



MONTHLY SUMMARY

- The MSCI South Africa Net Total Return USD index rose 9.7%, whilst the MSCI EFM Africa ex. South Africa index gained 5% in USD.
- Macro indicators in South Africa implied that the country's economy continues to go through a prolonged period of sluggish growth.
- As inflationary processes are expected to remain benign, the Egyptian central bank could continue to reduce interest rates, in our view.

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%	-1.9%
OCT	1.0%	4.3%	-0.9%	-2.5%	7.6%	-0.2%	-5.1%	-5.2%
NOV	-2.8%	-0.8%	-2.4%	-2.5%	-10.8%	2.8%	3.9%	0.2%
DEC	2.5%	1.2%	-2.9%	1.9%	5.2%	8.3%	0.0%	-0.1%
ANNUAL	6.1%	11.5%	-2.6%	-22.4%	16.8%	8.8%	-13.1%	-1.8%



PERFORMANCE SUMMARY:

1 Month:	-0.1%	1 Year:	-1.8%
3 Months:	-5.1%	3 Years:	-7.1%
6 Months:	-8.2%	Inception:	-3.1%
Year to Date:	-1.8%	Annualised:	-0.4%

VOLATILITY

1Y 12.4%

3Y* 13.8%

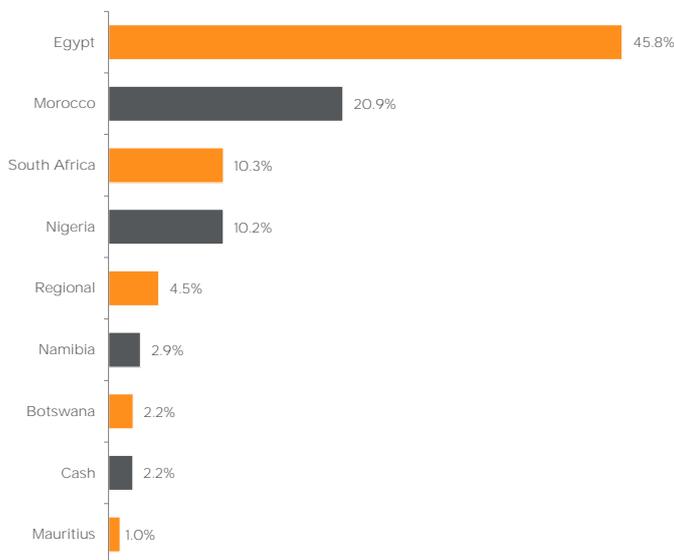
*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

TURNOVER**

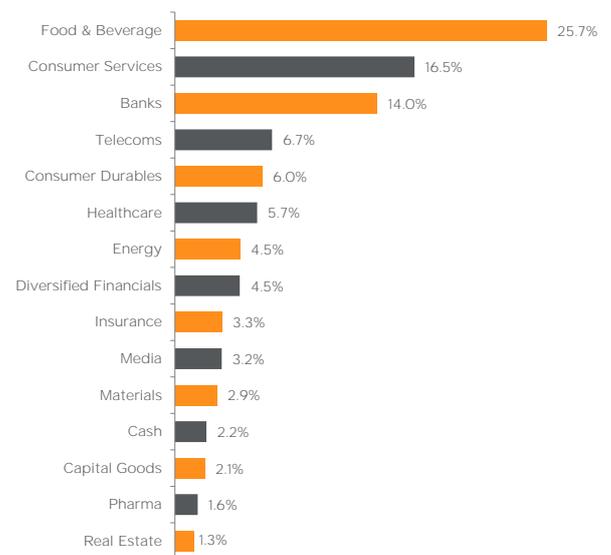
15.1%

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

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

Investor sentiment was positive in African stock markets in December. As a result, the MSCI South Africa Net Total Return USD index rose 9.7%, whilst the MSCI EFM Africa ex. South Africa index gained 5% in USD.

The structural disinflation in Egypt continued. Followed the release of subdued inflation metrics in October, key inflation gauges were similarly low in November, when headline inflation was 3.6% YoY, whilst core inflation was as low as 2.1% YoY. Prior to the release of the November metrics, the central bank reduced the key policy rate 100bp to 13.25%. As inflationary processes are expected to remain benign, the Egyptian central bank could continue to reduce interest rates, in our view.

Macro indicators in South Africa implied that the country's economy continues to go through a prolonged period of sluggish growth: real GDP growth was as low as 0.1% YoY in 3Q19, retail sales volume virtually stagnated, whilst manufacturing production contracted 0.8% YoY in October. Forward-looking economic confidence indicators remained at subdued levels suggesting further weakness ahead (e.g. Absa manufacturing PMI was 47.7 in November).

