

### FACTSHEET

#### Performance Returns

For the month of March 2018 the Drakens Africa ex S.A. UCITS Fund's NAV rose 4.7% whilst the Standard & Poor's All Africa ex-South Africa benchmark gained 1.8%.

#### 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

March was a good month for the fund in both absolute terms and relative to its benchmark. The outperformance of the fund was derived mainly from three factors, the funds overweight positions in Egypt and Kenya, and underweight to Canadian listed miners – the bulk of which was due to the fund's underweight in copper miner First Quantum, which fell 13.5% in the month after the company was hit with an \$8 billion tax bill (compared to a roughly \$11 billion market cap at the start of the month) by the Zambian revenue authority. The claim is the firm underpaid import duties over the last 5 years. Adding the most to the positive performance of the fund were Elswedy Electric, Equity Group Holdings and EFG Hermes Holdings, which rose 40.1%, 25.6% and 21.3% respectively in USD terms during the month. Elswedy rose on announcements of additions to its construction order book, Equity Group's price gained on government noise around the modification/removal (which we have been expecting) of the interest rate caps currently in place in Kenya and EFG on results, which saw net profit for FY17 at EGP 1.2 billion versus expectations of EGP 0.9 billion.

Inflation continues to fall with the latest figure from Nigeria coming in at 14.3%, Kenya at 4.5%, Egypt at 14.4% and Morocco at 1.8%. The downward trajectory in inflation allowed the Central Banks of Egypt and Kenya to reduce target rates by 100bps and 50bps respectively. The reduction in Egypt should help sustain the economic recovery in Egypt, as the finance burden eases. The cut in Kenya, coupled with amendments to the interest rate cap on bank lending, should help increase demand for and supply of credit, which should boost economic growth. The fund's key currencies remained stable during the month. The macroeconomic environment of the fund's geography's remains positive.

In Egypt, elections resulted in the re-election of incumbent Abdel-Fattah El-Sisi as expected. The win will ensure continuity in economic policy and provides the stability needed for accelerated economic growth in Egypt. In a surprise move, across in Kenya, President Kenyatta met opposition leader Raila Odinga. They announced a programme to overcome deep and longstanding ethnic and political divisions. Whilst the meeting resulted in a symbolic show of unity, rather than a practical framework for how to bridge ethnic divides, it is a step towards a more mature stable political system. Less political turmoil should equate to greater financial market stability in Kenya.

SOURCE: Bloomberg L.P. as of 31 March 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%										10.88%
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%										4.30%
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 guarantee of future performance or 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)

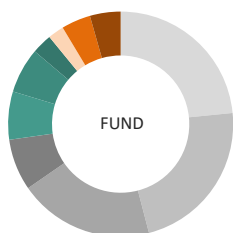
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$30.9 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

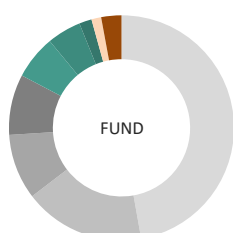
### Portfolio Overview (%)

#### Country Breakdown



	% of Port.	vs. Index
Egypt	23.4	8.5
Nigeria	22.5	9.6
Kenya	19.4	8.4
Multinational	7.4	-18.3
Morocco	6.9	-10.0
Mauritius	6.5	2.0
Botswana	2.9	1.0
BRVM	2.3	-0.1
Other	4.2	-5.4
Cash	4.4	4.4

#### Sector Breakdown



	% of Port.	vs. Index
Financials	45.8	15.8
Consumer Staples	17.8	0.7
Telecomm Services	8.5	-3.4
Materials	8.6	-15.4
Industrials	6.8	3.5
Energy	5.1	-0.1
Utilities	1.7	-0.3
Consumer Discretionary	1.3	-0.3
Other	0.0	-4.9
Cash	4.4	4.4

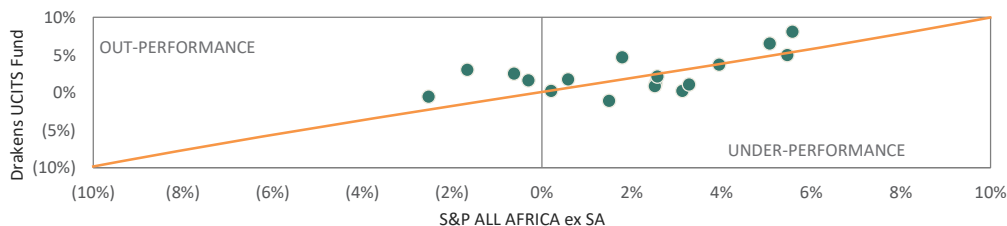
#### Top 10 Holdings (100%)

ZENITH BANK	5.8%
ELSWEDY ELECTRIC	5.7%
SAFARICOM LTD	5.0%
EQUITY GROUP HOLDINGS	4.5%
MCB GROUP	4.4%
TULLOW OIL	4.0%
ATTIJARIWAFABANK	3.9%
RANDGOLD RESOURCES	3.7%
EASTERN TOBACCO	3.7%
EFG HERMES HOLDINGS	3.7%

#### Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	9.9	13.1
Price to Book	1.8	1.8
Return on Equity	17.8	9.5
Dividend Yield	4.1	2.7

### Active Monthly Returns\*



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

### Contact Details

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