

AATIF INVESTOR REPORTING

Report for the quarter ending 31/12/2019



Activity Report Q4 2019

Regional Developments

Growth in Sub-Saharan Africa according to the IMF is expected at around 3.2 percent for 2019 and projected to rise to 3.6 percent in 2020¹. The expected recovery, however, is at a slower pace than previously envisaged. Growth prospects vary considerably across countries in the region. Non-resource-intensive countries are expected to grow nearly three times faster at about 5½ percent (excluding Ethiopia) in 2020. The growth momentum is expected to remain, partly due to private investment (Côte d'Ivoire, Rwanda, Senegal), productivity growth in the agricultural sector (Benin), and public investment (Mauritius, Rwanda).

Key factors that could dampen growth projections across the continent, include drought, the current locust infestation affecting especially Eastern Africa, security threats and increases in the cost of public borrowing & private investment.

Fund Performance

USD funding rates continued to contract throughout the last quarter of 2019. 6-months USD LIBOR rate reached 1.9% beginning of 2020 compared to 2.22% beginning of July 2019. The effect is also reflected in the overall portfolio yield that reduced slightly to 6.11% end of 2019. Along with recoveries that could be collected, the income of the fund produced a year-to-date surplus of USD1.3m. The surplus

is being allocated to pay C-Shares dividends and write up the value of C-Shares that had covered losses in the past. Assuming the stable performance remains in the current quarter, we expect the Fund to continue generating a surplus that will be used to recover on the value of C-Shares.

New Investment Activities & Disbursements

The balance of transactions in execution stage by end of December stood at USD 21m. Investments on which a due diligence is on-going summed to USD 41 spread over 6 opportunities as of Q4 quarter end.

Existing Investment Portfolio

Quality wise, active investments have continued to show a stable performance during the last quarter. Provisions nevertheless had been increased in accordance with IFRS9 requirements and as a function of the investments AATIF has executed in 2019. On the other side, AATIF could continue to recover on outstanding debt which was previously provisioned.

African Milling Ltd (AML) commissioned its newly installed maize mill with a capacity of 336 tonnes per day and 50,000 tons storage in December 2019. The new mill triples the company's maize milling capacity from previously 168 tonnes per day. AML also operates a 120 tonnes per day wheat mill plant since the year 2010. AATIF started working with AML in 2018 where it provided a USD 11m annual

facility for the procurement of maize and wheat to feed its mills.

Cooper K-Brands Ltd (CKL) and Tukulime Ltd announced a joint venture to enhance agricultural productivity through the provision of on-farm technical and advisory services. The joint venture was formed through an investment in Tukulime by CKL's parent company, Kzanaka Ltd in October 2019. Tukulime empowers individuals and self-help groups in Kenya by providing day to day farm management services that increase their crop productivity and links them to local markets.

Capital Raising Activities

The Fund has fully leveraged the paid in C-Share capital with C-Shares having a share of 1/3 of total NAV. In order to continue growing, AATIF is pursuing options to on-board additional investors that would contribute additional C-Share capital. As of Q4 2020, AATIF has multiplied the paid in public sector capital 4.8 times already and hence has a proven track record to leverage public funds efficiently.

Investment Portfolio Restrictions

AATIF remains to be in breach with regards to the single obligor concentration limit related to the ETG investment. Further details can be found in the section "Portfolio Risk Summary".

¹ IMF (Oct 2019): Economic Outlook: Navigating Uncertainty

Social & Environmental Review

In Q4, AATIF's Partner Institutions showed improvement in different social and environmental topics. In Zambia, following the engagement with the Ministry of Land and Agricultural Resources, Agrivision started the expansion works at its seedling nursery as part of a programme to plant 15,000 trees, which will be implemented in 2020.

Impact measurement wise, a consultant started an employment effects assessment of the Fund's loan to Export and Trading Group (ETG) operations in the cashew value chain in Tanzania.

