



Investment Objective

AOF is pursuing a deliberate realization of its assets while seeking to maximize returns in the process. As cash and income are realized, the Fund will make distributions to Shareholders.

Listing

Specialist Fund Segment of the London Stock Exchange's Main Market

Fund Performance – 31 December 2021

NAV per share	\$1.052	Total Net Assets	\$26.1mm
Share price	\$0.750	Market Capitalization	\$18.6mm
Discount to NAV	28.7%	Shares outstanding	24.7mm

NAV Performance History

% US\$ NAV Return	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Jan	-0.7%	-2.1%	5.6%	-1.4%	1.9%	4.9%	2.2%	-5.1%	-3.2%	-1.0%	5.1%	0.9%	-1.1%	9.2%
Feb	1.9%	-10.4%	1.2%	-1.1%	0.4%	-0.8%	3.3%	-1.8%	2.5%	-0.5%	3.8%	7.6%	-3.0%	0.1%
March	1.4%	16.7%	3.1%	2.9%	0.0%	7.8%	-4.0%	-2.4%	1.8%	3.0%	0.1%	-5.0%	-8.0%	-0.1%
April	1.0%	6.2%	4.7%	5.5%	0.5%	5.4%	-2.8%	2.3%	4.0%	1.8%	-4.5%	-2.2%	5.7%	3.7%
May	0.1%	3.7%	-8.4%	1.5%	-6.0%	-1.4%	-8.3%	1.0%	-2.0%	2.1%	-8.4%	-1.4%	-3.7%	20.3%
June	-0.6%	10.0%	-6.7%	-0.9%	1.1%	0.4%	0.8%	-2.5%	-0.2%	-0.6%	-0.6%	2.7%	-4.3%	16.6%
July	-3.8%	5.0%	10.9%	4.2%	-0.7%	3.2%	0.6%	1.8%	-1.3%	3.5%	1.8%	-2.3%	-1.6%	-1.9%
Aug	-8.2%	2.4%	0.3%	-2.5%	-1.9%	1.7%	-2.2%	-2.2%	0.5%	11.3%	-3.9%	-2.9%	0.6%	-0.9%
Sept	-9.8%	8.0%	8.2%	-9.0%	1.5%	2.8%	-2.6%	-3.2%	0.7%	-2.6%	-2.1%	-0.9%	-3.7%	10.2%
Oct	-23.8%	1.5%	7.5%	3.6%	-2.7%	-0.3%	-4.1%	-0.5%	-0.2%	-0.5%	-4.6%	1.4%	1.2%	1.9%
Nov	-10.2%	1.6%	-3.5%	-2.8%	4.6%	1.5%	-2.0%	2.9%	-2.1%	1.3%	-12.8%	-6.3%	2.1%	-2.2%
Dec	-4.1%	0.1%	3.6%	2.6%	6.3%	-0.1%	0.9%	-2.5%	3.1%	-1.4%	-3.6%	3.5%	14.8%	-0.3%
FY	-42.5%	48.2%	27.1%	1.6%	4.4%	27.7%	-17.3%	-11.4%	-9.5%	16.9%	-27.0%	-5.5%	-2.4%	69.0%*

*69.0% represents the return for continuing shares (post redemption) for period ending 31 December 2021. The portfolio return from December 2019 to date including redeemed shares and dividend paid out is 21.6%.

Monthly Top Performers and Losers

Security	% Gain	Security	% Loss
Enterprise Group	9.4%	Mashonaland Holdings	-37.5%
Copperbelt Energy Corporation	6.8%	First Mutual Properties	-5.3%
Letshego Holdings	2.7%		

**Top Eight Holdings**

Company Name	Description	% of NAV
Enterprise Group Plc	Ghanaian property & casualty insurance and life assurance company	29.4%
Copperbelt Energy Corporation Plc	Largest electricity transmitter in the Zambian Copperbelt	21.0%
African Leadership	Network of tertiary institutions in Rwanda and Mauritius	12.0%
First Mutual Properties	Real estate company based in Zimbabwe	10.8%
Mashonaland Holdings	Real estate company based in Zimbabwe	5.7%
Letshego Holdings	Botswana based Pan-African microfinance company	5.6%
Tanzania Breweries	Leading producer of alcoholic beverages in Tanzania	4.3%
Cash Balance	Cash as a percentage of the portfolio	12.1%
		100.9%

