

### FACTSHEET

#### Performance Returns

For the month of October 2018 the Drakens Africa ex S.A. UCITS Fund's NAV fell 4.7%, which was behind the 1.4% 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 selloff in emerging markets that started in February this year continued in October, and was joined by a large correction in most developed markets. Amidst this global sell-off the fund's universe was not spared. The Egyptian, Moroccan and Kenyan markets ended the month down 9.3%, 3.7% and 3.5% respectively. The Nigerian and Mauritian markets were comparatively resilient, only declining 0.9% and 0.5% respectively. This was on the back of solid financial results from large index constituents in those markets.

The Zimbabwean market remains an anomaly, gaining 44% in the month due to ongoing fears around currency availability. This market now makes up 11% of the benchmark whilst the fund has only 0.8% exposure due to the risk of not being able to repatriate investment proceeds therefrom. This underweight was the reason for the fund's underperformance to the benchmark in October.

The Nigerian primaries for the two main political parties have been concluded, thus providing us clarity on who the main contenders in next year's presidential election will be – the incumbent Muhammadu Buhari, challenged by the ex-Vice President Atiku Abubakar. Both men are Muslims from the north of the country which decreases the risk of sectarian disruption around the elections. Buhari is running on an anti-corruption ticket, whilst Abubakar is promoting himself as the man to kick-start the economy. At this stage the race still appears tight, and neither candidate is seen as a shoo-in. In the mean time, third quarter results have been released for most of the Nigerian companies under our watch. The trends we are seeing are that the Nigerian consumer remains under pressure, whilst cement sales volume is trending ahead of GDP, although admittedly off of a low base. In the banking sector the top banks continue to make strong returns whilst seeing improved performance in their loan books.

October will see further reporting for the third quarter, with some of the larger counters in Egypt and Kenya due to release results. This may provide some impetus for a reversal in share price declines, but it appears that global macro concerns could continue to determine the direction of these markets for some time. Whilst these countries by their nature are vulnerable to global macro shocks, we should reiterate that the stock market declines are not reflective of a decline in economic outlook, and as such we view the price weakness as having created an attractive risk/reward outlook.

SOURCE: Bloomberg L.P. as of 31 October 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%			-10.77%
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%			-8.39%
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)

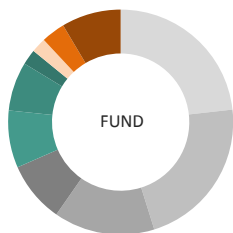
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

### 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

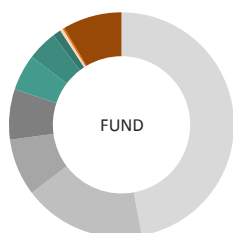
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Nigeria	23.2	11.7
Egypt	21.9	9.0
Kenya	14.5	5.7
Morocco	8.7	-6.8
Multinational	8.2	-19.0
Mauritius	7.0	2.3
Botswana	2.2	0.5
Tanzania	2.1	2.1
Other	3.4	-14.7
Cash	8.5	8.5

#### Sector Breakdown



	% of Port.	vs. Index
Financials	47.1	17.4
Consumer Staples	17.6	-0.3
Communication Services	8.2	-4.2
Materials	7.2	-17.0
Energy	5.2	-0.6
Industrials	4.3	1.6
Utilities	1.2	-0.6
Health Care	0.4	-0.4
Other	0.2	-4.6
Cash	8.5	8.5

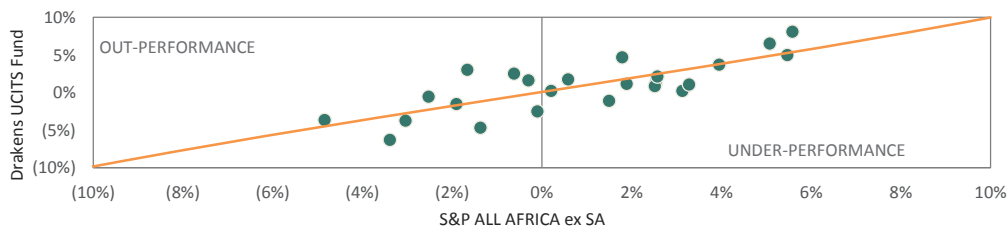
#### Top 10 Holdings (100%)

ZENITH BANK	6.9%
GUARANTY TRUST BANK	5.4%
SAFARICOM LTD	5.4%
MCB GROUP	5.2%
CREDIT AGRICOLE	4.7%
EFG HERMES HOLDINGS	4.7%
ATTIJARIWABA BANK	4.4%
EQUITY GROUP HOLDINGS	3.7%
NESTLE NIGERIA PLC	3.6%
TULLOW OIL	3.5%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.4	10.7
Price to Book	1.5	1.6
Return on Equity	19.1	9.6
Dividend Yield	5.1	3.1

### Active Monthly Returns\*



\*Since Inception to 31 October 2018, USD Share Class: Monthly, %

### Contact Details

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