



MONTHLY SUMMARY

- The South African TOP 40 index rose 6.3% in USD, followed by the Kenyan Nairobi SE20 index (+2.1% in USD).
- Egypt's current account deficit remained moderate, around USD 2.8bn in 3Q20, despite the shortfall in tourism revenues.
- In February, we added Anglo American Platinum (South Africa, mining; ESG rating "A") to the Alquity Africa Fund, given compelling valuations.

PERFORMANCE OVERVIEW

	2014	2015	2016	2017	2018	2019	2020	2021
JAN	-4.6%	-1.7%	-9.5%	1.4%	2.5%	4.2%	-0.2%	-0.3%
FEB	1.9%	0.3%	-0.1%	4.9%	0.7%	-0.1%	-8.1%	1.4%
MAR	-0.5%	-0.9%	8.3%	-3.4%	0.9%	-0.3%	-20.3%	
APR	2.5%	0.3%	4.7%	1.2%	-0.6%	4.2%	5.8%	
MAY	0.9%	-4.9%	-6.3%	1.3%	-7.8%	-3.2%	4.8%	
JUN	0.9%	-0.7%	2.6%	-0.8%	-5.9%	1.7%	4.6%	
JUL	-0.9%	-7.3%	5.8%	1.7%	2.9%	-4.7%	0.8%	
AUG	1.0%	-8.8%	-5.6%	1.6%	-4.7%	-1.2%	3.0%	
SEP	-1.5%	-1.2%	2.8%	-2.2%	-4.0%	-0.8%	0.3%	
OCT	-2.6%	-0.7%	1.1%	-1.3%	-7.1%	-0.5%	1.6%	
NOV	-4.6%	-5.0%	-8.8%	4.7%	3.7%	0.1%	6.7%	
DEC	-3.5%	-0.3%	4.0%	8.2%	-0.3%	2.3%	4.1%	
ANNUAL	-10.8%	-27.4%	-2.9%	18.1%	-18.8%	1.3%	-0.5%	1.1%



PERFORMANCE SUMMARY:

1 Month:	1.4%	1 Year:	9.7%
3 Months:	5.3%	3 Years:	-19.8%
6 Months:	14.5%	Inception:	-25.8%
Year to Date:	1.1%	Annualised:	-3.4%

