

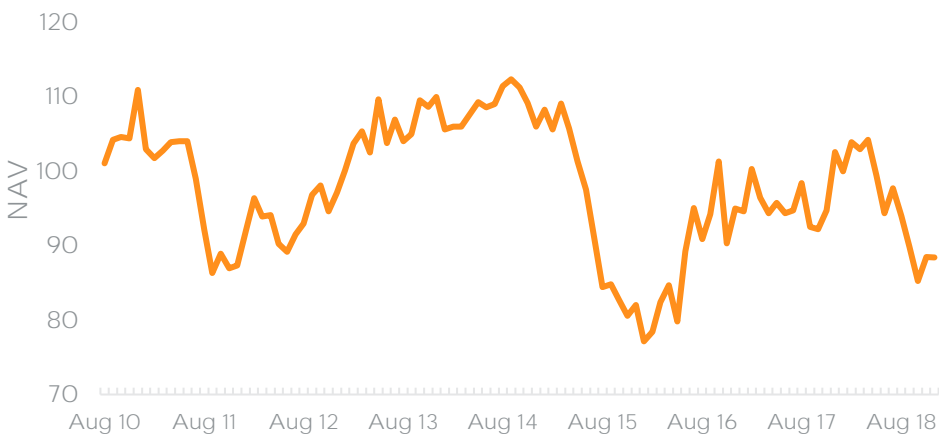


MONTHLY SUMMARY

- Within the African universe, the Kenyan and Nigerian markets delivered the best performance, as they rose 2% and 1.9% (all in USD), respectively
- South African real GDP expanded by 1.1% YoY in 3Q18, as manufacturing, financial services, transportation and communication contributed positively
- Nigeria's GDP expanded 1.8% YoY in 3Q18, strengthening from previous quarter's 1.5% YoY pace.

PERFORMANCE OVERVIEW

	2011	2012	2013	2014	2015	2016	2017	2018
JAN	-7.2%	5.2%	3.1%	-4.0%	2.1%	-5.9%	-0.4%	-2.5%
FEB	-1.2%	4.9%	3.6%	0.4%	-2.4%	1.7%	6.0%	4.0%
MAR	1.0%	-2.6%	1.6%	0.0%	3.3%	5.0%	-3.9%	-0.9%
APR	1.1%	0.2%	-2.7%	1.6%	-3.1%	2.8%	-2.1%	1.2%
MAY	0.1%	-4.1%	7.0%	1.5%	-4.2%	-5.7%	1.5%	-4.6%
JUN	0.0%	-1.2%	-5.4%	-0.6%	-3.7%	11.7%	-1.4%	-5.1%
JUL	-4.9%	2.7%	3.0%	0.4%	-6.5%	6.5%	0.4%	3.6%
AUG	-6.9%	1.6%	-2.7%	2.2%	-7.4%	-4.4%	3.9%	-3.9%
SEP	-6.3%	4.1%	0.9%	0.8%	0.4%	3.6%	-6.0%	-4.3%
OCT	3.0%	1.3%	4.3%	-1.0%	-2.5%	7.5%	-0.3%	-5.2%
NOV	-2.3%	-3.6%	-0.8%	-1.9%	-2.6%	-10.9%	2.7%	3.8%
DEC	0.4%	2.7%	1.2%	-2.9%	1.8%	5.2%	8.2%	-0.1%
ANNUAL	-21.3%	11.2%	13.2%	-3.6%	-22.6%	15.8%	8.0%	-13.8%

