

## FACTSHEET

## Performance Returns

For the month of October 2017 the Drakens Africa ex S.A. UCITS Fund's NAV gained 0.84% whilst the Standard & Poor's All Africa ex-South Africa benchmark returned 2.52%.

## 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 October, the fund's Nigerian holdings achieved strong performance primarily due to good selection. The Nigerian bank holdings, particularly Zenith Bank, reported strong third quarter results and the over-weight position in International Breweries rallied strongly on the consolidation of AB InBev's Nigerian subsidiaries. The fund's Egyptian positions performed well, also based on selection. Eastern Tobacco released strong third quarter results, whilst El Sewedy Electric and Arabian Cement both rallied on valuation.

The Kenyan market and the Shilling declined 0.4% and 0.6% respectively, due to heightened political tension during the month. The second round of the Kenyan elections was held and once again, there were no widespread incidents of violence. Raila Odinga's NASA opposition alliance boycotted the election, resulting in an overwhelming victory by incumbent Uhuru Kenyatta. The IEBC chairman confirmed that the conditions set by the supreme court were met and that the election was credible, free and fair. Shortly thereafter, the Shilling and Nairobi All Share Index recovered some previous losses.

The Zimbabwean market continued to rally, up 49.3% during the month, driven by fears of a looming currency crisis and a panicked rush into hard assets. The benchmark weighting for Zimbabwe a year ago of 1.8% with a PE of 13.8, has ballooned to a current weighting of 9.6%, with a PE of 55.7. The fund has sought to minimise its exposure to the country with its acute hard currency shortages, issuance of bond notes and dire political and economic environment. The fund's Zimbabwe weighting is only 1% of AUM at present. Excluding the distorted Zimbabwe weighting in the benchmark, fund performance during the month would have been marginally ahead of the index.

The allocation to the telecommunication services sector recorded a poor performance for the month due to selection, as Sonatel sold off. The fund views Sonatel as a good quality, market leading operator, with a strong balance sheet and good earnings growth prospects. Taking a look at commodities, Oil rallied 6.9% to \$61.4, on the back of a positive PMI in China, good growth out of the United States, and the potential for an extended OPEC agreement. The recent Oil rally is assisting Nigeria to record healthy growth in foreign reserves and is facilitating a strong recovery in the Oil and Gas sector, along with a knock-on effect in the broader economy.

SOURCE: Bloomberg L.P. as of 31 October 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%	3.68%	4.97%	-1.10%	1.22%	0.84%			27.18%
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%	3.95%	5.47%	1.46%	2.54%	2.52%			27.11%
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 Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

## Jeremy Gorven, CFA

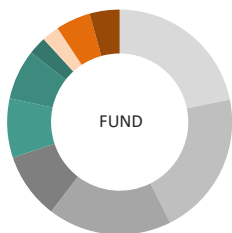
Jeremy has 7 years of industry experience, and over 3 years of investment experience. He joined as an Investment Analyst in 2014. Jeremy was a founding member of The IQ Business Group's strategic advisory division. Thereafter he progressed to Merchant West where he stood out as a Credit Analyst.

## FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$26.4 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

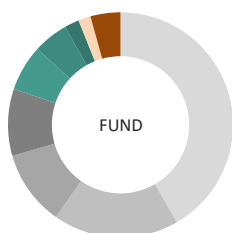
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Egypt	21.8	9.4
Nigeria	20.8	6.2
Kenya	17.8	8.7
Multinational	9.5	-15.5
Morocco	8.5	-8.8
Mauritius	7.2	2.8
Botswana	2.6	0.9
BRVM	2.5	0.3
Other	5.0	-8.4
Cash	4.3	4.3

#### Sector Breakdown



	% of Port.	vs. Index
Financials	41.6	12.7
Consumer Staples	18.1	-1.9
Materials	10.8	-12.5
Telecomm Services	9.6	-2.7
Industrials	6.6	4.2
Energy	5.0	0.2
Utilities	2.1	0.2
Consumer Discretionary	1.8	-0.3
Other	0.0	-4.2
Cash	4.3	4.3

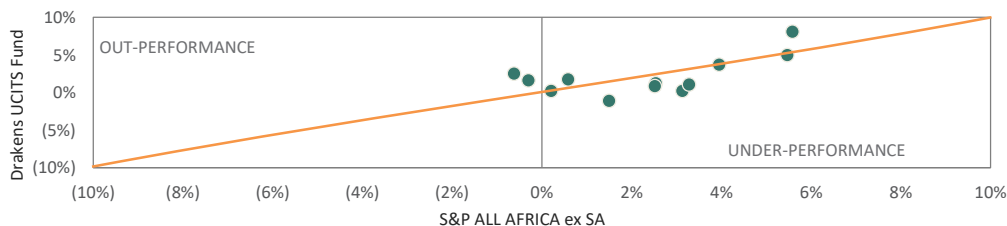
#### Top 10 Holdings (100%)

RANDGOLD RESOURCES LTD	5.8%
SAFARICOM LTD	5.6%
ZENITH BANK	5.3%
ATTIJARIWABA BANK	5.2%
EASTERN TOBACCO	5.2%
ELSWEDY ELECTRIC	5.0%
MCB GROUP	4.9%
TULLOW OIL	4.2%
EQUITY GROUP HOLDINGS	3.6%
GUARANTY TRUST BANK	3.5%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	9.3	13.3
Price to Book	1.9	1.8
Return on Equity	13.4	8.1
Dividend Yield	4.0	2.8

### Active Monthly Returns\*



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

### Contact Details

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