

FACTSHEET

THE MANAGER

Performance Returns

For the month of May 2019 the Drakens Africa ex S.A. UCITS Fund's NAV declined 3.1%, beating the 5.2% 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

May saw weakness across the Africa Ex-South Africa markets. This continues to be driven by the global macro environment, and these markets are essentially just following global emerging markets at this stage. The exception was Nigeria which was up 7% in USD during the month. This was mainly the result of a key development in the market - the direct listing of MTN Nigeria on the Nigerian stock exchange. The listing happened with little warning, by introduction (i.e. no new equity was issued). The initial price was generous, but with price movement limits in Nigeria, little volume went through the market before it repriced significantly higher over a series of days. The share price of MTN Nigeria ended the month more than 50% higher than initially listed at. The listing is significant as MTN Nigeria is now the second largest company on the Nigerian Stock Exchange by free float market cap. Following the MTN Nigeria listing, Bharti Airtel announced that it will be IPO-ing its Africa business on the London Stock Exchange in a move to raise equity and reduce debt. These are firms representing direct access to the consumer growth story in Africa. Their listing deepens the opportunity set for the fund and affirms the continued maturing of Africa as an asset class.

For the fund, the main drivers of outperformance were good selection in Egypt and underweight allocation to Multinational stocks (those companies listed outside of Africa and representing mainly stocks in the Materials sector). The fund's underweight allocation to Morocco had a small negative affect on relative performance for the month.

Inflation in Nigeria has remained around 11% YoY for a year now and Q1 2019 GDP growth was 2.0%. In Kenya we have seen an upward move in inflation from 4.0% in May 2018 to a 6.6% peak in April 2019 then declining 5.5% for May 2019. The latest GDP figure for Kenya is 5.8% (2018). Egypt have seen inflation between 12.0% and 17.7% (latest figure of 14.1% for May 2019) over the past year as fiscal reform places upward pressure on prices. The view is however that Egyptian inflation will fall to single digits by year end. Interestingly the Egyptian Pound has gained 6.6% against the USD year to date, as fiscal reform and a stronger economy have improved the country's attractiveness as an investment destination. The latest GDP growth figure was 5.4% as at the end of 2018. The strong growth in Kenya and Egypt contrast, with more muted growth in Nigeria. However low valuations in Nigeria more than compensate for this. The fund's current 5.4% dividend yield indicates that a large portion of returns will be delivered via businesses returning cash to investors, which is a very positive sign given pay-out ratios are not stretched.

SOURCE: Bloomberg L.P. as of 31 May 2019, unless stated otherwise.

UCITS Fund Performance

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019	2.87%	3.47%	-0.75%	0.02%	-3.13%								2.35%
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
2019	6.48%	1.93%	-0.90%	-0.52%	-5.19%								1.45%
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.



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)

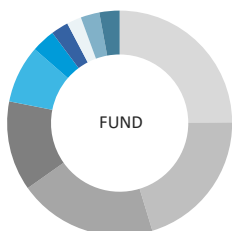
Joined in May 2011 as an Investment Analyst. Paul has over 11 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a self-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$ 32.8 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

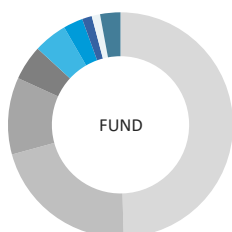
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	24.9	7.0
Nigeria	20.4	8.2
Kenya	19.9	8.2
Morocco	12.9	-5.7
Mauritius	8.3	3.4
Multinational	3.4	-21.2
Tanzania	2.5	2.5
Botswana	2.1	0.0
Other	2.7	-5.2
Cash	2.9	2.9

Sector Breakdown



	% of Port.	vs. Index
Financials	49.3	19.3
Consumer Staples	21.1	6.4
Communication Services	11.0	-1.9
Energy	5.0	-1.5
Industrials	4.8	1.2
Materials	2.8	-19.9
Consumer Discretionary	1.4	-0.2
Utilities	1.2	-1.7
Other	0.0	-4.1
Cash	2.9	2.9

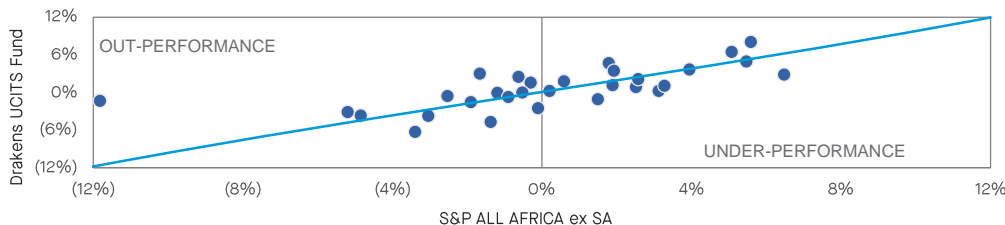
Top 10 Holdings (100%)

SAFARICOM PLC	7.9%
MCB GROUP LTD	6.2%
ZENITH BANK PLC	5.2%
CREDIT AGRICOLE EGYPT	5.0%
EFG HERMES HOLDINGS	4.8%
COMMERCIAL INTERNATIONAL BANK	4.8%
GUARANTY TRUST BANK	4.8%
EQUITY GROUP HOLDINGS	4.7%
ATTIJARIWAFABANK	4.6%
NESTLE NIGERIA PLC	4.5%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.5	9.7
Price to Book	1.3	1.3
Return on Equity	15.8	10.0
Dividend Yield	5.4	3.7

Active Monthly Returns*



*Since Inception to 31 May 2019, USD Share Class: Monthly, %

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