

FACTSHEET

Performance Returns

For the month of August 2018 the Drakens Africa ex S.A. UCITS Fund's NAV fell 3.7%, which was ahead of the 4.8% 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

Emerging markets continue to bear the brunt of US led trade wars, and this has been exacerbated by renewed fears of contagion from the Turkish and Argentinian currency crises. African markets have by and large not escaped the negative sentiment, with most equity markets in the region drifting lower during the month. The sell-off did not however extend to the currency markets to which the fund is exposed. This is due to high levels of foreign reserves and low liquidity in the currency markets making them less obvious targets for speculative attacks. The Egyptian equity market was the one notable exception to the sell off, as positive reaction to a strong second quarter earnings season resulted in a 3.0% gain in the market for the month in USD. Companies in that country are seeing the tailwinds of lower interest rates and economic reforms, and thus the investment thesis is playing out as expected. Amongst the commodity prices that have an influence on the fund's universe, gold and copper prices fell 1.9% and 4.2% respectively on the trade wars and increasing US interest rates, whilst Brent Crude rallied 4.3% on pending US sanctions on Iran and a reduction in global surpluses.

In developments on the ground during the month, Kenyan legislators unexpectedly decided to fully reject a proposed repeal of interest rate caps in their banking sector. This is negative for banking sector profitability, for country credit growth, and places the IMF facility at risk. We expected a repeal, at least in part, to go through, and thus this development was negative. Over in Nigeria, the Central Bank accused MTN and its bankers of repatriating \$8.1bn of dividends irregularly. It has demanded that this amount be returned (although it is unclear if the Naira value will be returned to MTN in compensation). This has dampened foreign investor appetite towards Nigeria as a destination, and has called into question the planned IPO of MTN Nigeria later this year.

The outperformance of the fund to its benchmark in August was assisted by the overweight allocations to Egypt and the underweight to Multinationals. The overweight allocation to Nigeria was however a drag on active performance as was the underweight in Zimbabwe (as detailed in the July factsheet commentary). There was a positive selection effect in the Multinational allocation related to the overweight allocation to Tullow Oil whilst not being invested in the copper miner and index heavyweight, First Quantum.

SOURCE: Bloomberg L.P. as of 31 August 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%					-2.75%
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%					-4.20%
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)

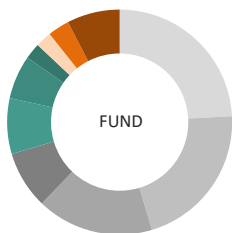
Joined in May 2011 as an Investment Analyst. Paul has over 10 years of investment experience and is a qualified Chartered Accountant. Prior to Drakens Capital, Paul was a sell-side analyst at Afrifocus Securities where he specialised in diversified industrials.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$41.3 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

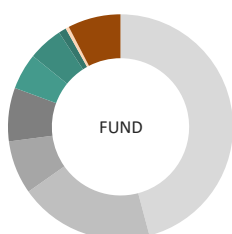
Portfolio Overview (%)

Country Breakdown



	% of Port.	vs. Index
Egypt	24.2	9.2
Nigeria	21.2	9.2
Kenya	16.8	6.2
Morocco	8.3	-8.2
Multinational	8.0	-16.6
Mauritius	6.3	1.5
Botswana	2.3	0.5
Tanzania	2.3	2.3
Other	3.1	-11.6
Cash	7.6	7.6

Sector Breakdown



	% of Port.	vs. Index
Financials	45.9	15.2
Consumer Staples	19.4	1.5
Materials	7.7	-13.4
Telecomm Services	7.7	-5.1
Energy	5.2	-1.0
Industrials	5.0	1.8
Utilities	1.1	-1.1
Consumer Discretionary	0.5	-1.1
Other	0.0	-4.4
Cash	7.6	7.6

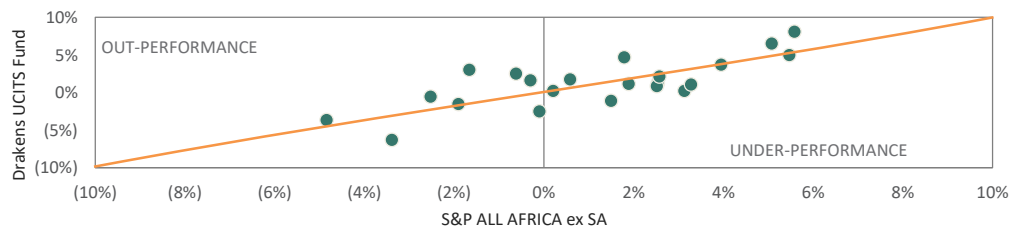
Top 10 Holdings (100%)

ZENITH BANK	5.4%
EFG HERMES HOLDINGS	5.3%
SAFARICOM LTD	4.9%
CREDIT AGRICOLE	4.8%
GUARANTY TRUST BANK	4.5%
MCB GROUP	4.5%
ATTIJARIWAFABANK	4.4%
ELSWEDY ELECTRIC	3.8%
EQUITY GROUP HOLDINGS	3.7%
TULLOW OIL	3.6%

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.1	11.3
Price to Book	1.7	1.7
Return on Equity	18.6	9.4
Dividend Yield	4.8	3.2

Active Monthly Returns*



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

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