High inflation in Nigeria persisted, as the headline inflation gauge accelerated to 11.9% YoY in November, barring the central bank from shifting to a more dovish stance.

The best performing shares within the Alquity Africa Fund in December were the following: CIRA (Egypt, private education), Nestle Nigeria (food and beverage) and Societe Des Boissons du Maroc (Morocco, beverages). In contrast, Label Vie (Morocco, retailer), MTN (Nigeria, telecommunication) and SODIC (Egypt, real estate) were the largest detractors.

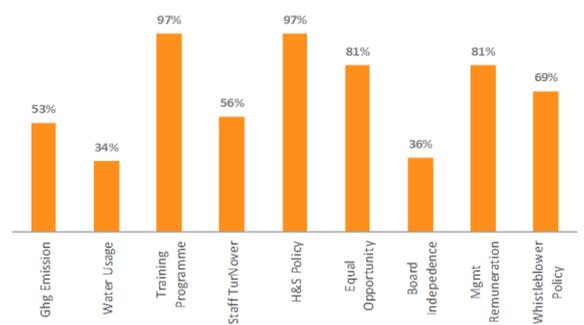
TOP 10 HOLDINGS

1.	Commercial International Bank	7.4%
2.	Edita	6.4%
3.	Label Vie	6.2%
4.	Cira	5.9%
5.	Cleopatra Hospitals	5.7%
6.	Nestle Foods Nigeria	4.9%
7.	Maroc Telecom	4.9%
8.	Vivo Energy	4.5%
9.	Domty	4.1%
10.	Brasseries du Maroc	4.1%

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.

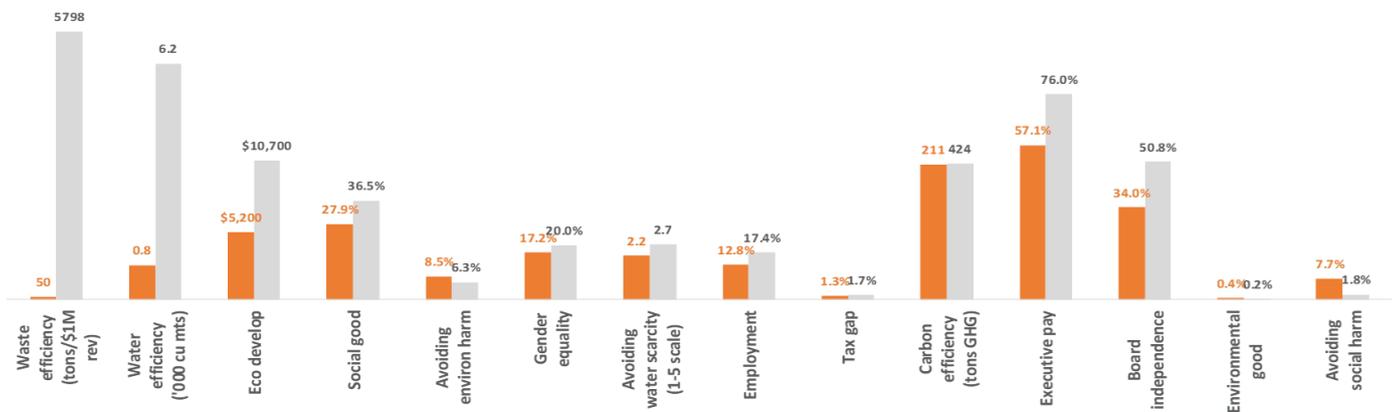
Holdings meeting each KPI standard - % of companies



Source: Alquity. Portfolio overview as of 30 September 2019

ESG : KEY PROGRESS INDICATORS

The performance of Alquity's Africa fund against the benchmark¹



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 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\$ 13.1m
Number of Holdings :	31
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Morningstar 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.

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



This document has been issued and approved by Alquity Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. This document is a marketing communication and is intended solely for distribution to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. If you are an individual who would like more information about Alquity's Funds, please go to www.alquity.com.

The 'Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This document has been provided for information purposes only and does not constitute an offer or solicitation to purchase or sell interests in the Fund. The information contained in this document shall not under any circumstances be construed as an offering of securities in any jurisdiction where such an offer or invitation is unlawful. The Fund is currently registered for sale in a limited number of countries and the Prospectus should be referred to before promoting a share class of a sub-fund as promotion of the Fund where it is not registered may constitute a criminal offence. The current prospectus and simplified prospectus are available free of charge from Alquity Investment Management Limited, 9 Kingsway, London, WC2B 6XF or by going to www.alquity.com.

SWISS INVESTORS:

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.