

FACTSHEET

Performance Returns

For the month of May 2018 the Drakens Africa ex S.A. UCITS Fund's NAV was down 6.3% which was behind the performance of the Standard & Poor's All Africa ex-South Africa benchmark which lost 3.4%.

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 proved a difficult month for the fund, as well as Emerging and Frontier Markets in general. A stronger USD coupled with a flight to safety due to the political turbulence in Italy, resulted in poor performance. Whilst the fund underperformed compared to the S&P Africa ex South Africa benchmark, the fund outperformed the MSCI Africa ex South Africa Total Return Index which fell 7.2%, the MSCI Frontier Markets Index which fell 9.2%.

Index heavyweight First Quantum rose 8.7% during the month effectively following the return profile of the Toronto Stock Exchange 60 Index, of which it is a member. This was the single biggest detractor from relative performance during the month given its 7.3% weighting in the fund's benchmark. The fund's overweight to Egypt and Nigeria detracted from performance, as did the underweight to Multinationals and Zimbabwe. The fund's underweight to Zimbabwe is a function of the continued lack of ability to repatriate funds invested in Zimbabwe, making this country non-investable for the purposes of the fund. Good stock selection in Nigeria made up for a portion of the overall poor performance.

Heightened risk aversion during the month, prompted the questioning of the stability of various African currencies. Of the fund's three major currency exposures, the Nigerian Naira (NGN), Egyptian Pound (EGP) and Kenya Shilling (KES), the KES has the greatest potential to weaken based on macro fundamentals. However, given its healthy 6.1 months of import cover in FX reserves, the prospects of oil exports (first oil to ship in June) providing another avenue to earn foreign currency, and IMF support, the risk is manageable. The NGN and EGP have had relatively recent major devaluations and are fairly valued on a real effective exchange rate basis, as well as having USD 47.6bn and USD 44.1bn of FX reserves respectively. As emerging market investors, we are keenly aware of FX risk and the methodology employed in valuing fund companies, accounts for longer term local currency depreciation, with the subsequently applied portfolio construction framework helping to mitigate shorter term FX risks.

The outlook for African markets remains positive but may be impacted by external macroeconomic events in the near term. The global risk environment has a bearing on the short-term capital inflows and outflows, and by implication asset prices, to Africa. We believe the longer-term growth trajectory and earnings of listed African stocks remains fundamentally rooted in African growth and development.

SOURCE: Bloomberg L.P. as of 31 May 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%								5.12%
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%								1.03%
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)

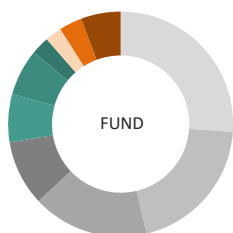
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$38.9 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

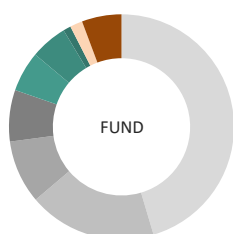
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	26.1	11.8
Nigeria	20.2	8.2
Kenya	16.7	6.6
Multinational	9.4	-18.9
Morocco	6.9	-9.1
Mauritius	6.7	2.4
Botswana	2.6	0.7
Tanzania	2.4	2.4
Other	3.3	-
Cash	5.7	5.7

Sector Breakdown



	% of Port.	vs. Index
Financials	45.4	17.1
Consumer Staples	18.4	1.1
Materials	9.1	-16.0
Telecomm Services	7.4	-4.3
Industrials	5.8	2.5
Energy	5.3	-0.9
Utilities	1.1	-0.9
Consumer Discretionary	1.8	0.2
Other	0.0	-4.5
Cash	5.7	5.7

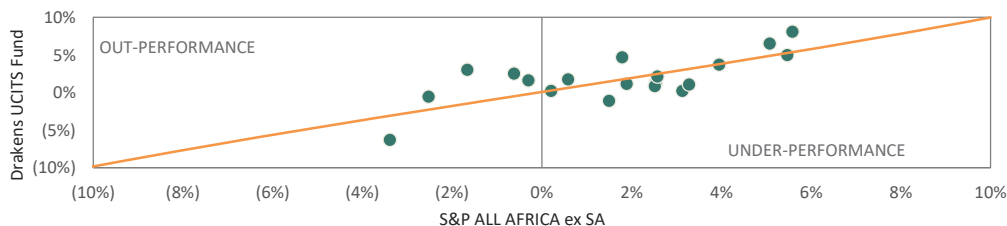
Top 10 Holdings (100%)

ZENITH BANK	6.1%
EFG HERMES HOLDINGS	4.8%
ELSWEDY ELECTRIC	4.4%
MCB GROUP	4.3%
TULLOW OIL	4.2%
SAFARICOM LTD	4.1%
CREDIT AGRICOLE	3.8%
ATTIJARIWAFABA BANK	3.8%
COMMERCIAL INTERNATIONAL BANK	3.8%
KCB GROUP LTD	3.2%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.8	12.8
Price to Book	1.7	1.8
Return on Equity	17.7	9.4
Dividend Yield	4.9	2.8

Active Monthly Returns*



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

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