Technical Assistance Update

Alongside AATIF's investment activity, the Technical Assistance (TA) Facility continues to grow its project portfolio. The TA Facility portfolio currently consists of 21 operational projects.

During Q4 2019, AATIF's TA Facility Committee endorsed to finance an expert team that will support the Tanzanian wheat miller Amson's to design an outgrower scheme for smallholder wheat farmers to increase Amson's share of locally produced wheat for processing. Based on the results of this project,

undertook a mission to East Africa in October 2019 to meet with AATIF Investees. As an outcome, several TA proposals are currently being elaborated. These include but are not limited to:

- Aiding increase linkages with supplying cotton smallholders through agricultural extension measures, and
- Developing or supporting the development of a new retail product line as well as improving and institutionalizing Health and Safety measures.



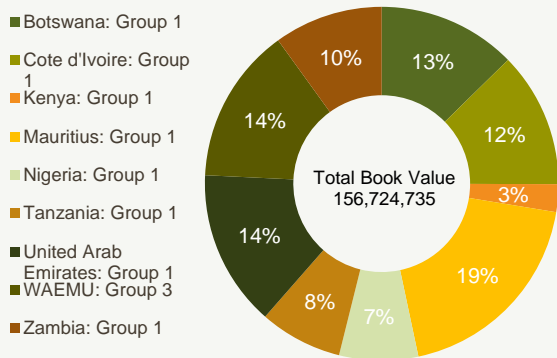
Furthermore, a rapid appraisal showed that the proportion of indirect beneficiaries of ETG operations in Malawi living under USD1.9/day threshold reached more than half of surveyed households.

the TA Facility will consider supporting a larger TA program to assist Amsons with implementation and establishment of the outgrower scheme.

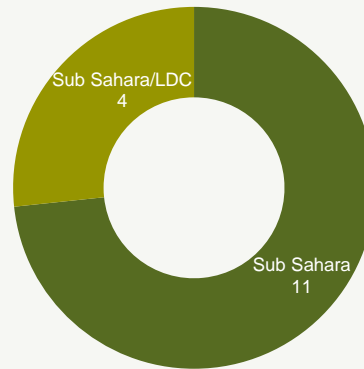
To identify and develop new projects the TA Facility Manager

Portfolio Overview as at 31/12/2019

Book value – Country & Rating Category



Transaction Geography (# of investees)

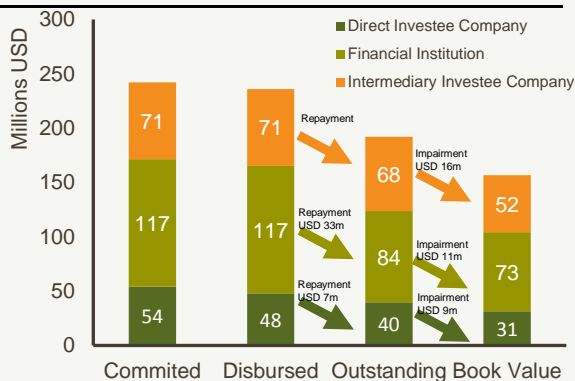


Group 1 and 2 allocation is performed based on a review of the country risks across the continent on a regular basis. Group 3 applies to Supranationals.

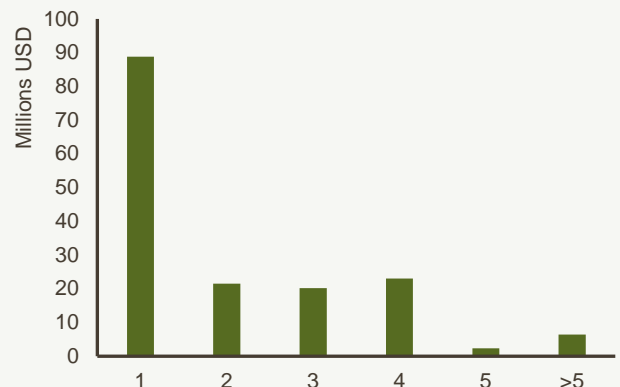
LDC: Least Developed Countries

The country allocation of the investment is linked to the place where the legal residency of the investee/ the economic risk bearer is registered.

