



AFRICA - U2 CLASS

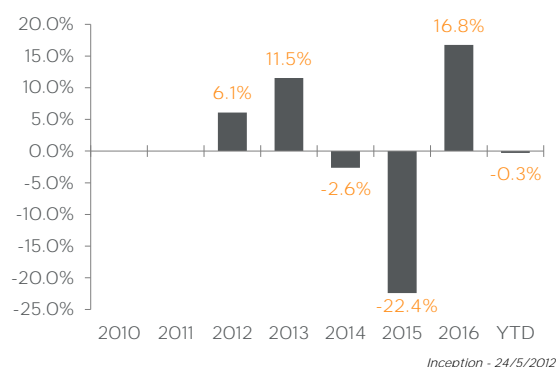
GBP 104.02

Monthly Update: January 2017

MONTHLY SUMMARY

- African markets benefitted from an upward trend in commodity prices during January giving support to the currencies of the commodity-exporting countries on the continent
- South Africa (+4.58%), Morocco (+6.05%) and Tunisia (+4.58%) performed well and remain our favoured markets
- Kenya saw poor performance (-8.6%) and remains in a vulnerable macroeconomic position

ANNUAL FUND PERFORMANCE



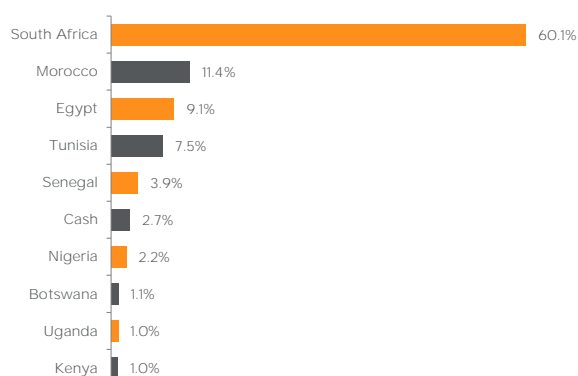
TOP 10 HOLDINGS

1.	Aspen Pharmacare	7.0%
2.	Maroc Telecom	6.8%
3.	Sanlam	5.3%
4.	Firststrand	5.0%
5.	Psg Group	5.0%
6.	Woolworths	4.9%
7.	Brasseries du Maroc	4.6%
8.	Delice	4.5%
9.	KAP	4.0%
10.	Omnia	4.0%

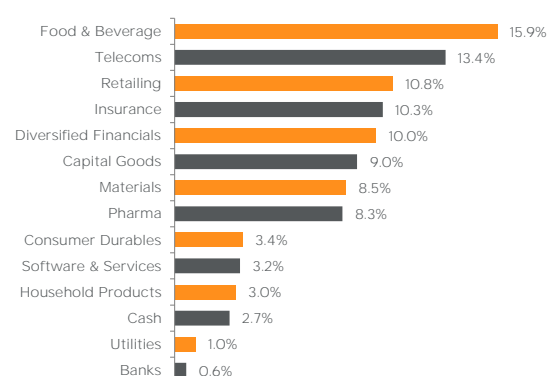
FUND PERFORMANCE (NAV TO NAV)

Period	Performance
1m	-0.3%
3m	-6.4%
6m	0.0%
YTD	-0.3%
1yr	23.7%
3yr	-8.7%
Since inception	4.0%

GEOGRAPHIC ALLOCATION



INDUSTRY ALLOCATION



MONTHLY UPDATE

African markets benefitted from an upward trend in commodity prices during January giving support to the currencies of the commodity-exporting countries on the continent. Whilst our country allocation favoured us, the rally in lower quality cyclical stocks played against our sector selection resulting in the overall fund performance being in line with the market. As long-term investors we remain committed to investing in strong franchises run by capable management who strike the right balance between risk and reward.

In January, South Africa 4.58% (in USD), Morocco (6.05%) and Tunisia (4.58%) equity markets performed well and remain our favoured markets. On the contrary, Kenya saw poor performance (-8.6%) and remains in a vulnerable macroeconomic position.


Egypt made the headlines by issuing Eurobonds for 4bn USD which was over subscribed. This is a strong vote of confidence for the reforms of the FX market, the tax system (VAT reforms) and prospects for the country following the 12Bn USD loan from the IMF.

Among our holdings, the main contributor to performance was Aspen (+11.4% in USD), the global generic drug manufacturer based in South Africa. It is one of our highest conviction holdings as we believe the market isn't accounting for their recently acquired drugs portfolio, the growth of its Asian franchise and the greater complexity of its manufacturing processes, which will further increase its sustainable competitive advantage.

Groupe Delice (+11.9%), the leading Tunisian dairy company and the South African holding company PSG Group (+5.0%) also delivered strong performance. Detractors included EOH (-8.7%) a South African IT company, with Egyptian staples companies Edita (-2.9%) and Domty (down 10.8%) also detracting.

Whilst out of favour currently, we believe that economic reform coupled with a cyclical rebound could provide a strong platform for earnings growth across the continent this year.

FUND FACTS

Fund :	Alquity Africa Fund
Share Class :	U2 Class
Inception Date :	24 May 2012
Fund AUM :	US\$ 34.0m
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Trustnet Rating :	
Morningstar Rating :	★★★
Minimum Investment :	£2,500,000
Annual Management Fee :	1.10%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU0727491382
SEDOL :	B7KX438
Bloomberg Ticker :	ALQASU2

CONTACTS

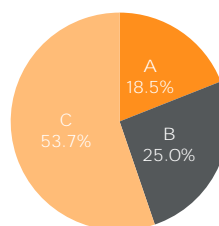
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FORWARD-LOOKING ESG



Forward-looking Environmental, Social, and Governance (ESG) analysis is at the core of our investment process. This is the current mix of ESG ratings for the stocks in the Alquity Africa Fund.

- A High risk industry with global best practice ESG OR lower risk industry with best practice ESG vs regional peers
- B High risk industry with regional best practice ESG OR lower risk industry with ESG in line with regional peers or demonstrating meaningful commitment to improve.
- C High risk industry in line with or below best practice ESG, but demonstrating meaningful commitment to improve OR lower risk industry with adequate ESG but with credible intention to improve communicated to Alquity Fund Manager.

TRANSFORMING LIVES



Wherever in the world we pursue profit, we also put something back - by donating up to 25% of our fees to support local economies. Transforming lives in this way doesn't just feel good; it's also good for our investors. Because, over time, giving a boost to local economies where we invest is sure to have a positive effect on the companies we invest in.

FUND OBJECTIVE

Our objective is to provide growth for investors by tapping into the fast-moving, dynamic opportunities across the African continent, delivering strong risk-adjusted returns over the longer term. We invest in growing companies operating in Africa and as the fund is not benchmark driven, we can take full advantage of bottom-up analysis of their fundamental attractiveness. The active integration of forward-looking ESG analysis into the core of our stock selection process is done with the intention of mitigating risk and further maximising the long-term returns for the investor.



We're a signatory to the UN Principles for Responsible Investment

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