

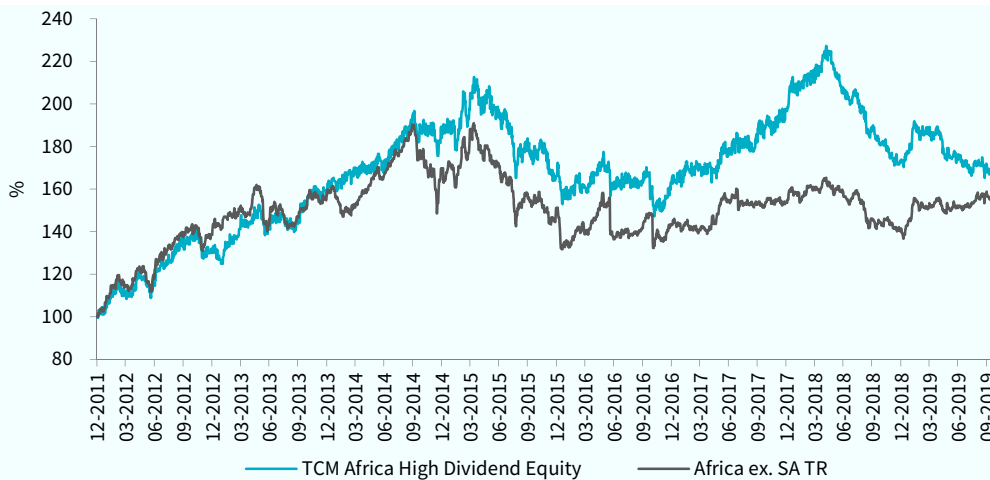
## The Fund Manager writes

The African markets were mixed in October, with the fund and the benchmark index falling by 0.68% and 0.08% respectively. The stock market in Egypt contributed in a positive way, the EGX30 index rose by 0.88% during the month, measured in euro. It has been three years since Egypt switched to the system of a free exchange rate and the economy has been doing well since then. Foreign exchange reserves have increased by \$25 billion and inflation has fallen to the lowest level in 6 years. The economy is currently growing at around 5.9% and the Egyptian pound has gained more than 15% against the euro this year. The fund currently has 25.9% allocation in Egypt.

In Nigeria, sentiment was less positive, the Main Board Index fell by 6.92%, measured in euro. Investors are concerned about the falling foreign exchange reserves and the possible effect on the exchange rate of the naira. At the moment a devaluation doesn't seem to be a big risk for the short term, because the reserves are now twice as high compared to the crisis in 2016. Furthermore, the oil price is stable and production is rising. The best performing market within the universe was Kenya. The Nairobi All share Index rose by no less than 7.9%, measured in euro. In particular banking shares went up sharply because the government wants to remove the interest rate cap on loans.

We increased our holding in Airtel Africa this month. The telecom company, which is mainly active in eastern Africa, has a listing in London. The share is trading at 8.7x expected earnings and the projected dividend yield for the coming year is 8%. We also bought Imperial Logistics in South Africa. Over the last 2 years the stock lost half of its value, but now the tide is turning. The share is trading at 9.4x times expected earnings with a dividend yield of 4.35%. The countries with the largest weightings are now Egypt (25.98%), Nigeria (20.87%), and Kenya (19.55%). At the moment these markets have the most interesting high dividend stocks that meet the quality requirements. The allocation per country is therefore mainly determined by the relative attractiveness of the market compared to other countries. The fund can therefore deviate considerably from the benchmark.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2019	2018	2017	2016	2015	Since start**
TCM Africa High Dividend	-0,68%	-0,77%	-1,60%	-12,25%	21,23%	-1,91%	-9,69%	-25,27%
Africa ex SA TR	-0,08%	4,11%	12,73%	-8,62%	7,31%	-5,12%	-10,38%	-17,96%

\* Based on Total Return (Bloomberg data)

\*\* Data is from inception of the fund: 31-03-2008

## Fund Profile

The fund is an equity fund, investing in listed shares in the northern and sub-Sahara regions of Africa. Initially it will focus on Egypt, Morocco and Nigeria. In addition, it will invest in Kenya, Ghana, Botswana and Mauritius. The relationship between global financial markets and African markets is low, because the latter are less sensitive to international developments. The investment policy of the fund will be aimed at achieving capital growth as well as dividend pay outs. The risk profile is very high, due to investments being channelled into frontier/emerging markets in Africa. To achieve its objective, the Fund invests 95% to 100% of its total assets through TCM Investment Funds Luxembourg in units of TCM Africa High Dividend Equity (Lux). The Fund qualifies as feeder-structure.

