

ALQUITY AFRICA FUND:
FACTSHEET AS AT:
NAV:

GBP Y
AUGUST 2019
104.01



MONTHLY SUMMARY

- With the exception of Egypt (+8.4% in USD) and Morocco (+0.5% in USD), African stock markets delivered poor returns in August.
- Economic confidence indices continued to signal further loss of momentum in South Africa, as manufacturing PMI was 48.4 in July.
- High inflation in Nigeria persisted, as the headline inflation gauge was 11.1% YoY in July, barring the central bank from shifting to a more dovish stance.

PERFORMANCE OVERVIEW

	2012	2013	2014	2015	2016	2017	2018	2019
JAN		2.7%	-3.8%	2.1%	-5.9%	-0.3%	-2.4%	1.0%
FEB		3.3%	0.8%	-2.5%	1.7%	6.1%	4.0%	-1.1%
MAR		1.3%	0.0%	3.3%	5.1%	-3.8%	-0.9%	1.8%
APR		-2.8%	1.9%	-3.1%	2.8%	-2.1%	1.3%	4.2%
MAY		7.1%	1.8%	-4.2%	-5.6%	1.6%	-4.5%	0.2%
JUN		-5.8%	-0.7%	-3.6%	11.8%	-1.4%	-5.1%	0.8%
JUL		3.0%	0.5%	-6.5%	6.6%	0.4%	3.7%	-0.9%
AUG	1.3%	-2.7%	2.4%	-7.4%	-4.3%	4.0%	-3.8%	-0.6%
SEP	3.3%	0.8%	1.0%	0.4%	3.7%	-6.0%	-4.3%	
OCT	1.0%	4.3%	-0.9%	-2.5%	7.6%	-0.2%	-5.1%	
NOV	-2.8%	-0.8%	-2.4%	-2.5%	-10.8%	2.8%	3.9%	
DEC	2.5%	1.2%	-2.9%	1.9%	5.2%	8.3%	0.0%	
ANNUAL	6.1%	11.5%	-2.6%	-22.4%	16.8%	8.8%	-13.1%	5.4%



PERFORMANCE SUMMARY:

1 Month:	-0.6%	1 Year:	-0.5%
3 Months:	-0.7%	3 Years:	4.4%
6 Months:	5.6%	Inception:	4.0%
Year to Date:	5.4%	Annualised:	0.5%

VOLATILITY

1Y	12.6%	3Y*	14.7%
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BETA***

0.79

*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

TURNOVER**

16.0%

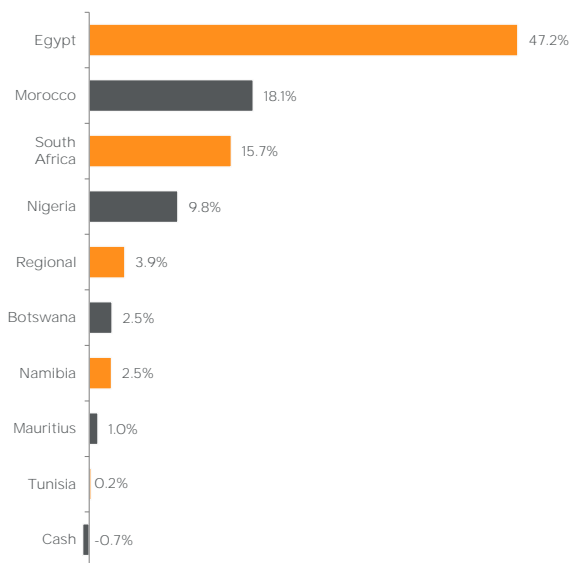
**Average turnover of holdings (annualised) since the fund's inception