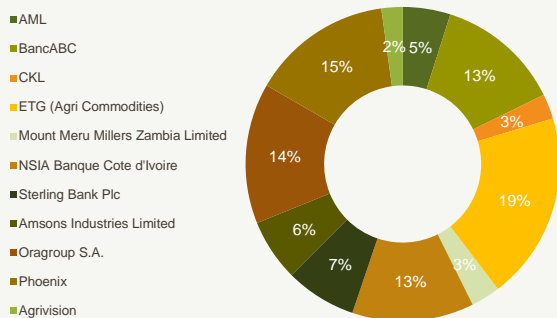
Type of Partner Institution*



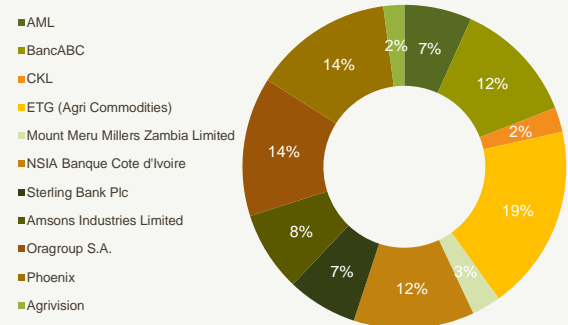
Maturities of the Portfolio (in years)



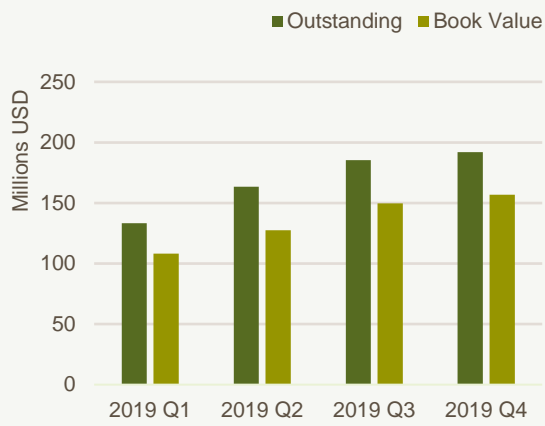
Partner Institution: Net Balance Exposure



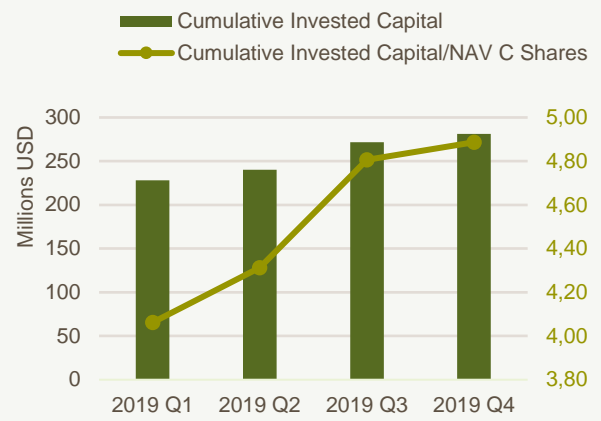
Partner Institution: Net Balance + Unused Commitment