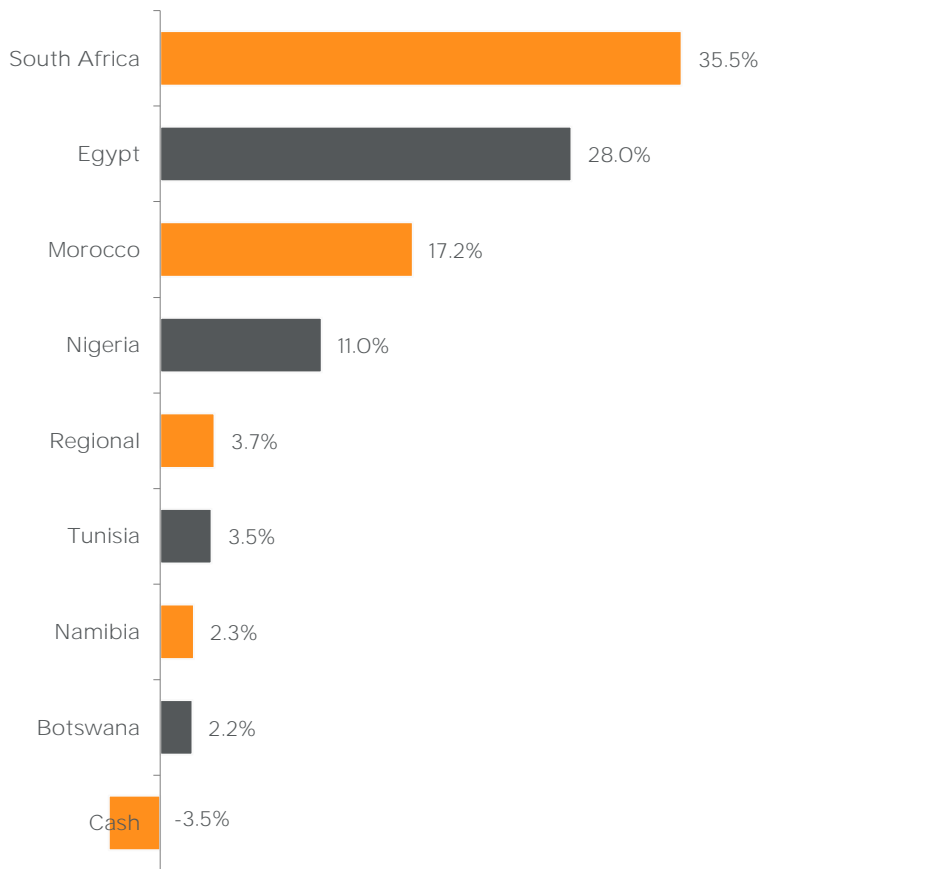


PERFORMANCE SUMMARY:			
1 Month:	-0.1%	1 Year:	-13.8%
3 Months:	-1.7%	3 Years:	7.8%
6 Months:	-6.3%	Inception:	-11.6%
Year to Date:	-13.8%	Annualised:	-1.5%

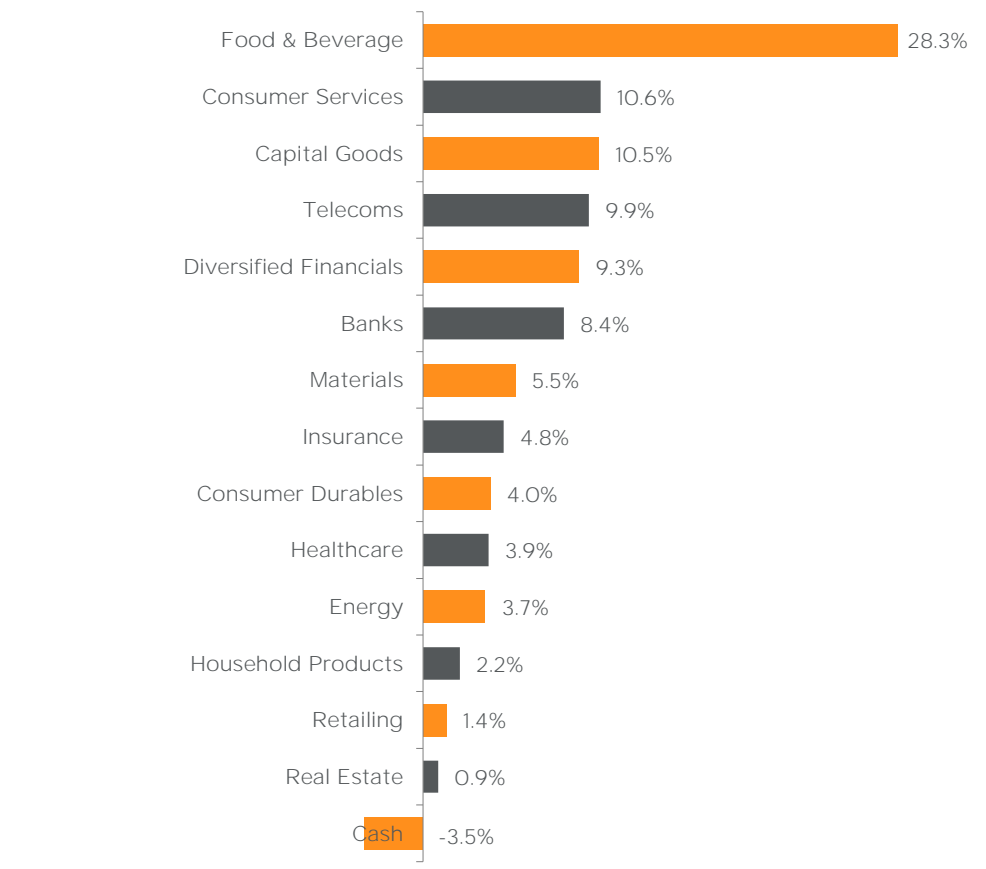
VOLATILITY	1Y 14.5%	3Y* 16.7%
BETA***	0.79	<i>*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class</i>

