

Investment Focus

The objective of the Fund is to achieve long-term capital growth by investing in listed African equities which will benefit from various socio-economic structural changes unfolding in Africa. These include the demographic wave driven by a growing African middle class and the digital revolution unfolding throughout the continent.

The capital allocation of the Fund follows a robust 'Quantamental' approach combining crucial top down risk management, quantitative stock filtering process and solid bottom-up analysis. This disciplined framework guides the decision making process throughout the investment cycle, starting from mega trend identification till execution.

Price Data

I Class - USD	10.277
I Class - EUR	8.8231
I Class - MUR	411.5415
R Class - MUR	399.8154

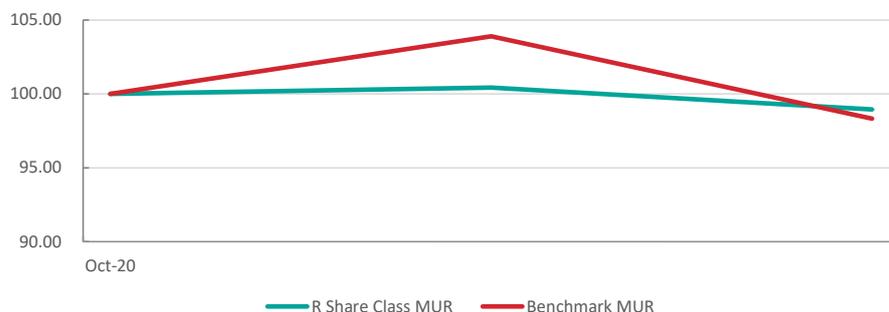
Fund Facts

ISIN	-
Bloomberg Ticker	-
Investment Manager	AXYS Investment Partners
Inception Date	05 August 2020
Benchmark	MSCI EFM Africa Index
Management Fee - R	2.0%
Management Fee - I	1.5%
Entry Fee	Up to a maximum of 2%
Exit Fee	Up to a maximum of 2%
Minimum Investment	R: USD1,000 or equiv. I: USD100,000 or equiv.
Liquidity	Weekly
Sub/Red Cut-off	Friday 11:00am MRU Time

Key Figures - as of end of month

Asset Under Management (USD)	1,530,765
Number of Holdings (ex. Cash)	21
Market Cap (M USD weighted)	8,125
Price/Book (trail. weighted)	5.2x
Price/Earnings (trail. weighted)	17.9x
Dividend Yield (trail. %)	3.86%
Active Share	>90%
Beta	-
Volatility	-
Tracking Error	-
Risk Adjusted Return	-
Information Ratio	-
Largest Upside (weekly)	2.77%
Largest Drawdown (weekly)	-2.63%
No of upside returns	1
No of downside returns	1

Fund Performance



Performance as at 30 October 2020

	1 Month	3 Months	YTD	1 Year	Since Inception
Class R MUR	-1.05%	-	-	-	-1.05%
Benchmark	-1.67%	-	-	-	-1.67%

Market Review

Egypt

In October, the EGX 30 Index TR (USD) decreased by 3.9% driven by Financials and Materials. On the macro front, Egypt has recorded a primary surplus in FY20-21Q1 of EGPI00M. PMI came at 51.4 from 50.4 in September. September's annual core inflation hits 3.3% up from 0.8% a month ago (vs 4.3% a year ago). Real GDP is forecasted to grow by 3.5% during 20/21 and by 5.8% in 22/23 (World Bank). Finally, Sudan, Ethiopia and Egypt agreed on resuming talks on the ongoing Nile dam dispute.

Kenya

Over the month, the NSE 20 Index TR (USD) gained 2.4% driven mainly by financials and telecommunication and technology. The month saw the release of the second quarter 2020 Macroeconomic update. Growth in the quarter remained subdued contracting by 5.7%. While COVID-19 containment measures saw a shutdown in some of the sectors, growth remained stable in the Agricultural, Mining and Quarrying sectors. Inflation jumped to 4.8% YoY in September.

Mauritius

In October, the SEMDEX Index TR (USD) declined by 3.1%. The market turnover amounted to MUR659.4M, geared towards MCBG which made up 47.5% of TMT, followed by ADBF (Fixed Income) and SBMH which accounted for 7.9% and 6.3% of total TMT, respectively. MCBG, Alteo and Terra were the major drivers behind the total net foreign disinvestments of MUR115.3M. Top gainer for the month was Alteo, the stock gained 7.6% and closed at MUR15.60.

Morocco

In October, the MADEX Free Float Index TR (USD) returned +5.8%, driven by Financials, Materials and Telecommunication stocks. September's CPI raised by 1.4% on YoY. During the month, rating Agencies have either downgraded their outlook on Moroccan Economy or cut country's rating reflecting a severe impact of the COVID-19 pandemic on the economy and external financing.

Nigeria

Over the month the Nigerian SE All Share Index TR (USD) returned +12.7%, driven by Consumer Staples, Utilities and Financials. This domestic surge is mainly attributable to OMO maturities of N1.3T hitting markets providing institutional buyers with decent liquidity to take positions in the stock market. On the Macro side, YoY CPI figures for September increased, for the 13th consecutive month, to 13.7% from 13.2% in August. Moreover, the Markit/Stanbic IBTC Bank PMI fell to 52.5% from 54.6%, while the country recovers from the #EndSARS protest.

