

FACTSHEET

Performance Returns

For the month of March 2017 the Drakens Africa ex S.A. UCITS Fund returned 1.59% against a 0.3% decline in the benchmark 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

The outperformance of the fund this month was generated, for the most part, by good selection within the Financial sector, especially within Kenya. The release of full year financial results for 2016 by the Tier 1 banks, predominantly Kenya Commercial Bank, Equity Group Holdings and Co-Operative Bank of Kenya, saw a rally in these names. Results, while poorer than previous years, still showed good management of cost of funds post the introduction of the interest rate floor and ceiling in September 2016. Of note was muted loan growth post the rate cap, whilst deposit growth remained satisfactory. This slow down in credit growth in the country was especially hard on SMEs (a major employment sector in Kenya), a fact recognized by President Kenyatta in his State of the Nation address in March. Comments in the address hint at a rethink of the current rate cap laws to find a solution that is more tenable. The Kenyan Bankers Association has promulgated a set of alternative interventions to the rate cap and it is looking more likely that such alternative measures may be enacted as a substitute to rate capping in future, which is positive for the sector. The rally in the banks we hold in Kenya has reduced the gap between what we perceive to be their intrinsic value, and their share price. A removal of the rate cap would however boost return on equity considerably, and thus whilst we will look to take some profits, we are reluctant to substantially reduce our holdings despite our overweight in Kenya.

Looking North to Egypt we saw the unfortunate reversal of the currency gains seen in February with the Egyptian Pound declining 15% against the US Dollar according to Central Bank of Egypt data, ending the month above 18 to the US Dollar. Headline inflation reached 30.2% in February on a YoY basis. Looking at MoM inflation however, we saw slow down from 4.1% in January to 2.6% in February, pointing to YoY inflation being near its peak. With companies having put through large price increases (in the 80 to 100% range in some cases) in order to protect margins, we think volumes will decrease in the consumer space this year, as the man on the street remains under pressure. Anecdotal companies have priced in an exchange rate of around 18 to the US dollar going forward. We feel that the currency is more than likely undervalued at present levels, however we are not pricing in a strong appreciation but rather no further depreciation in the medium term. This makes Egypt an attractive investment from a macro point of view since currency depreciation often has a large negative effect on the returns US Dollar investors receive.

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%										5.26%
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%										2.34%
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 28th 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

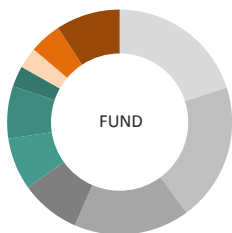
Jeremy has 7 years of industry experience, and over 3 years of investment experience. He joined as an Investment Analyst in 2014. Jeremy was a founding member of The IQ Business Group's strategic advisory division. Thereafter he progressed to Merchant West where he stood out as a Credit Analyst.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$21.5 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

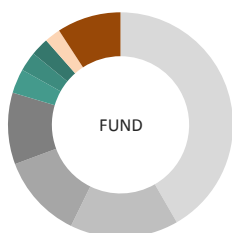
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	20.2	5.2
Kenya	19.8	10.7
Nigeria	16.6	2.3
Multinational	8.6	-18.7
Morocco	7.5	-10.3
Mauritius	7.5	3.0
Botswana	3.0	1.0
BRVM	3.0	0.0
Other	4.6	-2.5
Cash	9.2	9.2

Sector Breakdown



	% of Port.	vs. Index
Financials	41.7	11.8
Consumer Staples	15.6	-1.6
Materials	12.1	-13.6
Telecomm Services	10.3	-0.8
Industrials	3.5	1.1
Utilities	2.8	1.0
Energy	2.6	-2.6
Consumer Discretionary	2.3	-0.2
Real Estate	0.0	-4.4
Cash	9.2	9.2

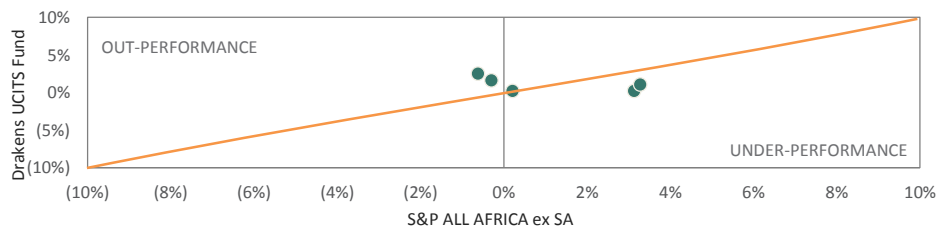
Top 10 Holdings (100%)

RANDGOLD RESOURCES LTD	6.7%
EASTERN TOBACCO	5.5%
ATTIJARIWABA BANK	5.4%
SAFARICOM LTD	5.1%
MCB GROUP LTD	5.0%
COMMERCIAL INTL BANK-GDR REG	4.9%
EQUITY GROUP HOLDINGS	4.4%
ZENITH BANK PLC	4.1%
GUARANTY TRUST BANK	3.5%
SONATEL	3.2%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.4	11.4
Price to Book	1.7	1.4
Return on Equity	18.8	7.8
Dividend Yield	4.7	3.4

Active Monthly Returns*



*Since Inception to 31st March 2017, USD Share Class: Monthly, %

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