Manager's Commentary**Market Conditions**

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") NAV declined 0.3% in December, while its share price was unchanged. As a reference, in December, with the exception of Nigeria which declined 3.6%, major African indices recorded gains: South Africa gained 5.1%, Kenya gained 1.3%, Morocco gained 2.1%, and Egypt gained 5.2%. Three Africa-focused ETFs recorded mixed performances – the Lyxor ETF (PAF FP) declined 0.9% while DBX MSCI Africa Top 50 (XMAF LN) gained 3.8% and Van Eck Africa Index (AFK US) gained 4.1%. AOF's NAV return, including redemptions, from the end of June 2019 to December 2021, was up 12.5%. As a reference, during the same period, the Lyxor ETF (PAF FP) declined 1.2%, DBX MSCI Africa Top 50 (XMAF LN) gained 3.2% and Van Eck Africa Index (AFK US) gained 4.3%

Portfolio Highlights

AOF's December net asset value was down 0.3% because gains from Enterprise Group, Copperbelt Energy and Letshego were offset by losses from Mashonaland Holdings and First Mutual Properties. The Fund's internal Zimbabwean dollar exchange rate against the US Dollar declined 5.3% in December to ZW\$ 209/\$ while First Mutual's local unit share price was unchanged and Mashonaland's local unit price declined 32%. On an annual basis, First Mutual appreciated 38.5% in 2021 while Mashonaland Holdings appreciated 42%. Our top gainers in 2021 were Copperbelt Energy Corporation, which appreciated 247% and Enterprise Group, which appreciated 93%.

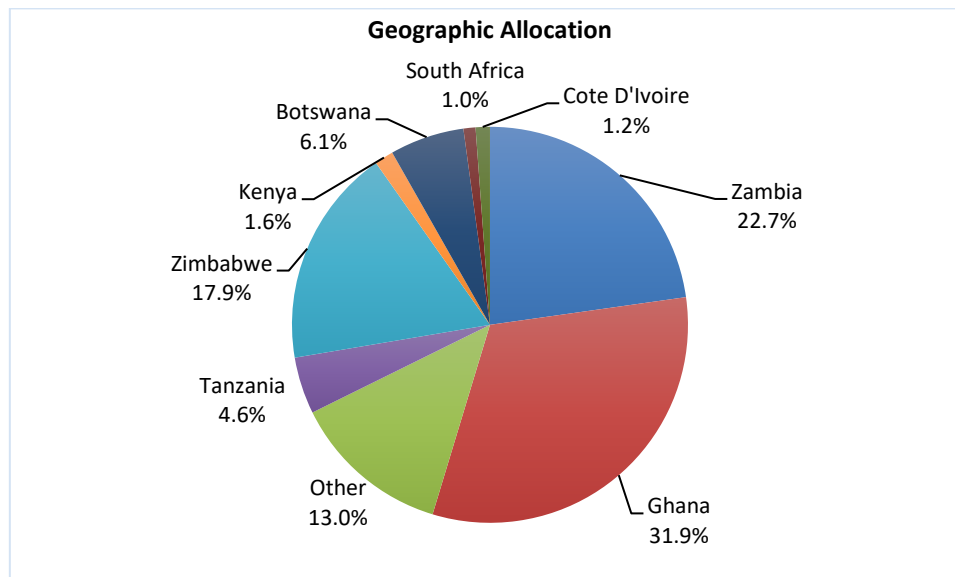
During the course of the year, we sold all our holdings in Zimplats, Misr, Sonatel, and African Bank Floating Rate Notes and partially reduced our stakes in Letshego, African Leadership, and SOGB. Total proceeds from these sales represented 31% of our closing NAV in December 2020. We have so far distributed to our shareholders 62% of our closing NAV in June 2019. Current NAV represents 51% of the closing NAV in June 2019 because of unrealized gains of \$6.5 million accumulated over the last 30 months. We will continue pursuing a deliberate realization of all assets in our portfolio over the next few months.

Fund Exposure – 31 December 2021

	Exposure		Exposure
Long Equities	80.1%	Special Situations	12.0%
Bonds	0.0%	Net Current Assets	7.9%



Fund Exposure by Country – 31 December 2021



Company Details (Ordinary Shares)

Bloomberg	AOF LN
Reuters	AOF.L
Website	www.africaopportunityfund.com
Listing	SFS / London Stock Exchange
Structure	Closed-end
ISIN	KYG012921386
	Euroclear/Clearstream
Inception	26 July 2007
Domicile	Cayman Islands

Portfolio Managers	Francis Daniels Robert Knapp
Investment Manager	Africa Opportunity Partners LLC
Broker	Liberum Capital Ltd
Auditor	Ernst & Young (Mauritius)

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