

FACTSHEET

Performance Returns

For the month of July 2018 the Drakens Africa ex S.A. UCITS Fund's NAV fell 2.5%, underperforming the Standard & Poor's All Africa ex-South Africa benchmark which lost 0.1%.

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

During the month the best performing market within the fund's geographies was Zimbabwe. The MSCI Zimbabwe Index rose 19.5% in dollar terms with no other market coming close to this performance. Zimbabwe however remains non-investable for the purposes of the fund, and thus the fund is underweight this market. This underweight was the biggest reason for the fund's underperformance during the month, accounting for over a percent of the performance difference between fund and benchmark. With a forward PE of 23.0x (based on the MSCI Zimbabwe Index, compared to the fund's forward PE of 8.1x), Zimbabwe is the most expensive market in Africa by some distance. The rest of the underperformance effectively came from Egypt and Canada. In Canada the fund's underweight First Quantum position hurt as the stock rallied mainly on comments that it is an attractive potential M&A target. The rally occurred despite lower current base metal prices, and lower future price expectations. These lower price expectations resulted in a fall in Trevali Mining, to which the fund is overweight, further hurting performance. In Egypt, the fund's overweights in EFG Hermes, Elswedy Electric and the GDR of Commercial International Bank, all had a similar negative impact on performance.

Fundamentally not much changed in the month. The Zimbabwean parliamentary election results were contested, as were the presidential results (released post-month end). As such Zimbabwe remains some distance away from economic normalisation, however locals continue to use the stock market as a means of preserving wealth leading to the disconnect between company fundamentals and share price performance. In the rest of the African markets, summer holidays in Europe and the US, have led to reduced foreign investor flow, resulting in less liquidity and less investors on the margin. Due to this markets have continued to drift lower. With many half-year results expected in August, and positive expectations of the results of many of the companies the fund has positions in, August offers the possibility of an uptick in share price performance. Valuations remain low and fundamentals are improving.

We continue to view the medium term and long term outlook for African markets as positive, and are hopeful that good half-year results may prove the catalyst needed to spark better short term performance.

SOURCE: Bloomberg L.P. as of 31 July 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%						0.96%
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%						0.66%
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)

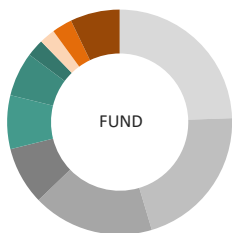
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$42.6 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

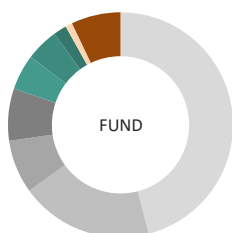
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	24.4	10.5
Nigeria	20.9	8.3
Kenya	17.4	6.9
Morocco	8.3	-7.7
Multinational	7.7	-18.7
Mauritius	6.4	1.8
Botswana	2.5	0.6
Tanzania	2.3	2.3
Other	2.9	-11.1
Cash	7.1	7.1

Sector Breakdown



	% of Port.	vs. Index
Financials	46.0	15.8
Consumer Staples	19.1	1.5
Materials	7.7	-15.7
Telecomm Services	7.5	-4.7
Energy	5.1	-0.6
Industrials	4.7	1.7
Consumer Discretionary	1.9	0.3
Utilities	1.0	-1.1
Other	0.0	-4.3
Cash	7.1	7.1

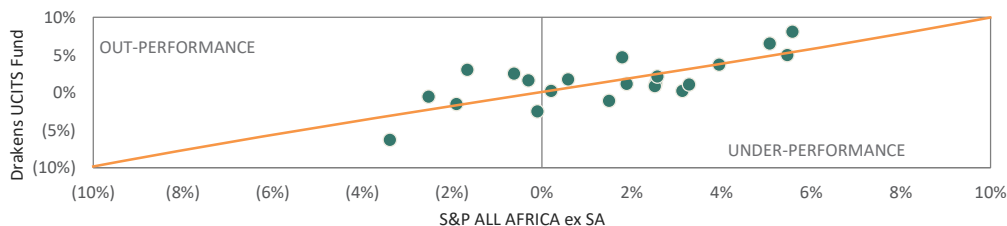
Top 10 Holdings (100%)

ZENITH BANK	5.7%
EFG HERMES HOLDINGS	4.9%
SAFARICOM LTD	4.7%
CREDIT AGRICOLE	4.4%
MCB GROUP	4.3%
ATTIJARIWAFABANK	4.3%
EQUITY GROUP HOLDINGS	3.9%
ELSWEDY ELECTRIC	3.6%
TULLOW OIL	3.4%
GUARANTY TRUST BANK	3.2%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.1	11.9
Price to Book	1.6	1.7
Return on Equity	17.6	10.4
Dividend Yield	4.7	3.1

Active Monthly Returns*



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

Contact Details

Investor Contact

ML Capital Ltd
29 Farm Street
London, W1J 5RL
T: +44 20 3709 4510
investorrelations@mlcapital.com

Management Company

MLC Management Limited
23 St. Stephen's Green
Dublin 2, Ireland
T: +353 1 533 7020
investorrelations@mlcapital.com

Investment Manager

Drakens Capital (Pty) Limited
191 Jan Smuts Avenue, Parktown North
Johannesburg, 2193, South Africa
T: +27 (0) 11 565 2310
clientservices@drakenscapital.com

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