

FACTSHEET

Performance Returns

For the month of December 2018 the Drakens Africa ex S.A. UCITS Fund's NAV declined 1.3%, which was ahead of the 11.8% 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

In December, global markets were knocked by the continued US-China trade war along with the increase in the US Federal Funds rate. Oil continued its price decline on fears of excess supply and lower demand prospects, whilst gold rallied on an increase in risk-off sentiment. Despite the bearishness spreading to both developed and emerging markets, it was only the Kenyan market and resources stocks that appeared to be affected within the fund's universe. The Nigerian and Moroccan markets gained 1.9% and 1.0% in USD respectively. The Mauritian and Egyptian markets were down a relatively negligible 0.1% and 0.8% respectively. The Kenyan market however declined 3.2%, and these declines were led by the market heavyweights Safaricom and Equity Bank in which the fund is overweight, hence driving the fund's negative performance in December.

During the month S&P decided to write off the value of the Zimbabwean holdings in the benchmark. As mentioned in prior factsheets, the Zimbabwean market has rallied on the back of unavailability of hard currency in the economy, and this had distorted the performance of the benchmark. As of November Zimbabwe made up 11% of the benchmark, and this was fully written off in December, thus causing the 11.8% decline in the benchmark for the month.

For the full year of 2018, the fund's NAV declined 12.0%, whereas the benchmark declined 20.2%. The year started on a bullish note, with the African markets rallying on the back of improved fundamentals in the underlying economies. From the second quarter however the fund's markets were pushed lower on emerging market bearishness. This in turn was caused by a increased US interest rates and a strengthening dollar. Notably these global trends and changes in risk premia were the driving forces in the African markets' performances for the year, and not domestic developments. The domestic developments and trends that we identify as being most important for the fund's prospects included the Kenyan president and his key opponent shaking hands to mark a sharp decrease in political tensions and risk in the country. In Egypt the reform agenda continued, and IMF support was ongoing. The Nigerian economy was surprisingly subdued given the high oil price, but the currency remained liquid and the country's foreign currency reserves remained strong. The biggest disappointment during the year was that the Kenyan parliament decided not to retract the cap on interest rates placed on the country's lenders.

As 2019 gets underway, the regions economic fundamentals remain largely positive, but global macro risks, in particular the US-China trade war, continue to hold heavy sway on market direction. Elections in Nigeria, Botswana, Senegal and Mauritius are due this year, but are not expected to be unduly disruptive.

SOURCE: Bloomberg L.P. as of 31 December 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%	-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-T-D
2018	5.12%	-2.52%	1.79%	1.89%	-3.39%	-1.90%	-0.05%	-4.84%	-3.04%	-1.37%	-1.19%	-11.82%	-20.18%
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 28th 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)

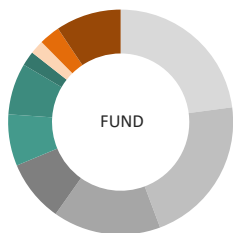
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$ 37.6 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

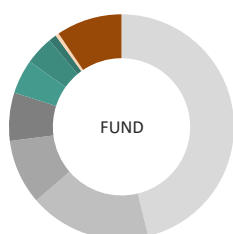
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	22.9	7.3
Nigeria	21.4	8.8
Kenya	15.5	5.0
Morocco	8.9	-10.3
Multinational	7.4	-19.9
Mauritius	7.4	2.4
Tanzania	2.1	2.1
Botswana	2.0	-0.1
Other	3.0	-4.5
Cash	9.4	9.4

Sector Breakdown



	% of Port.	vs. Index
Financials	46.0	15.9
Consumer Staples	17.4	1.9
Communication Services	9.3	-2.4
Materials	6.9	-18.1
Industrials	4.9	1.3
Energy	4.1	-0.2
Utilities	1.1	-1.6
Health Care	0.5	-0.6
Other	0.0	-5.9
Cash	9.4	9.4

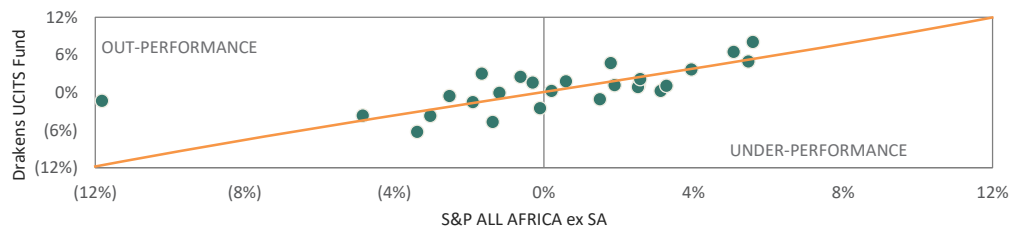
Top 10 Holdings (100%)

SAFARICOM LTD	6.8%
ZENITH BANK	6.6%
MCB GROUP	5.8%
EFG HERMES HOLDINGS	5.0%
GUARANTY TRUST BANK	4.9%
CREDIT AGRICOLE	4.8%
ATTIJARIWABA BANK	4.7%
COMMERCIAL INTERNATIONAL BANK	3.9%
EQUITY GROUP HOLDINGS	3.9%
NESTLE NIGERIA PLC	3.8%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.3	14.8
Price to Book	1.3	1.4
Return on Equity	21.4	11.8
Dividend Yield	5.3	3.5

Active Monthly Returns*



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

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