

FACTSHEET

Performance Returns

For the month of December 2016 the Drakens Africa ex S.A. UCITS Fund returned 0.2% against the 3.1% return of the benchmark which is the 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 end of 2016 saw some pick up in African markets in terms of trading volumes but not the level seen in previous years. From a fund performance point of view the fund's Egyptian stocks performed poorly as whole, whilst the fund's Nigerian stocks performed well. The fund's underweight Morocco and overweight Kenya didn't pay off whereas the fund's underweight multinationals did. Brent rose 12.6% in the month which should help Nigerian balance of payments and government revenue numbers but will not be enough to negate continued currency worries. The Egyptian Pound (EGP) lost almost 8% against the US dollar (USD) breaching the 19 level before returning to 18.1 against the US dollar at month end. We also saw some currency weakness in the Kenyan Shilling as poor (and delayed) late rains have resulted in reductions in the forecast for coffee and tea production volumes for the forthcoming crop. The Kenyan economy, with around 20% of GDP directly from agriculture, is susceptible to anomalies in the normal rainfall patterns.

Looking ahead to 2017 currencies will play a major role in the performance of the fund. With the Trump presidency seen as a catalyst for a stronger US economy by many, consensus expectations are for further USD strength. This may result in weakening of many African currencies against the USD. The EGP should buck this trend due to having overshot at current levels and is expected to strengthen somewhat. Whilst currencies are notoriously difficult to forecast, current weakness is overdone compared to historic levels. We feel the Kenyan shilling will weaken somewhat due to US dollar strength and the aforementioned rainfall issues. The Nigerian Naira remains paralyzed, with the current official level not providing market clearing. Despite the strengthening in the price of oil, improved oil production in the country and a pragmatic reinstatement of payments to Delta militants which should reduce pipeline vandalism, the currency needs to be allowed greater freedom to devalue to restore confidence. With inflation, already at 18.4% YoY in November per the Nigerian Bureau of Statistics, it does seem as if the higher black market Naira/US Dollar rate has already filtered through to the economy. Inflation was given as the major concern impeding a further devaluation by the presidency. Higher inflation has come to pass notwithstanding the 'official' exchange rate, thus a further devaluation is necessary at this point, coupled with movement towards a true free float with proper market price discovery.

On the positive side, elections in Ghana in December resulted in the election of the opposition leader and a peaceful transition of power. Indications are the new government is pro-business and will stick to the IMF guidelines related to the assistance given during the year. Also positive, the Economic Intelligence Unit expects GDP growth to pick up in Sub-Saharan Africa in 2017 to 2.6% from 1.1% in 2016. An increase in growth in North Africa is expected as well.

The year ahead will remain challenging for African investors but the fund is well positioned to take advantage of the longer-term growth trajectory of the continent.

SOURCE: Bloomberg as of 31 December 2016, unless stated otherwise.

UCITS Fund Performance

	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
USD Ins.												0.23%	0.23%	0.46%
Benchmark												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 and company research analyst. Orrin excelled at company research at Cape-Town based Oasis Asset Managers then progressed as a Senior Industrial Analyst at First National Bank.

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

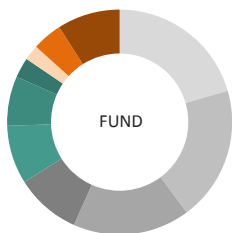
Joined in 2014 as an Analyst on the Frontier Team. Jeremy has over two years investment experience and six years financial services industry experience. Previously he was a Credit Analyst at a South African Bank and prior to this was a benchmarking analyst.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$20.4 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

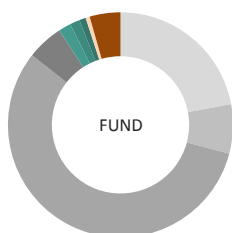
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Kenya	20.5	9.9
Nigeria	19.3	4.4
Egypt	16.8	1.5
Multinational	9.4	-16.0
Morocco	8.4	-8.0
Mauritius	7.1	2.6
Uganda	2.9	2.9
Botswana	2.2	-0.3
Other	4.3	-2.2
Cash	9.0	9.0

Sector Breakdown



	% of Port.	vs. Index
Financials	44.9	14.2
Consumer Staples	14.4	-1.8
Materials	11.5	-11.8
Telecomm Services	10.7	-1.7
Energy	3.6	-2.2
Utilities	2.9	1.1
Consumer Discretionary	1.9	-0.4
Industrials	1.2	-1.5
Real Estate	0.0	-4.5
Cash	9.0	9.0

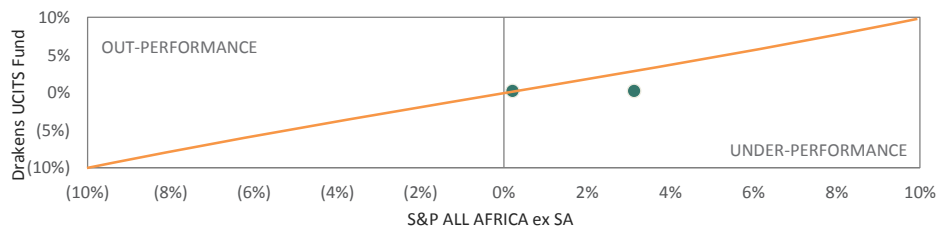
Top 10 Holdings (100%)

RANDGOLD RESOURCES LTD	6.4%
COMMERCIAL INTL BANK-GDR REG	6.2%
ATTIJARIWAFABA BANK	5.9%
SAFARICOM LTE	5.8%
ZENITH BANK PLC	5.3%
MCB GROUP LTD	5.0%
EASTERN TOBACCO	4.5%
GUARANTY TRUST BANK	4.3%
TULLOW OIL	4.0%
EQUITY GROUP HOLDINGS LTD	3.6%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	10.4	19.0
Price to Book	3.2	3.7
Return on Equity	20.1	15.5
Dividend Yield	4.2	3.2

Active Monthly Returns*



*Since Inception to 31st December 2016, USD Share Class: Monthly, %

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