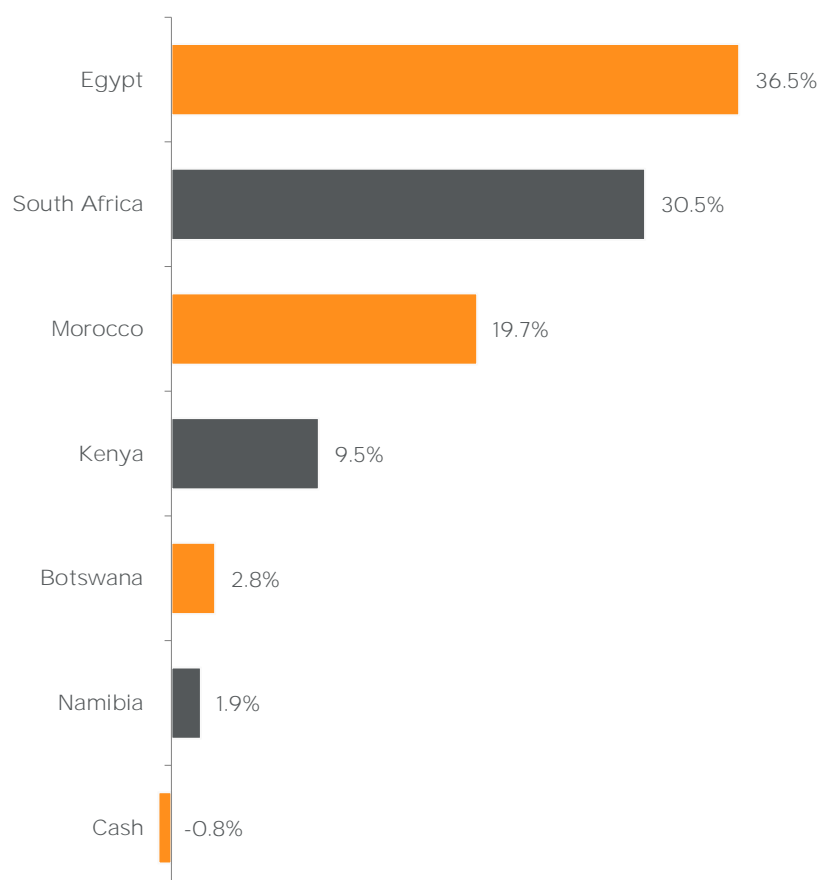
VOLATILITY	1Y	15.4%
	3Y*	13.4%

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

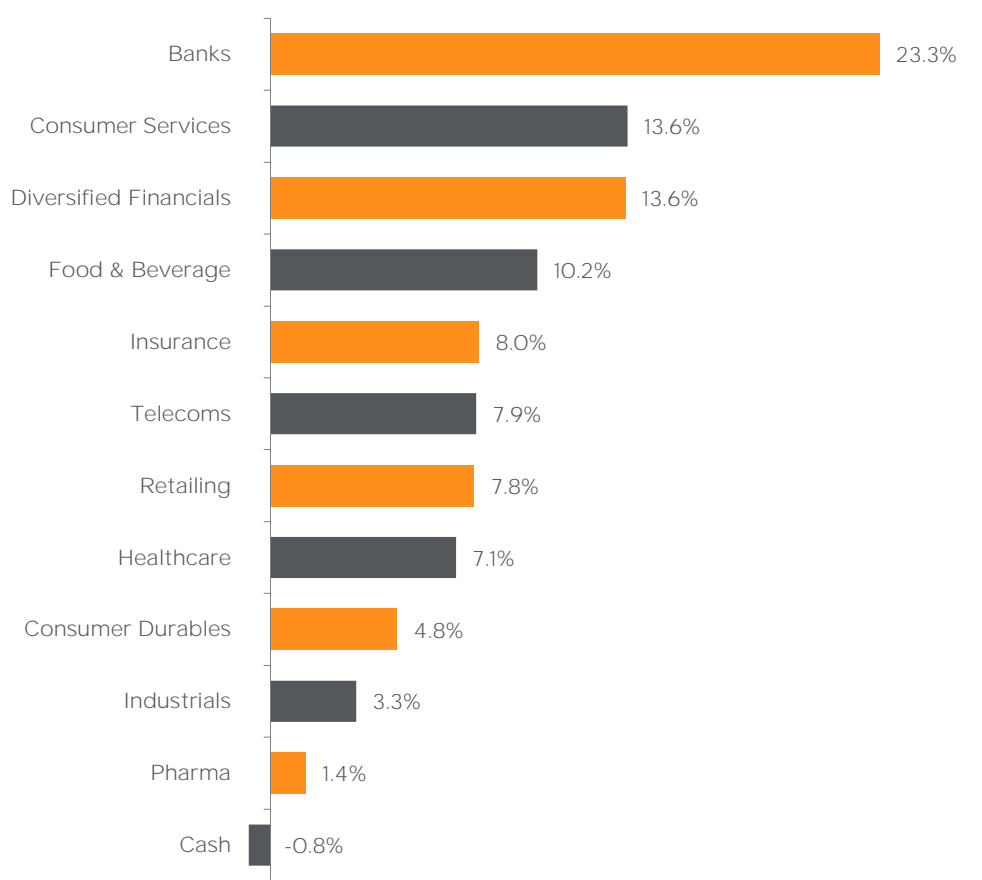
TURNOVER**	13.5%
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**Average turnover of holdings (annualised) since the fund's inception

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

African stock indices delivered mixed returns in February. The South African TOP 40 index rose 6.3% in USD, followed by the Kenyan Nairobi SE20 index (+2.1% in USD). Meanwhile, the Egyptian Hermes index declined 0.2% in USD.

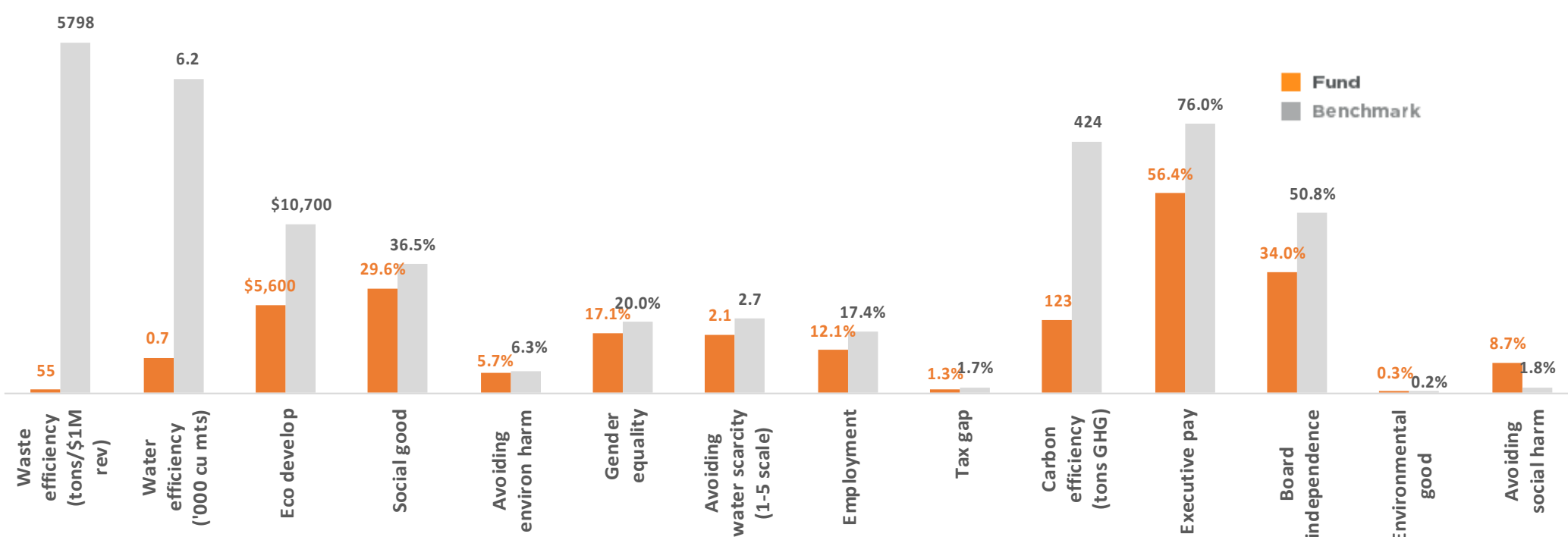
The South African economy continues to go through a very challenging period: the unemployment rate remains on the rise (32.5% in 4Q20) and activity in most sectors stagnates or contracts. In February, the government presented the new and updated budget bill. According to their latest estimates, real GDP is expected to grow 3.3% and 2.2% in 2021 and 2022, respectively. Furthermore, the fiscal deficit is foreseen below 10% of GDP in FY2021-22 and onwards. Consequently, gross public debt to GDP ratio would stabilise just under 100% of GDP. Nevertheless, this is largely priced in by investors and thus we believe that there are attractive opportunities at this juncture.

