

FACTSHEET

THE MANAGER

Performance Returns

For the month of June 2019 the Drakens Africa ex S.A. UCITS Fund's NAV grew 1.7%, behind the 2.3% growth of the MSCI EFM Africa Ex-South Africa benchmark. In June the Fund moved to the MSCI benchmark from the S&P All Africa Ex-South Africa index, as the new benchmark was identified as a better representation of the opportunity set of the Fund. All historic data of the benchmark has been adjusted retrospectively.

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

There were mixed performances from the fund's underlying markets in June. Morocco and Egypt saw gains (4.0% and 3.1% respectively in USD), whilst Mauritius ended the month flat. Kenya and the BRVM both lost 1.3% of value in USD, whilst Nigeria was the big lower with a 3.7% loss.

The fund's underperformance of the benchmark came largely from the underweight exposure to Morocco. Capital controls in Morocco make the market expensive, but stable compared to the other African markets. This market stability, along with currency stability from its peg to a USD and EUR basket, make it a safe haven within this universe. Thus in a month when defensive assets like gold rallied 8%, its not unexpected to see Morocco outperforming.

Despite the negative alpha from the Moroccan underweight, the fund experienced a positive selection effect within that country allocation. This came from being underweight Maroc Telecom relative to Attijariwafa bank. A positive selection effect was also achieved in Egypt driven by strong performances from Credit Agricole Egypt and EFG Hermes. Local broker sentiment on those names turned decidedly positive as it was recognised how their valuations are trailing index heavyweight, Commercial International Bank. Selection effect was however negative in Nigeria where the fund built an initial position in MTN Nigeria, but saw the share price dip on reduced activity towards month end.

Market movements in June, as in recent months, were driven more by global risk sentiment than local developments, though there were a couple of developments on the ground worth noting. We did see an increase in Kenyan excise duties on spirits and wine which will affect East African Breweries, though we believe the effect to be muted. Lafarge Africa, in which the fund is not invested due to its unsustainable debt load, announced the sale of its South African division to its parent in compensation for a cancellation of the intercompany debt. With a cleaner balance sheet and a refocus on its Nigerian operation, the company could present a better prospect post deal execution. Finally, with sadness we learnt that Safaricom CEO, Mr. Bob Collymore, passed away on 1 July. During his tenure Safaricom has generated returns of 38% a year for shareholders in USD terms, and under his stewardship it has evolved into a globally celebrated example of a dynamic telecom operator. From our interaction with management of the company we have confidence that he has left behind a strong organisation that can handle the challenges of succession.

SOURCE: Bloomberg L.P. as of 30 June 2019, unless stated otherwise.

UCITS Fund Performance

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-TD
2019	2.87%	3.47%	-0.75%	0.02%	-3.13%	1.67%							4.06%
2018	6.49%	-0.54%	4.69%	1.16%	-6.28%	-1.52%	-2.47%	-3.68%	-3.74%	-4.68%	-0.07%	-1.31%	-12.00%
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-TD
2019	3.15%	2.84%	-0.62%	2.48%	-2.83%	2.30%							7.38%
2018	6.08%	-1.10%	2.17%	0.28%	-7.19%	0.41%	-1.45%	-2.36%	-4.70%	-4.07%	0.20%	-1.42%	-12.95%
2017	0.31%	-0.70%	-0.09%	2.06%	9.38%	4.78%	4.92%	-0.58%	-1.83%	-0.22%	2.32%	0.51%	22.31%
2016											0.16%	4.08%	4.25%

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 reliable guide to future performance.



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 11 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)

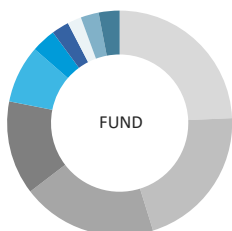
Joined in May 2011 as an Investment Analyst. Paul has over 11 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a self-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$ 33.4 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

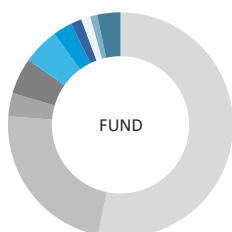
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	24.3	2.3
Nigeria	20.9	1.5
Kenya	19.4	1.8
Morocco	13.5	-16.4
Mauritius	8.3	1.7
Multinational	3.5	3.5
Tanzania	2.5	2.5
Botswana	2.0	2.0
Other	2.6	-1.9
Cash	3.0	3.0

Sector Breakdown



	% of Port.	vs. Index
Financials	47.9	-4.6
Consumer Staples	20.7	8.0
Communication Services	13.0	-7.9
Industrials	4.7	2.8
Energy	4.7	3.6
Materials	2.5	-7.1
Consumer Discretionary	1.4	1.0
Utilities	1.2	0.3
Other	0.9	0.9
Cash	3.0	3.0

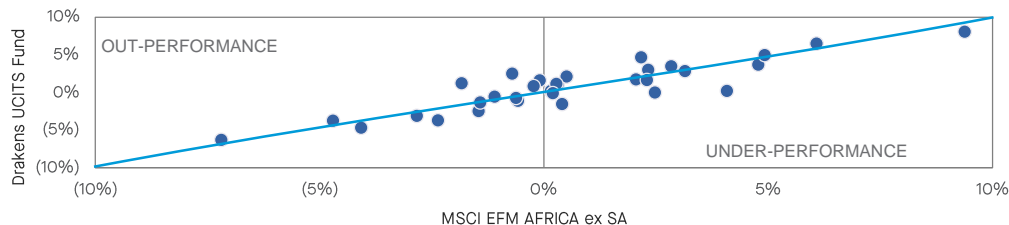
Top 10 Holdings (100%)

SAFARICOM PLC	7.9%
MCB GROUP LTD	6.3%
CREDIT AGRICOLE EGYPT	5.3%
COMMERCIAL INTERNATIONAL BANK	5.0%
ATTIJARIWAFABANK	4.8%
EQUITY GROUP HOLDINGS	4.8%
ZENITH BANK PLC	4.8%
GUARANTY TRUST BANK	4.7%
EFG HERMES HOLDINGS	4.6%
NESTLE NIGERIA PLC	4.5%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.9	9.2
Price to Book	1.3	1.8
Return on Equity	15.8	21.8
Dividend Yield	5.3	4.5

Active Monthly Returns*



*Since Inception to 30 June 2019, USD Share Class: Monthly, %

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