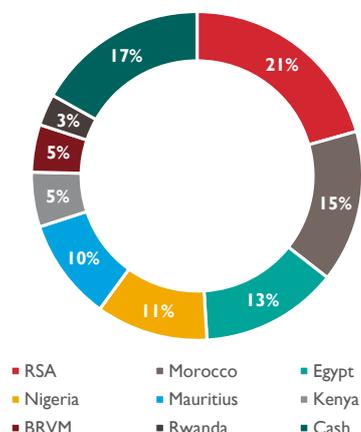
South Africa

Over the month the FTSE/JSE Africa All Share Index TR (USD) was down by 0.1%, dragged by miners and the consumer discretionary sector. The month also saw an outperformance of value stocks versus growth stocks, with consumer staples benefiting from the easing of lockdown restrictions. Absa's seasonally adjusted PMI rose to 58.3 in September from 57.3 in August. SARB kept the repo-rate unchanged at 350bps. In August, core inflation fell to 0.2% from 0.7% MoM.

Western Africa – Ex Nigeria

Over the month the BRVM Composite Share Index TR (USD) increased by 1.4%, driven by Financials. On the political front in Ivory Coast, Pres. Alassane Ouattara has been re-elected for a 3rd term while the main opposition asked their supporters to boycott the elections.

Geographic Split



Portfolio Positioning

Egypt

The Egyptian market has suffered from the downward trend seen across the board during the month but stock selection has been positive. Fawry (FWRY) which benefit from a favorable Digital Payment trend in Egypt returned +26.2% in USD terms contributing by +40bps at the portfolio level. Telecom Egypt (ETEL) recovered from September's underperformance, contributing by +8bps to the overall portfolio performance.

Kenya

We expect Safaricom (+4.1% TR USD) which contributed to +21bps at the portfolio level to maintain its momentum with an increasing interest shown by foreign investors on the counter. Bank of Kigali (+5.1% TR USD) has been a strong performer contributing at +15bps at the portfolio level is expected to be published attractive result in the coming days. We plan to invest in Diamond Trust Bank as its NFI increased by +5.9 % YoY and the bank continues to grow its forex trading income together with a decline in its cost of funds by -40bps YoY.

Mauritius

Our Portfolio consists of SBM (-3.2%), PBL (-0.2%) and AFREX (0%) which are trading at attractively low prices and their fundamental remain strong. We expect all three stocks to publish decent set of results for Q3'20.

Morocco

In October, stock market performance has been strong and stock selection has been positive across Morocco, with Disway (DWY), High Payment System (HPS) and Banque Centrale Populaire (BCP) generating respectively: +33bps, +31bps and +21bps at the portfolio level. Microdata (MIC) was slightly down -0.8% marginally contributing by -1bp to the overall performance.

Nigeria

Returns on the Nigerian portfolio was positive this month. MTN Nigeria and Airtel Africa returned +10.6% and +5.9% respectively in USD total return terms contributing at +0.6% and +0.3% at the fund level. Moreover, results for both companies released during the month are promising, whereby, Revenue, FCF and EBITDA were up for both Airtel and MTN. Though EPS was slightly down, consensus in the market is still positive for both entities. Both exposures boast strong fundamentals and are aligned to our long-term perspectives of the local communication services sector.

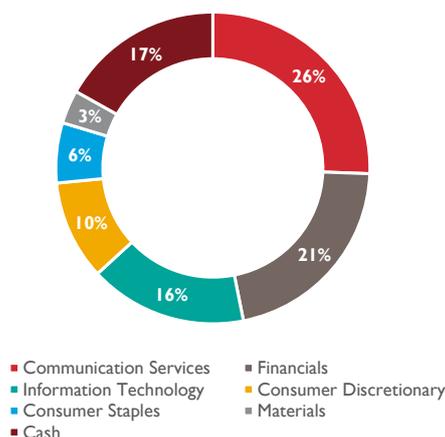
South Africa

In October we trimmed our position in Cartrack, while crystallising a significant gain. Cartrack remains a long-term strategic position and posted impressive half-year financial results. Cartrack had a 0.85% return contribution. Naspers and Prosus contributed to 0.49% and 0.42% respectively, as Tencent continued to rally over the month, reaching its all-time high. Nonetheless, the discount to NAV on both stocks remains significant. Sibanye Stillwater's Q3 trading update showed strong cash flow and continued de-leveraging. It had a 0.16% return contribution as PGMs outperformed Gold over the month.

Western Africa – Ex Nigeria

This month Sonatel declined by -1.0% in USD term contributing by a meagre -6bps at the portfolio level. Sonatel released a decent set of results for Q3 especially in the region ex-Senegal where mobile data activity and orange money had a strong momentum. Sonatel's strategy to address increasing competition issue in the Senegalese market will be key going forward.

Sector Split



Top 5 Positions

MTN Nigeria	5.6%
Safaricom	5.4%
Airtel Africa	5.3%
Naspers	5.2%
Banque Centrale Populaire	5.2%

Top 3 Contributors

Cartrack Holdings	0.8%
MTN Nigeria	0.6%
Naspers	0.5%

Top 3 Detractors

Commercial Intl Bank Egypt	-0.4%
SBM	-0.2%
Libstar Holdings.	-0.1%

Market Cap Breakdown (USD)

Above 1B	55.8%
500M — 1B	6.4%
100M — 500M	26.5%
Below 100M	11.3%

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