

### FACTSHEET

#### Performance Returns

For the month of November 2018 the Drakens Africa ex S.A. UCITS Fund's NAV fell 0.1%, which was ahead of the 1.2% decline of the Standard & Poor's All Africa ex-South Africa benchmark.

#### 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

The fund's outperformance in November was driven by the fund's underweight to Multinational listed mining stocks and to Zimbabwe (investment repatriation from Zimbabwe remains virtually impossible and at month end the real currency rate implied by the differential between the Zimbabwean and South African dual listing of Old Mutual was each electronic Zimbabwean domiciled United States dollar was worth 20 cents of a real United States dollar). Both these underweights are allocations the fund is content to maintain, given the continued pressure on commodity prices and the situation in Zimbabwe. The fund's underweight to Morocco was a hindrance to performance. On a stock specific basis, the fund's underweight to Econet Wireless Zimbabwe, was the biggest boost to performance and the fund's overweight to Obour Land for Food Industries detracted the most.

Looking more broadly at the major markets in Africa, Kenya and Egypt were up slightly (0.7% and 0.5% respectively) whereas Morocco gained 3.0% and Nigeria lost 5.2%. This compares to the 1.0%, 4.1% and 2.1% gains in the MSCI World, Emerging Market and Frontier Market Indices respectively. With the exception of Morocco, the major African markets are comparatively undervalued on a forward Price to Earnings basis, with values of 7.9x, 10.0x and 10.4x for Nigeria, Kenya and Egypt respectively, when viewed against the MSCI World Index value of 15.4x, the S&P Index's 16.9x forward PE and the 11.6x forward PE of the MSCI Emerging Market Index. Expected earnings growth for African markets is healthy at 18.5% for Nigeria, 12.7% for Kenya and 17.7% for Egypt, whereas of the major global indices mentioned, only the S&P has double digit forecast earnings growth, at 11.9%.

Across the fund's main markets the latest inflation figures are good or improving. In Kenya inflation remains benign at 5.6% (for November), in Nigeria inflation is high at 11.3% (for October) but has been stable, Egypt saw an improvement in inflation from 17.7% in October, to 15.7% in November, as food inflation slowed. Core inflation is high single digits. Moroccan inflation remains low at 1.1% (October latest). Importantly real GDP growth is improving – the latest IMF forecast figures (World Economic Outlook Database, October 2018) have growth improving in Kenya to 6.0% for 2018, (from 4.9% in 2017), in Egypt to 5.3% for 2018 (from 4.2% in 2017), and in Nigeria to 1.9% for 2018 (from 0.8% in 2017).

Brexit, the US-China trade rhetoric, and global debt concerns all continue to weigh on Africa as an asset class. As we head to the end of the year, we also enter of period lower liquidity. These headwinds have been detrimental to overall African equities performance. The current risk/reward dynamic is extremely favourable and should drive lucrative medium to longer-term performance.

SOURCE: Bloomberg L.P. as of 30 November 2018, unless stated otherwise.

#### UCITS Fund Performance

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	6.49%	-0.54%	4.69%	1.16%	-6.28%	-1.52%	-2.47%	-3.68%	-3.74%	-4.68%	-0.07%		-10.83%
2017	1.06%	2.52%	1.59%	1.76%	8.08%	3.68%	4.97%	-1.10%	1.22%	0.84%	3.01%	2.14%	33.81%
2016											0.23%	0.23%	0.46%
Benchmark	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	5.12%	-2.52%	1.79%	1.89%	-3.39%	-1.90%	-0.05%	-4.84%	-3.04%	-1.37%	-1.19%		-9.48%
2017	3.28%	-0.62%	-0.29%	0.59%	5.59%	3.95%	5.47%	1.46%	2.54%	2.52%	-1.66%	2.58%	28.23%
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 reliable guide to future performance.

### THE MANAGER



#### Sven Richter

Sven started investing in emerging markets 23 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, CAIA

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)

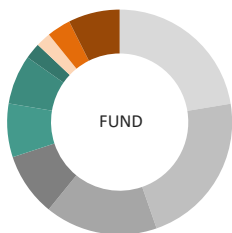
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$ 36.6 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

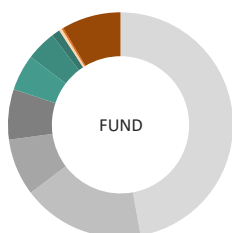
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Nigeria	22.4	11.2
Egypt	22.3	8.8
Kenya	16.2	7.1
Morocco	9.1	-7.3
Multinational	7.7	-18.4
Mauritius	7.1	2.3
Botswana	2.3	0.5
Tanzania	2.1	2.1
Other	3.4	-13.8
Cash	7.4	7.4

#### Sector Breakdown



	% of Port.	vs. Index
Financials	46.8	17.1
Consumer Staples	18.4	-0.5
Communication Services	9.3	-2.9
Materials	7.2	-16.5
Energy	4.4	-0.3
Industrials	4.6	1.8
Utilities	1.2	-0.6
Health Care	0.5	-0.4
Other	0.8	-3.4
Cash	7.4	7.4

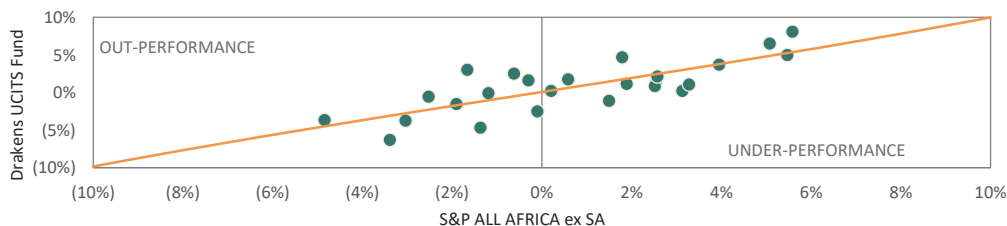
#### Top 10 Holdings (100%)

ZENITH BANK	6.7%
SAFARICOM LTD	6.5%
MCB GROUP	5.3%
GUARANTY TRUST BANK	4.8%
EFG HERMES HOLDINGS	4.7%
ATTIJARIWAFABANK	4.7%
CREDIT AGRICOLE	4.6%
EQUITY GROUP HOLDINGS	4.4%
NESTLE NIGERIA PLC	3.8%
COMMERCIAL INTERNATIONAL BANK	3.2%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.7	10.7
Price to Book	1.3	1.5
Return on Equity	21.3	11.5
Dividend Yield	5.2	3.2

### Active Monthly Returns\*



\*Since Inception to 30 November 2018, USD Share Class: Monthly, %

### Contact Details

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