0
Uganda	2.9	2.9
Botswana	2.7	0.3
Other	4.1	-2.5
Cash	6.8	6.8

#### Sector Breakdown



	% of Port.	vs. Index
Financials	44.5	14.3
Consumer Staples	15.5	0.0
Materials	12.0	-12.9
Telecomm Services	10.6	-1.5
Energy	3.4	-2.2
Utilities	2.9	1.2
Industrials	2.6	-0.1
Consumer Discretionary	2.0	-0.3
Real Estate	0.0	-4.6
Cash	6.8	6.8

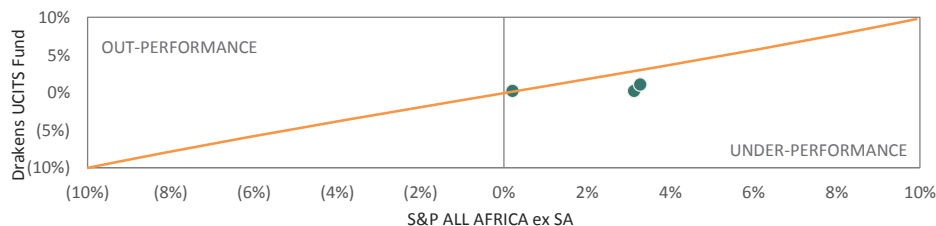
#### Top 10 Holdings (100%)

RANDGOLD RESOURCES LTD	6.6%
COMMERCIAL INTL BANK-GDR REG	6.5%
EASTERN TOBACCO	5.9%
ATTIJARIWABA BANK	5.8%
ZENITH BANK PLC	5.6%
SAFARICOM LTE	5.3%
MCB GROUP LTD	5.0%
GUARANTY TRUST BANK	4.1%
TULLOW OIL	3.6%
MAROC TELECOM	3.6%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	10.2	14.3
Price to Book	3.1	3.6
Return on Equity	20.4	15.4
Dividend Yield	4.3	3.1

### Active Monthly Returns\*



\*Since Inception to 31<sup>st</sup> January 2017, USD Share Class: Monthly, %

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