TURNOVER**	17.2%	<i>**Average turnover of holdings (annualised) since the fund's inception</i>
ACTIVE SHARE***	75.9%	<i>***Index used for reference purposes only - the fund is not benchmarked. See overleaf for details of indices used.</i>

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

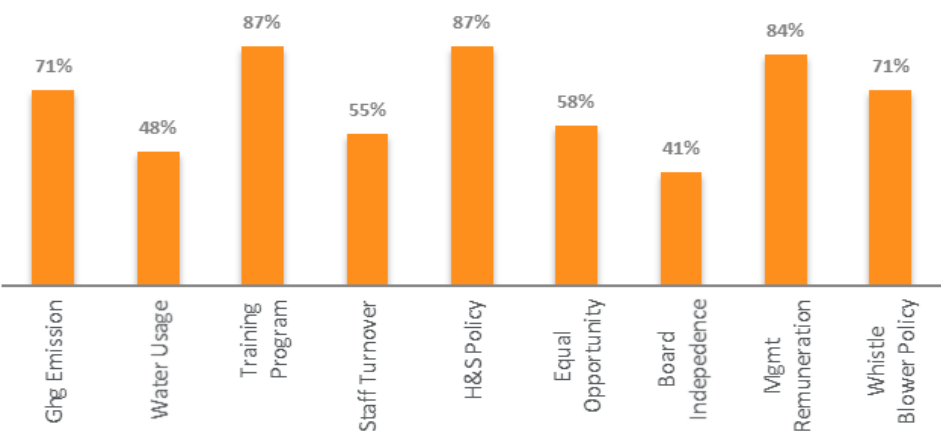
In spite of the risk-averse global market sentiment, African stocks outperformed their EM peers in December: the MSCI South Africa index decreased 0.7%, while the MSCI EFM Africa ex. South Africa index declined 1.4% vs. the broad MSCI EM index that lost 2.9% of its value (all in USD). Within the African universe, the Kenyan and Nigerian markets delivered the best performance, as they rose 2% and 1.9% (all in USD), respectively. In contrast, the Egyptian market underperformed, as the country’s stock index decreased 1.1% in USD.

Nigeria’s GDP expanded 1.8% YoY in 3Q18, strengthening from previous quarter’s 1.5% YoY pace. The bounce was mainly led by non-oil manufacturing activity. Agricultural activity and services strengthened as well. South African real GDP expanded by 1.1% YoY in 3Q18, as manufacturing, financial services, transportation and communication contributed positively. Credit rating agency Fitch kept South Africa’s grade at BB+, as the economy exhibits low growth prospects and has a sizeable amount of public debt. In preparation for a gradual transition to a managed float exchange rate regime, the central bank of Egypt announced the termination of a mechanism guaranteeing foreign investors US dollars when they liquidate their positions in local currency-denominated Egyptian securities. The move by the central bank shows that the monetary authority is comfortable with the liquidity in the domestic market.

In December, the best performing shares within the Alquity Africa Fund were the following: Cleopatra Hospital (Egypt, health care facilities), Elswedy Electric (Egypt, electrical components) and Arabian Food Industries (Egypt, food products). In contrast, Firststrand (South Africa, financial services), Societe des Boissons du Maroc (Morocco, beverages) and Six of October Development (Egypt, homebuilders) 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.

