

## The Fund Manager writes

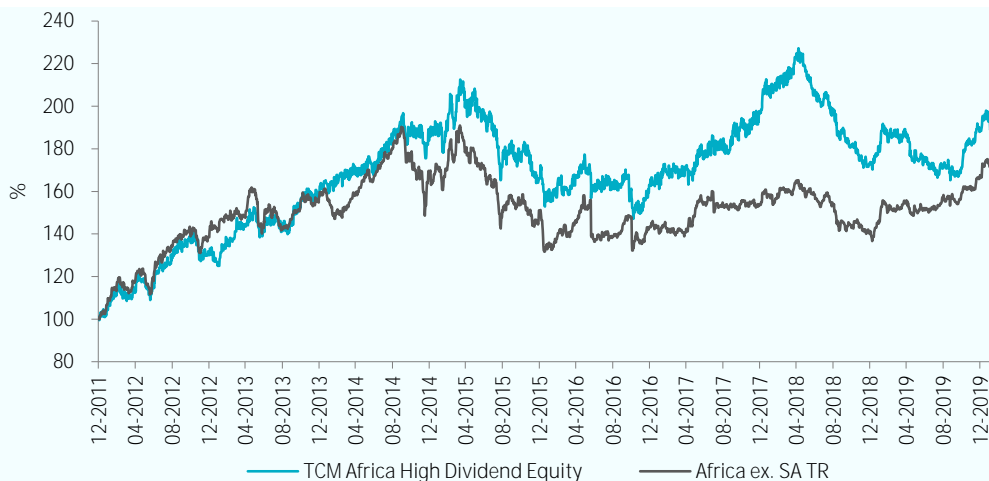
Markets in Africa were mostly negative in February, with the fund declining 7.9% and the benchmark index losing 5.2%. Typically, African markets show very low correlation to Western and Asian stock markets, but the corona virus (despite the limited number of contaminants) also impacted African stocks this time. Measured in euro, the stock market in Egypt fell 7.5%, in Nigeria 7.7% and in Morocco 7.5%. These are the countries where the fund has the largest weighting. Not all positions in the portfolio declined, there were also a number of risers, such as Standard Chartered Bank Ghana (+ 5.4%).

With an economic growth of 8.1% in 2017, 6.8% in 2018 and an expected growth of 7% for 2019, Ghana is one of the fastest growing economies in the world. The reforms that started in the West African country three years ago are now beginning to show some return. The purpose of these reforms were reducing deficits and an aggressive revision of the banking sector, reducing the number of lenders from 69 to 23. This offers opportunities for Cal bank and Ecobank Ghana, both positions in the portfolio. Cal Bank, for example, trades more than 20% below book value at a price earnings ratio of only 3.81x and a dividend yield of 4.85%. For the first 9 months of 2019 a net earnings increase of 31% on an annual basis was reported.

On the macro front there was news from Nigeria, where the purchasing manager's index rose to 59.2. The production in the country is growing steadily and as a result also employment rises. The IMF indicates that more high-quality growth is possible, but then reforms must be implemented. This requires more investments in growth-driven sectors such as energy, agriculture, industry and telecom.

The fund currently holds positions in 29 shares in 7 different countries. The countries with the largest weightings are Egypt (26.1%), Morocco (20.3%) and Nigeria (19%). These markets currently have the most interesting high dividend shares that meet the quality requirements. The weighting of a country is therefore mainly determined by the relative attractiveness of the market compared to other countries.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2020	2019	2018	2017	2016	Since start**
TCM Africa High Dividend	-7,91%	-3,12%	-5,69%	8,64%	-12,25%	21,23%	-1,91%	-22,19%
Africa ex SA TR	-5,22%	0,76%	-2,13%	18,96%	-8,62%	7,31%	-5,12%	-15,26%

\* 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™



(3 years, 29-2-2020)

Net Asset Value: € 12.17

Share Price: € 12.11

Total Net Assets : € 9.4 million

Number of Shares: 773,991

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: 2.76% (Budget 2020)

ISIN Code: NL0006173007

Bloomberg Ticker: TCMAF 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:

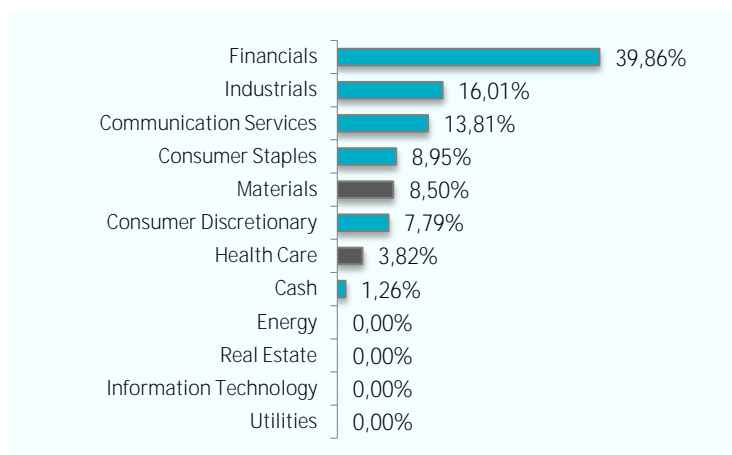
Frontier Markets Team

Wytze Riemersma

Marco Balk



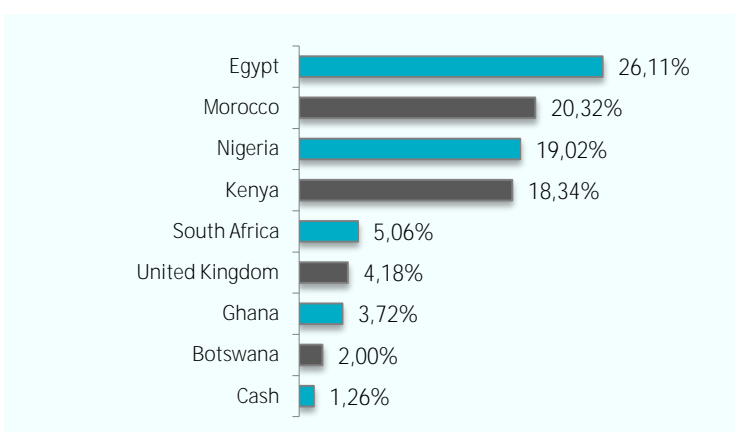
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Compagnie Miniere De Touissi	5,34%
Marsa Maroc	5,19%
Total Maroc Sa	4,99%
Safaricom Plc	4,83%
Maroc Telecom	4,80%
Equity Group Holdings Plc	4,75%
Credit Agricole Egypt	4,69%
Zenith Bank Plc	4,48%
Kcb Group Ltd	4,43%
East African Breweries Ltd	4,33%
<b>Total weightings Top 10</b>	<b>47,83%</b>

## Country Allocation



## Fund Characteristics

Characteristics	Fund	AFRICA ex SA
Number of positions	29	31
Dividend Yield in %*	7,80	4,36
Price/Earnings Ratio*	11,20	10,62
Price to Book Ratio *	1,34	2,36

\* 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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**Contact Information**  
 Sewei 2, 8501 SP Joure, The Netherlands  
 +31 (0)513 48 22 00  
 info@tcminvestmentfunds.nl  
 www.tcminvestmentfunds.nl