ACTIVE SHARE***

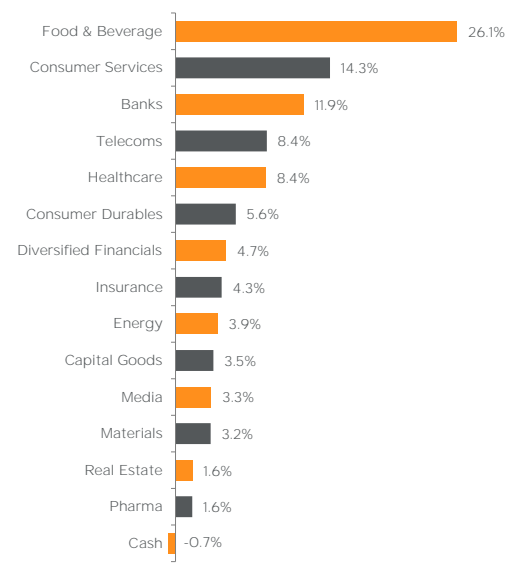
77.0%

***Index used for reference purposes only - the fund is not benchmarked. See overleaf for details of indices used.

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

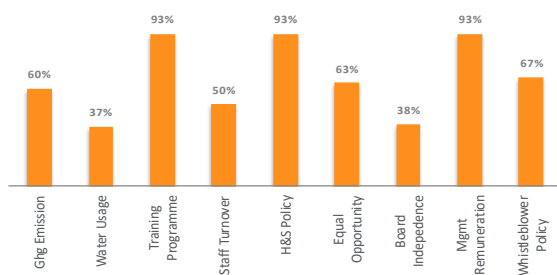
With the exception of Egypt (+8.4% in USD) and Morocco (+0.5% in USD), African stock markets delivered poor returns in August. The MSCI South Africa Net Total Return USD index decreased by 9%, whilst the MSCI EFM Africa ex. South Africa index declined by 8% in USD.

South African macroeconomic data signalled that the weakness in the underlying economic momentum persisted: manufacturing production activity contracted 3.2% YoY, whilst retail sales volume growth was 2.4% YoY in June. Due to the softness in domestic demand, consumer price inflation remained depressed at 4% YoY. Economic confidence indices continued to signal further loss of momentum in South Africa, as manufacturing PMI was 48.4 in July (a value below 50 implies that manufacturing output is likely to contract in the months ahead). Meanwhile, the structural disinflation in Egypt continued, as core inflation moderated to 5.9% YoY in July, which allowed the central bank of Egypt to ease financial conditions by cutting the policy interest rate 150bp to 15.25%. High inflation in Nigeria persisted, as the headline inflation gauge was 11.1% YoY in July, barring the central bank from shifting to a more dovish stance.

The best performing shares within the Alquity Africa Fund in August were the following: Fawry (Egypt, e-payments), Six of October (Egypt, property developer) and Elswedy (Egypt, electric cables). In contrast, Shoprite (South Africa, food retailer), Curro (South Africa, private education) and Discovery (South Africa, insurance) were the largest detractors.

ESG : KEY PROGRESS INDICATORS

Percentage of Africa Fund holdings meeting each KPI standard



For all portfolio holdings, we track a set of Key Progress Indicators "KPIs" that represent a general set of transparency and ESG standards we want all firms to meet over time. In each case, the assessment has a financial motivation and an associated positive potential impact in line with the principles of the UN Global Compact. The chart summarises the where we stand in relation to the KPIs for all the portfolio holdings. These KPIs support our engagement activity with our holdings. Please contact us or refer to our Responsible Investment brochure for full details.

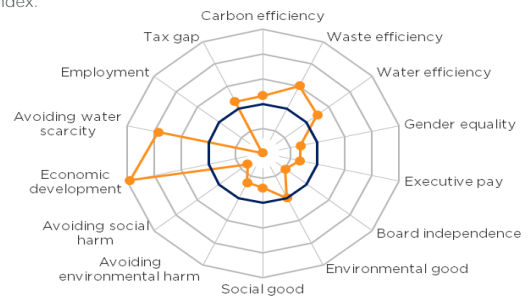
Source: Alquity

TOP 10 HOLDINGS

1.	Commercial International Bank	8.7%
2.	Cleopatra Hospitals	8.4%
3.	Edita	7.3%
4.	Label Vie	6.0%
5.	Cira	4.8%
6.	Domty	4.6%
7.	Maroc Telecom	4.5%
8.	Nestle Foods Nigeria	4.3%
9.	MTN Group	4.0%
10.	Vivo Energy	3.9%

ESG: IMPACT MEASURES

The impact chart below compares the performance of Africa Fund holdings (orange line) versus a 90% capitalisation custom Africa Benchmark (blue line). Any score inside the blue circle indicates a factor in the portfolio is worse than the index.



