

The Fund Manager writes

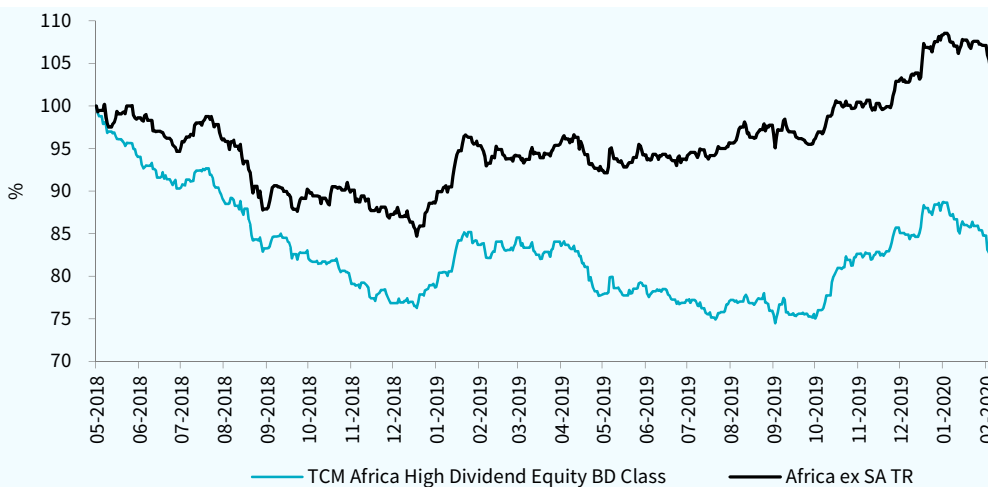
Markets in Africa were mostly negative in February, with the fund declining 10.7% and the benchmark index losing 5.2%. Typically, African markets show very low correlation to Western and Asian stock markets, but the corona virus (despite the limited number of contaminants) also impacted African stocks 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**	Since start**
TCM Africa High Dividend Class BD	-10,69%	-6,35%	-8,72%	10,00%	-22,89%	-22,58%
Africa ex SA TR	-5,22%	0,76%	-2,13%	18,96%	-12,89%	1,42%

* Based on Total Return (Bloomberg data)

** Data is from inception of the fund: 24-05-2018

Fund Profile

The fund invests in listed African companies in the northern and sub-Sahara regions of Africa. The portfolio will have limited exposure to the South African market. Many African countries can be regarded as a Frontier Market at an early stage of economic development, with an attractive dividend yield. The fund primarily aims to generate a long-term return in excess of the benchmark, the MSCI Africa ex South Africa Total Return Net Index, comprising capital gains or losses plus net dividend. The equally weighted portfolio will be re-weighted and re-allocated on a periodically scale. The risk profile is high, due to investments in equities and Frontier Markets.

TCM Africa High Dividend Equity (Lux)

Strategy: High Dividend Equity

Universe:
Africa

Benchmark: Africa ex South Africa Index (Total Return)

ESG: UN Global Compact and Controversial Weapons (screening by Sustainalytics)

Status: UCITS

Structure: Open-end

Domicile: Luxembourg

Inception Date: 24 May 2018

Currency: EUR

Net Asset Value per share:
Share Class A - € 101.56

Total Fund size: € 9.0 million

Share Class sizes:
Share Class A - € 0.005 million

Management Company:
Novacap Asset Management S.A.

Investment Manager:
Trustus Capital Management B.V.

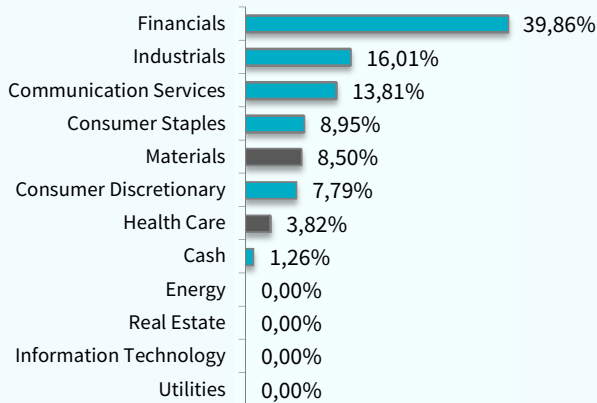
Fund Management:
Frontier Markets Team
Wytze Riemersma
Marco Balk

Custodian:
Caceis Bank Luxembourg Branch

Paying Agent:
Caceis Bank Luxembourg Branch



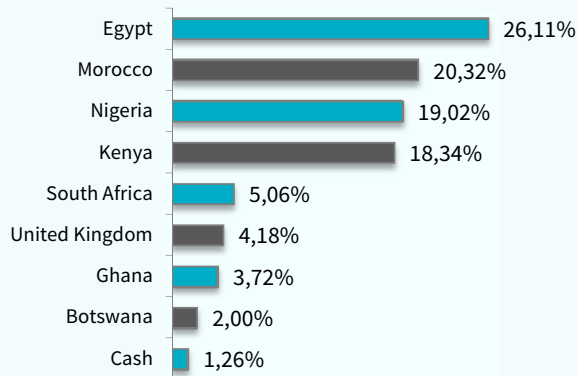
Sector Allocation



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%
Total weightings Top 10	47,83%

Country Allocation



Fund Characteristics

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

* source: Bloomberg/TCM

Subscription information

	A Class Accumulation	AD Class Accumulation
Minimum subscription	EUR 20	EUR 20
Additional subscription	EUR 10	EUR 10
Subscription frequency	daily	daily
Redemption frequency	daily	daily
Subscription Fee *	up to 0.5%	up to 0.5%
Redemption Fee *	up to 0.5%	up to 0.5%
Conversion Fee *	up to 0.25%	up to 0.25%
Investor Restriction	no restrictions	no restrictions
Dividend pay-out	No	No
Investment Management Fee	2.5% per annum	2% per annum
Performance Fee	10%	10%
Ongoing Charges Figure (2020)	3,24%	2,74%
Clean share class	No	Yes
ISIN Code	LU1730854350	LU1730854434
Bloomberg ticker	TCMAFRA LX	TCMAFAD LX
Can be offered to investors in	FI, LU, NL, NO, SE	LU, NL

* added back to the fund

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).



Disclaimer

TCM Africa High Dividend Equity (Lux) is a sub fund of TCM Investment Funds Luxembourg, domiciled in Luxembourg. The fund is authorized in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. The information in this document provides insufficient information for an investment decision. Please read the Key Investor Document and the prospectus. These documents as well as annual report, semi-annual report and the articles of incorporation of the fund are available free of charge at the registered office of the fund located at 5, Allée Scheffer, L-2520 Luxembourg and on the website of the Management Company: www.novacap-am.com/en/funds. The value of your investment may fluctuate. Past performance provides no guarantee for the future. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

TCM investment funds
Your connection to new markets

TCM Africa
High Dividend

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