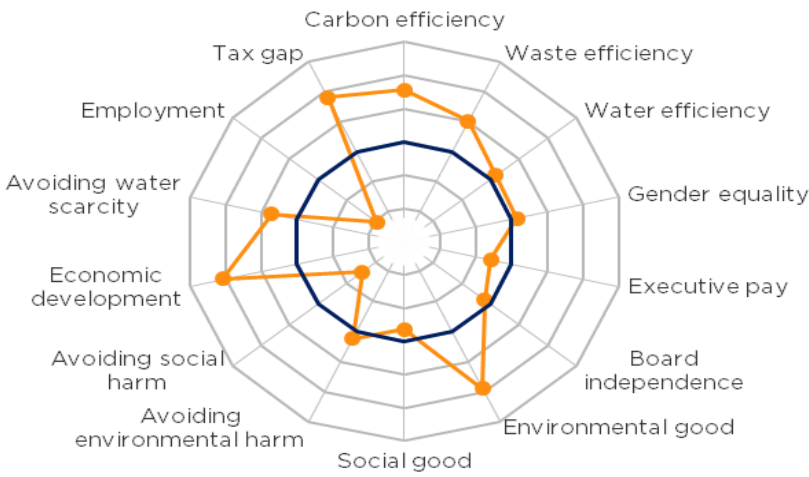
Source: Alquity

TOP 10 HOLDINGS

1.	Commercial International Bank	6.2%
2.	Edita	6.0%
3.	Label Vie	5.8%
4.	MTN Group	5.8%
5.	Brasseries du Maroc	5.1%
6.	Nestle Foods Nigeria	4.9%
7.	Discovery Ltd	4.7%
8.	Bidvest	4.5%
9.	Maroc Telecom	4.2%
10.	Domty	4.0%

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	0.47	tons of GHG (Scope 1 & 2) emissions per unit revenue	26%	7
Waste efficiency	0.48	3.36	tons of waste generated per unit revenue	70%	6, 12, 14, 15
Water efficiency	11.39	24.06	litres fresh water used per unit revenue	62%	6
Gender equality	19.7	19.5	percentage of women in boards and top management	11%	5
Executive pay	42.4	39.2	ratio of executive level pay to median employee pay	55%	10
Board independence	57	58	independent board members	13%	10, 16
Environmental good	1.9%	0.1%	portfolio allocated to environmental solutions	n/a	most SDGs
Social good	32.9%	36.2%	portfolio allocated to help alleviate social issues	n/a	most SDGs
Avoiding environmental harm	3.2%	4.7%	portfolio allocated to environmentally destructive industries	n/a	most SDGs
Avoiding social harm	7.6%	1.8%	portfolio allocated to industries aggravating social issues	n/a	most SDGs
Economic development	\$ 8,400	\$ 11,500	median income of portfolio weighted geography of economic activity	n/a	16, 17
Avoiding water scarcity	2.43	2.55	geographic water use (World Resource Institute scale 0-5 from most to least water scarce areas)	n/a	16, 17
Employment	14.9%	17.8%	unemployment in portfolio weighted area of economic activity	n/a	1, 8, 11, 12, 16
Tax gap	0.3%	1.4%	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

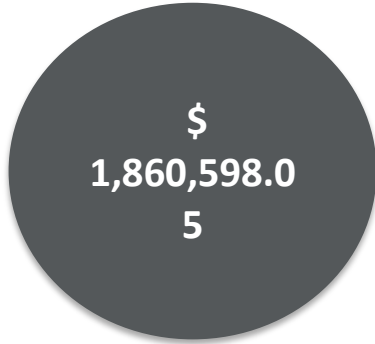
We donate a proportion of our fees from the Alquity Africa Fund to charity partners in the region, reinforcing our belief that social progress should also lead to financial success.

DONATIONS GENERATED BY THE AFRICA FUND:	\$745,009
LIVES TRANSFORMED DIRECTLY:	16,814
LIVES TRANSFORMED INDIRECTLY:	27,081

### Total Lives Transformed by Alquity



### Total Donations generated by Alquity



Data correct at 31 Oct 18

Source: Alquity Transforming Lives Foundation

## FUND FACTS

Fund :	Alquity Africa Fund
Share Class :	A Class
Inception Date :	25/08/2010
Fund AUM :	US\$ 20.5m
Number of Holdings :	32
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Morningstar Rating :	★★★
Minimum Investment :	£1,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU0455925700
SEDOL :	B41RCX4
Bloomberg Ticker :	ALQAFAG

## 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

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For more information about the Alquity Transforming Lives Foundation please visit [www.alquityfoundation.org](http://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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The prospectus, the Articles of Association, the Key Investor Information Document "KIIDs" as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland. Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich. Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.