



MONTHLY SUMMARY

- The majority of benchmark stock indices in Africa declined in February, due to the spillover effect of the deteriorating global investor sentiment induced by coronavirus.
- The structural disinflation in Egypt continued, as core inflation remained depressed, at 2.7% YoY in January.
- Although real GDP growth in Nigeria rose to 2.6% YoY in 4Q19, growth in the non-oil economy remained slow, whilst the structure of it was frail.

PERFORMANCE OVERVIEW

	2013	2014	2015	2016	2017	2018	2019	2020
JAN	0.4%	-5.0%	-1.8%	-9.6%	1.3%	2.4%	4.1%	-0.3%
FEB	-1.0%	2.1%	0.2%	-0.3%	4.8%	0.7%	-0.2%	-8.1%
MAR	1.5%	-0.6%	-0.9%	8.2%	-3.6%	0.8%	-0.4%	
APR	-0.5%	2.6%	0.1%	4.6%	1.1%	-0.7%	4.2%	
MAY	4.7%	0.8%	-5.1%	-6.4%	1.1%	-7.9%	-3.2%	
JUN	-6.1%	0.9%	-0.8%	2.5%	-1.0%	-5.9%	1.6%	
JUL	3.5%	-1.0%	-7.4%	5.7%	1.6%	2.9%	-4.7%	
AUG	-1.5%	0.9%	-8.9%	-5.8%	1.4%	-4.8%	-1.3%	
SEP	5.6%	-1.5%	-1.3%	2.7%	-2.2%	-4.1%	-0.8%	
OCT	4.1%	-2.7%	-0.8%	0.9%	-1.1%	-7.2%	-0.6%	
NOV	0.7%	-4.5%	-5.2%	-8.9%	4.6%	3.6%	0.0%	
DEC	2.0%	-3.5%	-0.5%	4.0%	8.1%	-0.3%	2.2%	
ANNUAL	13.7%	-11.3%	-28.3%	-4.5%	16.8%	-19.6%	0.6%	-8.4%



PERFORMANCE SUMMARY:

1 Month:	-8.1%	1 Year:	-11.3%
3 Months:	-6.4%	3 Years:	-18.4%
6 Months:	-7.6%	Inception:	-42.1%
Year to Date:	-8.4%	Annualised:	-5.5%

VOLATILITY

1Y 10.2%

3Y* 13.1%

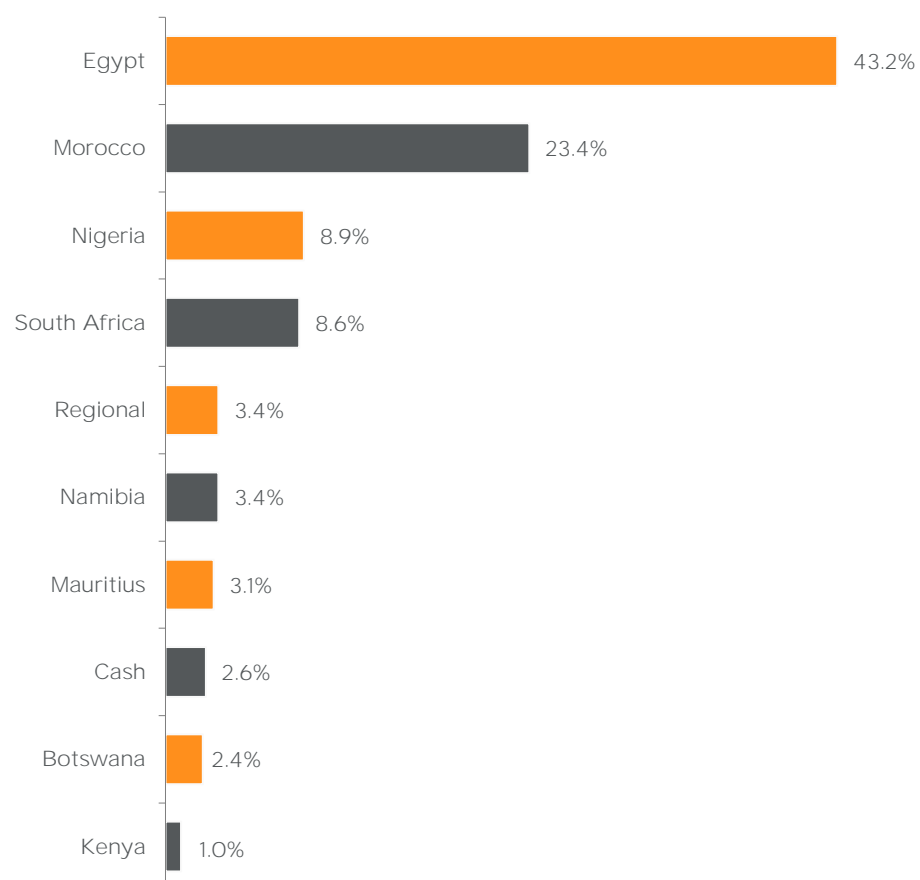
**Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class*