### Morningstar Rating™



(5 years, 31-10-2019)

**Net Asset Value:** € 11.69

**Share Price:** € 11.63

**Total Net Assets:** € 9.1 million

**Number of Shares:** 782,407

**Start Date:** 31 March 2008

**Structure:** Open end

**Aim:** high dividend income as well as long term capital appreciation

**Dividend:** ± 4% per annum, payable at least once a year

### Dividend payment:

2019-05: € 0,55 gross dps

(for historical dividends check the website)

**Benchmark:** Africa ex South Africa Index TR (this is the benchmark of the Master fund in Luxembourg)

**Management Fee:** 1,5% per annum

**Performance fee:** 10%

(these costs will only be charged at the level of the Master fund in Luxembourg)

### Ongoing Charges Figure:

2.81% (Budget 2019)

**ISIN Code:** NL0006173007

**Bloomberg Ticker:** TCMF NA

### Trading:

The fund is listed on Euronext, which means that the fund can be traded on trading days through any bank or broker. On trading days the fund will sell shares against NAV with a positive deviation of 0.5% and buy back against NAV with negative deviation of 0.5%.

### Management Company:

TRUSTUS Capital Management

### Fund Management:

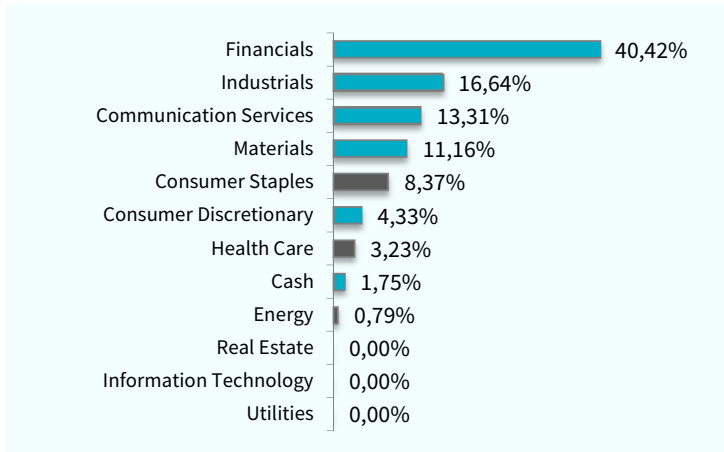
Frontier Markets Team

Wytze Riemersma

Marco Balk



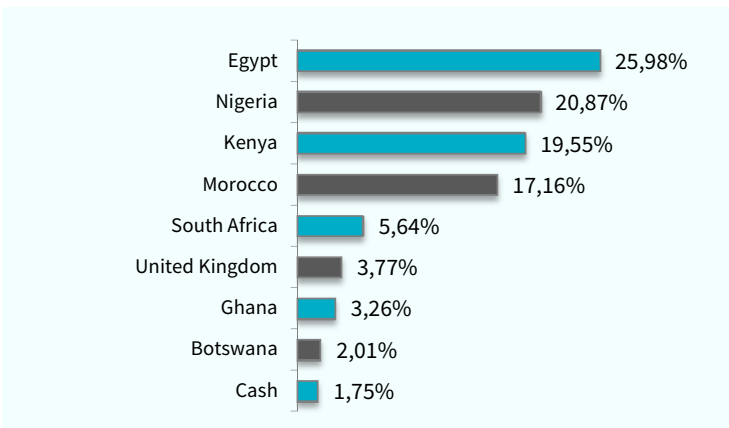
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Kcb Group Ltd	5,48%
Safaricom Plc	4,97%
Equity Group Holdings Plc	4,71%
Credit Agricole Egypt	4,68%
Maroc Telecom	4,57%
Access Bank Plc	4,44%
East African Breweries Ltd	4,39%
Total Maroc Sa	4,33%
Marsa Maroc	4,29%
Housing & Development Bank	4,18%
<b>Total weightings Top 10</b>	<b>46,03%</b>

## Country Allocation



## Fund Characteristics

Characteristics	Fund	AFRICA ex SA
Number of positions	30	34
Dividend Yield in %*	7,57	4,78
Price/Earnings Ratio*	10,90	10,35
Price to Book Ratio *	1,32	2,22

\* source: Bloomberg/TCM

The above data refers to the underlying portfolio of the master fund in Luxembourg in which the Dutch feeder fund invests for 95% to 100%.

## Sustainability

TCM has entered into an agreement with Sustainalytics for the screening of the portfolios of the TCM equity funds on ESG criteria (UN Global Compact and Controversial Weapons).



## Morningstar

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