Egypt's current account deficit remained moderate, around USD 2.8bn in 3Q20, despite the shortfall in tourism revenues. Inward FDI flows (USD 1.6bn) and portfolio flows (USD 6.7bn) covered the current account deficit and contributed to Egypt's macro-financial stability. As a result, the central bank was in a comfortable position to keep the key deposit and lending rates stable at 8.25% and 9.25%, respectively.

In February, we added Anglo American Platinum (South Africa, mining; ESG rating "A") to the Alquity Africa Fund, given compelling valuations. The company is the beneficiary of the global cyclical recovery as well as higher commodity prices. The best performing companies within the Fund in February were the following: Fawry (Egypt, e-payments), Bid Corp (South Africa, food service distributor) and Transaction Capital (South Africa, taxi finance and consumer credit management). In contrast, Juhayna (Egypt, dairy and juice), Maroc Telecom (Morocco) and CIRA (Egypt, private education) were the greatest detractors. In addition, we exited Juhayna during the month.

ESG : KEY PROGRESS INDICATORS

The performance of Alquity's Africa fund against the benchmark ²



² Impact Cubed Assessment, Impact Cubed (March 2020)

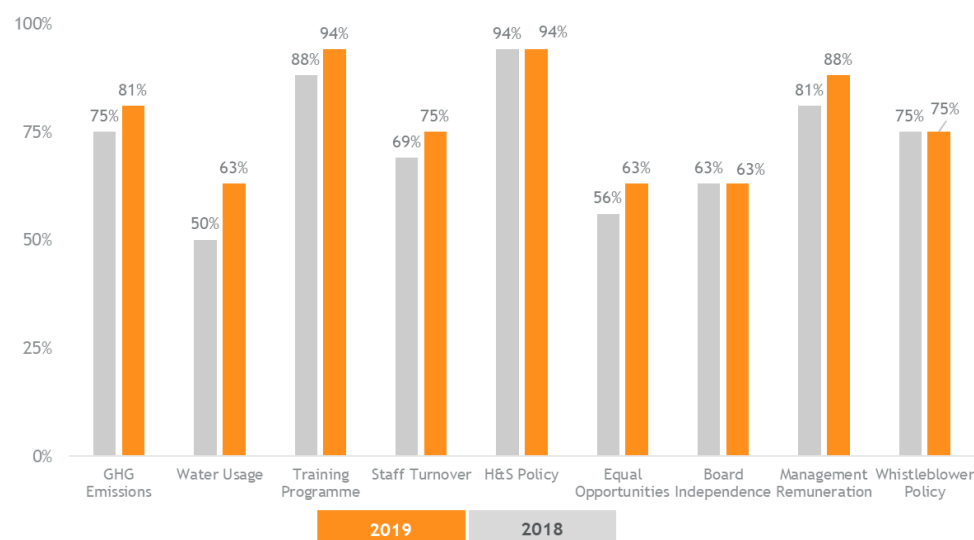
TOP 10 HOLDINGS

1.	Commercial International Bank	8.0%
2.	Safaricom	6.1%
3.	Capitec Bank Holdings	5.5%
4.	Hightech Payment Systems	5.5%
5.	Sanlam	5.2%
6.	Cleopatra Hospital	5.1%
7.	Fawry	4.8%
8.	Label Vie	4.8%
9.	Edita	4.7%
10.	Attijariwafa Bank	4.6%

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 ¹



¹ Source: Alquity. Portfolio overview as of 31 July 2020

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 :	M Class
Inception Date :	21/06/2012
Fund AUM :	US\$ 8.5m
Number of Holdings :	27
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	★★
Minimum Investment :	US\$2,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU0727489998
SEDOL :	B7LLB30
Bloomberg Ticker :	ALQAFMI

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.

CONTACT US

Alquity Investment Management Limited
9 Kingsway, London, WC2B 6XF, UK
Tel: +44 (0)207 5577 850

Find us online:

alquity.com



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



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