

## FACTSHEET

## Performance Returns

For the month of May 2017 the Drakens Africa ex S.A. UCITS Fund returned 8.08% whilst the Standard & Poor's All Africa ex-South Africa benchmark gained 5.59%.

## Investment Objective &amp; 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 May we saw a ramp up in activity and returns in the fund's key markets with the Kenya, Nigeria and Egypt markets rallying 11.2%, 11.1% and 7.0% respectively in USD terms. This was the result of the combination of pro-Emerging Market sentiment amongst global investors, as well as increased foreign interest in the region as an investment destination. This was due to the move by the Central Bank of Nigeria (CBN) to liberalize its currency market. In the April 2017 factsheet we noted that the CBN had opened a new currency window for capital market participants. In May this window started to gain the confidence of foreign investors resulting in increased currency flows and increased foreign participation in the equity markets. With Egyptian currency controls having been lifted in November 2016 and now Nigeria moving in the same direction, the Africa ex-South Africa region is regaining the attention of some global investors who had avoided the region due to these market-unfriendly policies.

Leading the market rally in May were the heavily discounted Nigerian and Kenyan banking stocks in which the fund is overweight. Thus the fund benefited from both the overweight allocation in Kenya, Nigeria and Egypt as well as a strong selection effect in Kenya and Nigeria. The fund's performance relative to the benchmark was further boosted by being underweight the foreign listed mining and energy stocks, as the copper and oil prices drifted lower whilst gold trended sideways.

On the back of the turn in sentiment and the positive momentum in the market we reduced the fund's cash levels. The cash was put to work by increasing existing holdings where we see the most attractive valuations and growth prospects. The fund's exposure otherwise remains largely unchanged – derived from a bottom up process but anchored around large exposures to the key economies of Kenya, Nigeria and Egypt, and with the remainder broadly diversified across the continent.

SOURCE: Bloomberg L.P. as of 31 May 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%	2.52%	1.59%	1.76%	8.08%								15.76%
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%	-0.62%	-0.29%	0.59%	5.59%								8.70%
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 economist and investment analyst. Orrin excelled at company research at Cape-Town based Oasis Asset Managers then progressed as a Senior Industrial Analyst at First National Bank. He joined the team in July 2011.

## 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

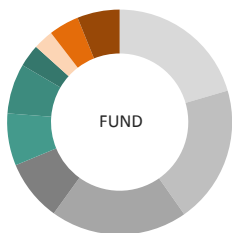
Jeremy has 7 years of industry experience, and over 3 years of investment experience. He joined as an Investment Analyst in 2014. Jeremy was a founding member of The IQ Business Group's strategic advisory division. Thereafter he progressed to Merchant West where he stood out as a Credit Analyst.

## FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$23.9 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: IE00BD3S0824 GBP: IE00BD3S0891

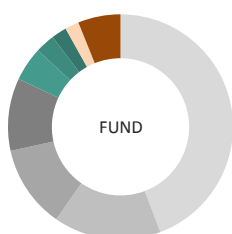
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Kenya	20.5	10.7
Nigeria	19.8	3.5
Egypt	19.7	5.5
Multinational	8.8	-19.0
Mauritius	7.5	2.8
Morocco	7.2	-10.6
Botswana	3.2	1.2
BRVM	2.9	0.0
Other	4.3	-3.1
Cash	6.1	6.1

#### Sector Breakdown



	% of Port.	vs. Index
Financials	44.2	12.3
Consumer Staples	15.4	-2.4
Materials	11.9	-10.8
Telecomm Services	10.4	-0.9
Industrials	4.9	2.3
Energy	2.8	-2.1
Utilities	2.2	0.2
Consumer Discretionary	2.0	-0.4
Other	0.0	-4.4
Cash	6.1	6.1

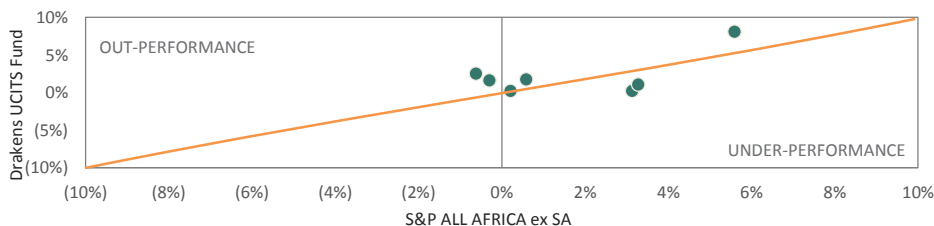
#### Top 10 Holdings (100%)

RANDGOLD RESOURCES LTD	6.3%
SAFARICOM LTD	5.5%
ATTUJARIWABA BANK	5.3%
ZENITH BANK PLC	5.1%
MCB GROUP LTD	5.1%
EASTERN TOBACCO	4.7%
EQUITY GROUP HOLDINGS	4.3%
COMMERCIAL INTL BANK-GDR REG	4.2%
GUARANTY TRUST BANK	3.9%
ELSWEDY ELECTRIC	3.6%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	9.0	12.0
Price to Book	1.7	1.5
Return on Equity	17.0	7.5
Dividend Yield	4.7	3.4

### Active Monthly Returns\*



\*Since Inception to 31 May 2017, USD Share Class: Monthly, %

### Contact Details

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