The table below reports the quantitative impact of the Africa Fund relative to the Africa benchmark on our ESG metrics in the chart above.

Metrics	Fund	Benchmark	Based on company reported	Estimated	SDG Relevance
Carbon efficiency	0.21	0.61	tons of GHG (Scope 1 & 2) emissions per unit revenue	29%	7
Waste efficiency	0.26	3.39	tons of waste generated per unit revenue	66%	6, 12, 14, 15
Water efficiency	5.84	8.89	litres fresh water used per unit revenue	81%	6
Gender equality	18.1%	19.2%	percentage of women in boards and top management	8%	5
Executive pay	41.8	38.5	ratio of executive level pay to median employee pay	49%	10
Board independence	52.7%	55.6%	independent board members	22%	10, 16
Environmental good	0.2%	0.2%	portfolio allocated to environmental solutions	n/a	most SDGs
Social good	31.2%	36.9%	portfolio allocated to help alleviate social issues	n/a	most SDGs
Avoiding environmental harm	8.1%	4.6%	portfolio allocated to environmentally destructive industries	n/a	most SDGs
Avoiding social harm	7.0%	2.2%	portfolio allocated to industries aggravating social issues	n/a	most SDGs
Economic development	\$6,500	\$11,100	median income of portfolio weighted geography of economic activity	n/a	16, 17
Avoiding water scarcity	2.22	2.61	geographic water use (World Resource Institute scale 0-5 from most to least water scarce areas)	n/a	16, 17
Employment	14.3%	16.8%	unemployment in portfolio weighted area of economic activity	n/a	1, 8, 11, 12, 16
Tax gap	1.58%	1.82%	estimated % tax avoided by corporate tax mitigation schemes	n/a	1, 9, 10, 16

Source: Impact Cubed. Please contact us for details of full methodology

TRANSFORMING LIVES

We donate a proportion of our fees from the Alquity Africa Fund to charity partners in the region, reinforcing our belief that social progress should also lead to financial success.

DONATIONS GENERATED BY THE AFRICA FUND:	\$753,357
LIVES TRANSFORMED DIRECTLY:	16,814
LIVES TRANSFORMED INDIRECTLY:	27,081

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 28 Feb 19

Source: Alquity Transforming Lives Foundation

FUND FACTS

Fund :	Alquity Africa Fund
Share Class :	Y Class
Inception Date :	24/05/2012
Fund AUM :	US\$ 13.4m
Number of Holdings :	33
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Morningstar Rating :	No Rating
Minimum Investment :	£2,500,000
Annual Management Fee :	1.10%
Performance Fee :	None
ISIN :	LU0727491382
SEDOL :	B7KX438
Bloomberg Ticker :	ALQASU2

FUND OBJECTIVE

The Alquity Africa Fund is equity focused and targets attractive risk-adjusted returns over the long-term by investing in public companies across the African continent. Our portfolio is unconstrained and emphasises long-term themes, transparency and alignment of management. This is achieved by a fundamental process which incorporates both financial valuation and Environmental, Social and Governance analysis of material non-financial factors.

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For more information about the Alquity Transforming Lives Foundation please visit www.alquityfoundation.org



Index used for Beta: blend of MSCI EFM Africa and MSCI EFM Africa (ex South Africa)
ETFs used for Active Share: blend of DB X Trackers Top 50 MSCI EFM Africa and MSCI EFM Africa (ex South Africa)
(Indices are used for reference purposes only - the fund is not benchmarked)

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