TURNOVER**

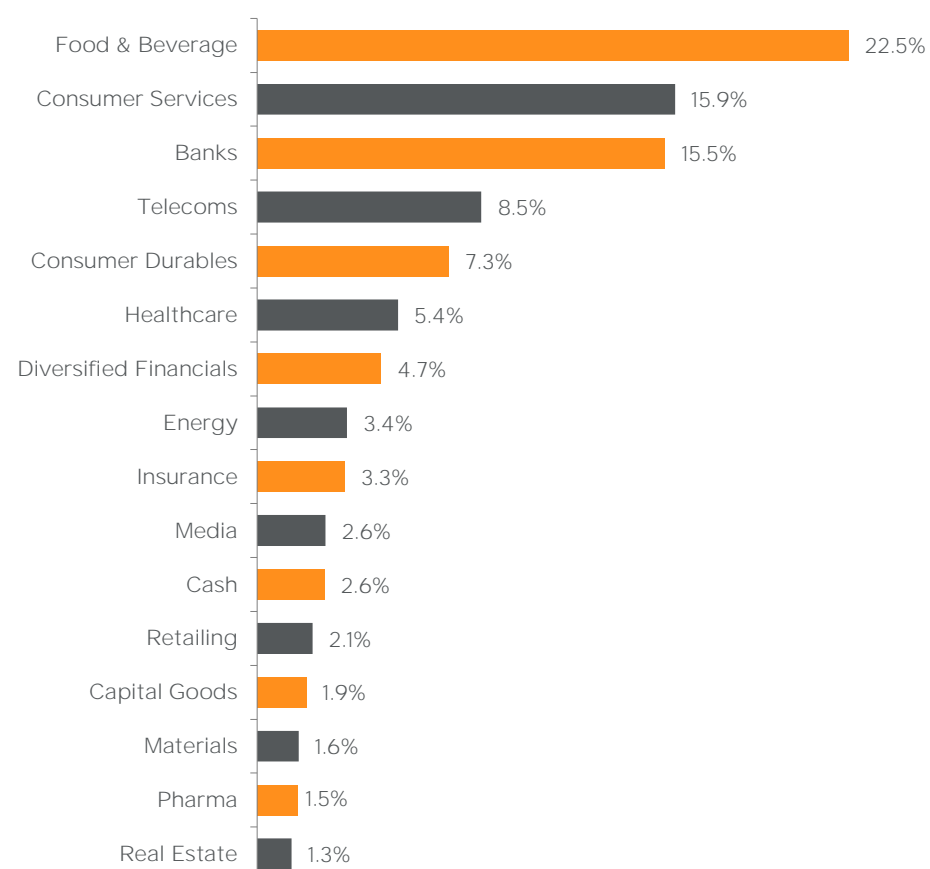
14.7%

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

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

The majority of the benchmark stock indices in Africa declined in February, due to the spillover effect of the deteriorating global investor sentiment induced by the coronavirus. In this context, the Moroccan country index (-2.3% in USD) and Egyptian Hermes index (-8% in USD) were not impacted as badly as the South African TOP40 index (-12.9% in USD).

The structural disinflation in Egypt continued, as core inflation remained depressed, at 2.7% YoY in January. Headline inflation slightly rose, to 7.2% YoY, as favourable base-year effects continued to wear off. Although inflation continued to undershoot the inflation target, the central bank remained on a wait-and-see stance by keeping the policy rate stable at 13.25%. Should inflationary pressures remain contained, the Egyptian central bank will likely continue to reduce interest rates later in 2020, in our view.

Macro indicators in South Africa implied that the country's economy continues to go through a prolonged period of sluggish growth: manufacturing production decreased 5.9% YoY in December, whilst private sector credit growth slowed to 5% YoY in January. PMIs remained in the contractionary territory suggesting further economic weakness going forward. On the 26th February, the Finance Ministry released the updated budget for the following fiscal years. The budget bill did not provide enough comfort that the government has a comprehensive plan to stabilise the sharply rising public debt trajectory nor to clamp down on fiscal deficit.

Although real GDP growth in Nigeria rose to 2.6% YoY in 4Q19, growth in the non-oil economy remained slow, whilst the structure of it was frail. High inflation persisted, as the headline inflation gauge further accelerated to 12.1% YoY in January, barring the central bank from shifting to a more dovish stance.

The best performing shares within the Alquity Africa Fund in February were the following: Mutandis (Morocco, consumer goods), Fawry (Egypt, payments processor) and CIRA (Egypt, private education). In contrast, Guaranty Trust Bank (Nigeria), Nestle Nigeria (consumer staples) and Discovery (South Africa, insurance) were the largest detractors.