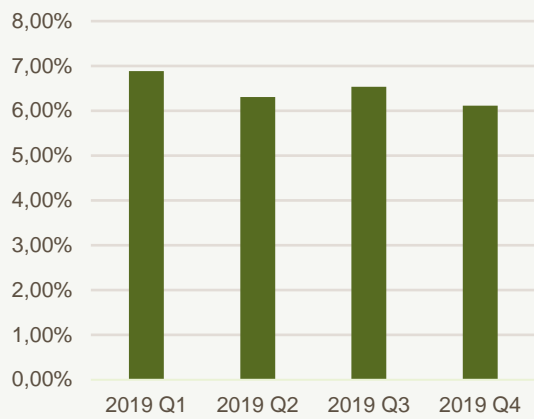
Investments Outstanding



Cumulative Invested Capital vs C Shares NAV

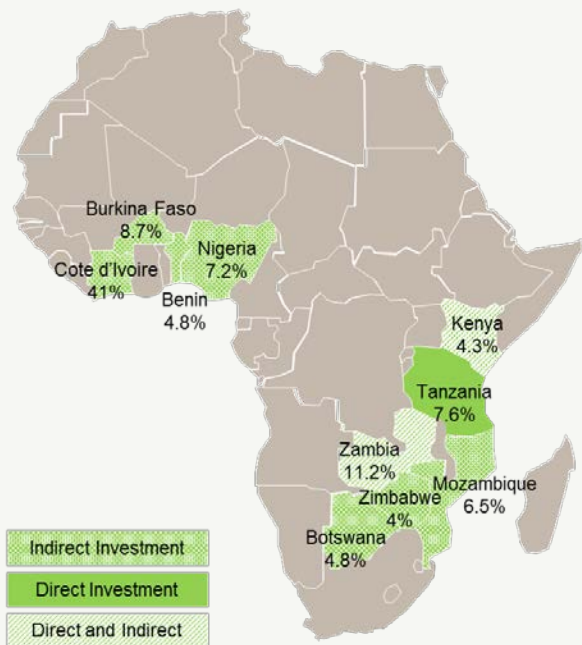


Gross Yield

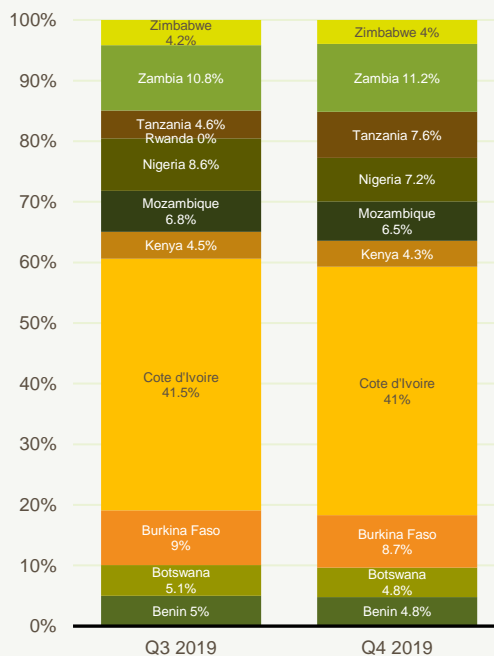


Regional Use of Funding (Data as of different dates)

Funding from AATIF is generally used by investees across the region of their activities. ETG as a trading company, for example, reports the use of funding from AATIF in accordance with its trading activities which constantly change. While loan documentation limits the regional use of funds to the African continent, the single country allocation changes over time. The methodology used by the IM to allocate the funding into the respective countries is explained below.



Data as of 31 December 2019

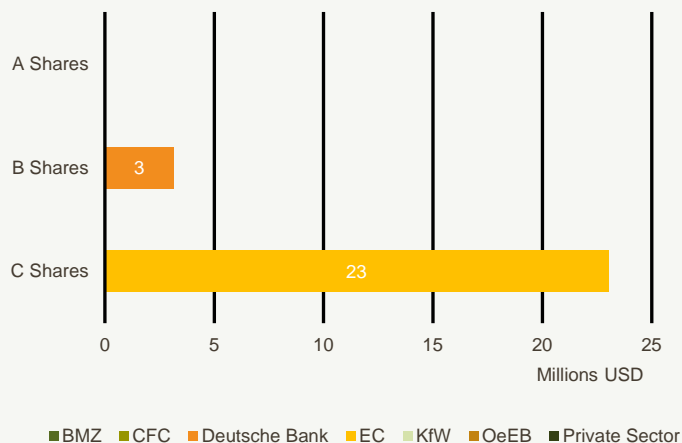


The "Use of Funding Allocation" applies the following methodology:

1. The net loan balance (after redemptions, provisions or write downs) is being used;
2. For direct investment companies (DICs), the country allocation is determined by the purpose of the loan;
3. For intermediary investment companies (IICs) and financial institutions (FIs), the country allocation is determined applying the distribution of the reported reference portfolio of loans to borrowers that are part of an agricultural value chain to the net value of AATIF's investment.

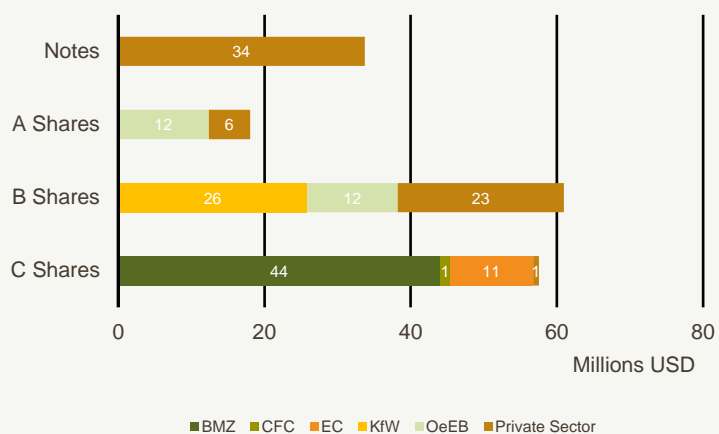
Investor Capital Structure as at 31/12/2019

Undrawn Commitments



Total amount of undrawn capital: USD 26.2m

Net Asset Value (NAV) of Outstanding Shares



NAV of the Fund includes cash and other value elements

Contact persons

Fund

Africa Agriculture and Trade Investment Fund SICAV-SIF, S.A.
31 Z.A. Bourmicht,
L- 8070 Bertrange

Investment Advisor

Tim Becker
Alternatives | Sustainable Investments

DWS International GmbH
Mainzer Landstraße 11-17
60329 Frankfurt am Main
Germany

Phone +49 69 910 40480
Email tim.becker@dws.com

Gabriele Krause-Zens
Head of Alternatives Investor Relations,
Germany | Alternatives Coverage Specialists

DWS International GmbH
Mainzer Landstraße 11-17
60329 Frankfurt am Main
Germany

Tel. +49 69 910-40777
E-Mail: mailto:gabriele.krause-zens@dws.com

Custodian, Paying Agent, Account Bank

Citibank Europe plc, Luxembourg Branch
Cindy Fuchs / Emilie Jacot
Client and Investor Services Team,
Transfer Agency, Luxembourg Fund Administration 31,
Z.A Bourmicht, L-8070 Bertrange, Luxembourg

Phone +352 45 14 14 207 or 316 (TA main line)
Fax +352 45 14 14 332
Email cindy.fuchs@citi.com

Complaints

complaints@aatif.lu

Collaboration Partners and Selected Investors

Initiator:



Collaboration Partners:



Investors:



Disclaimer

All statistics, data and values presented in this report, unless otherwise specified, are based on non-audited figures of the financial model and reporting tool of the Africa Agriculture and Trade Investment Fund. Care has been taken in preparing the financial model and the statistics presented in this report but no representation, warranty or undertaking (express or implied) is given or will be made and no responsibility or liability is or will be accepted by the Africa Agriculture and Trade Investment Fund or any of their respective officers, directors, employees, collaboration partners, service providers or agents in relation to or concerning the content, completeness or accuracy of any information, opinion or other matter contained in this report.

Imprint

Africa Agriculture and Trade
Investment Fund
31 Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg
www.aatif.lu
info@aatif.lu