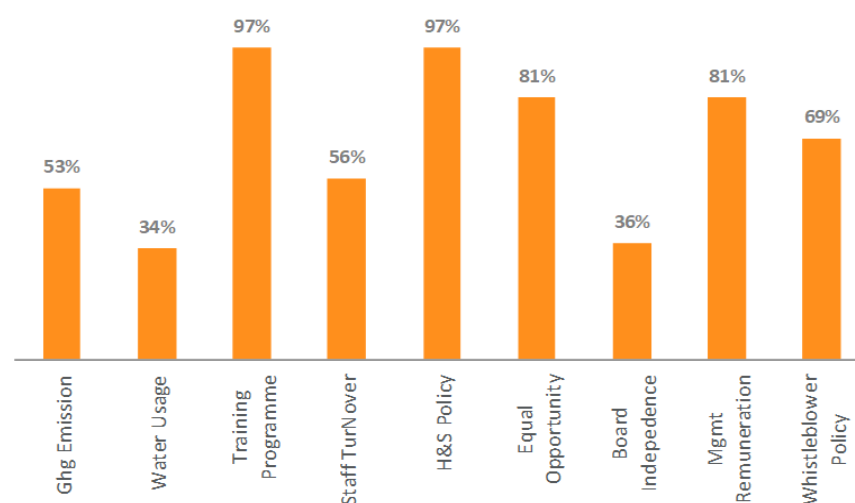
TOP 10 HOLDINGS

1.	Commercial International Bank	7.2%
2.	Label Vie	6.9%
3.	Edita	5.9%
4.	Cira	5.6%
5.	Cleopatra Hospitals	5.4%
6.	Maroc Telecom	4.5%
7.	Brasseries du Maroc	4.4%
8.	Mutandis	4.3%
9.	Nestle Foods Nigeria	3.8%
10.	Domty	3.8%

ESG: IMPACT MEASURES

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.

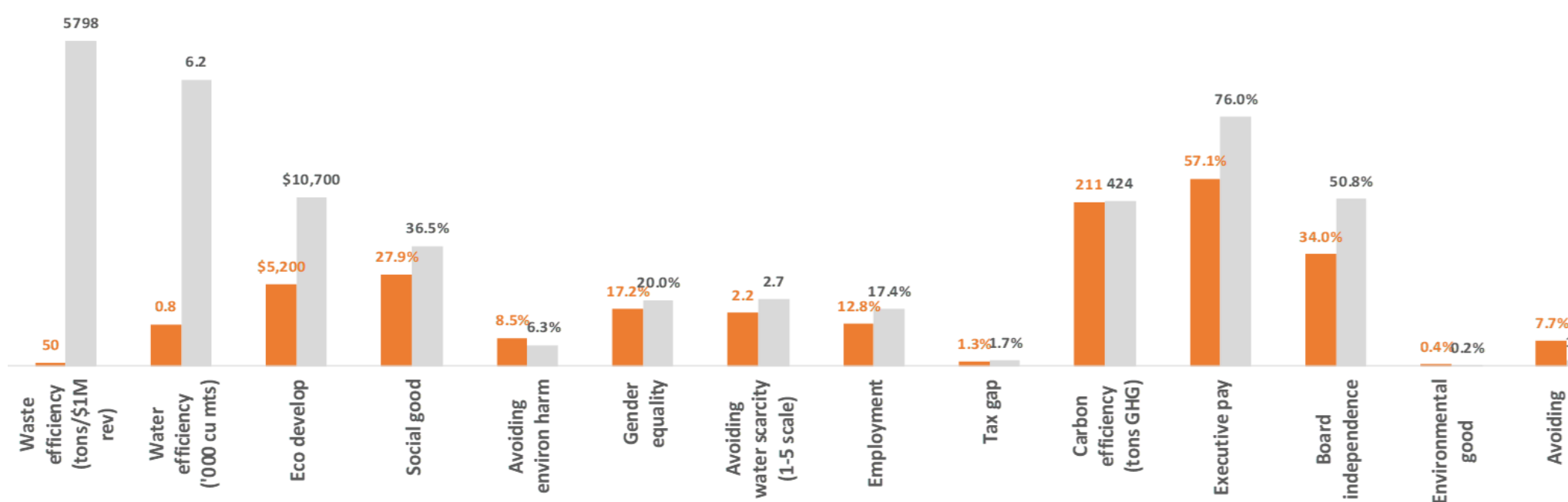
Holdings meeting each KPI standard - % of companies



Source: Alquity. Portfolio overview as of 30 September 2019

ESG : KEY PROGRESS INDICATORS

The performance of Alquity's Africa fund against the benchmark ¹



¹ Impact Cubed Assessment, Impact Cubed (November 2019)

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 31 Jan 20

Source: Alquity Transforming Lives Foundation

FUND FACTS

Fund :	Alquity Africa Fund
Share Class :	B Class
Inception Date :	30/06/2010
Fund AUM :	US\$ 9.8m
Number of Holdings :	32
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Morningstar Rating :	★
Minimum Investment :	US\$10,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU0455925882
SEDOL :	B45WXG5
Bloomberg Ticker :	ALQAFRB

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



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