



Investment Objective

To earn capital growth and income through value, arbitrage, and special situation investments in the continent of Africa. Portfolio investments will include equity, debt, and other interests in both listed and unlisted assets.

Listing

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

Dividend Policy

An amount equal to the annual comprehensive income excluding net capital gains/losses.

Fund Performance – 31 December 2018

NAV per share	\$0.675	Total Net Assets	\$50.5mm
Share price as at 31 December	\$0.590	Market Capitalization	\$44.2mm
Discount to NAV	13%	Shares outstanding	74.8mm

Year to Date Change in NAV

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

Table of monthly top performers and losers

Top Gains / Losses

	% Gain	Amount (mm)		% Losses	Amount (mm)
Anglogold Equity	26.5%	1.2	Kosmos Equity	-24.9%	-1.2
Continental RE	5.9%	0.2	Enterprise	-12.5%	-1.1
Goldfields	20.1%	0.2	Sonatel	-10.5%	-0.6
Kenya Power	19.5%	0.2	Letshego	-12.1%	-0.3
SOGB	9.6%	0.1	Fastjet	-15.4%	-0.2



Top Ten Holdings

Company Name	Description	% of NAV
Enterprise	Ghanaian property & casualty insurance and life assurance company	15.3%
Anglogold	Gold mining company operating in 11 countries	9.7%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	9.4%
Copperbelt	Largest electricity transmitter in the Zambian Copperbelt	9.4%
Kosmos	Oil Producer and explorer in West Africa	5.0%
Stanchart Ghana	Leading commercial bank in Ghana	4.7%
Stanbic Uganda	Leading commercial bank in Uganda	4.2%
Letshego	Microfinance holding company	3.7%
Alexandria Containers	Container handling operator in Egypt	2.9%
Vodacom	Regional integrated telecommunication operator	2.7%
Total		67.0%

Manager's Commentary

Market Conditions

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") NAV declined 3.6% in December, while the share price lost 10% and closed at \$0.590. As a reference, but for South Africa, during the month other major African indexes broadly suffered declines: South Africa = 4%, Egypt = -1%, Kenya = -4%, Morocco = -2% and Nigeria = -2%. Three Africa-focused ETFs – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US), had flat to negative results, 0%, -1%, and -4% respectively.

Portfolio Highlights

The Fund's 3.6% NAV decline was largely due to losses from Kosmos, Enterprise and Sonatel. Kosmos lost 25% following the 10% decline in Brent crude oil prices from \$60/bbl to \$54/bbl. Enterprise gave up 13% after the share price lost 11% as the GHS declined 2% to GHS 4.91/\$. Sonatel lost 11% after the share price closed at XOF 160,000/share.

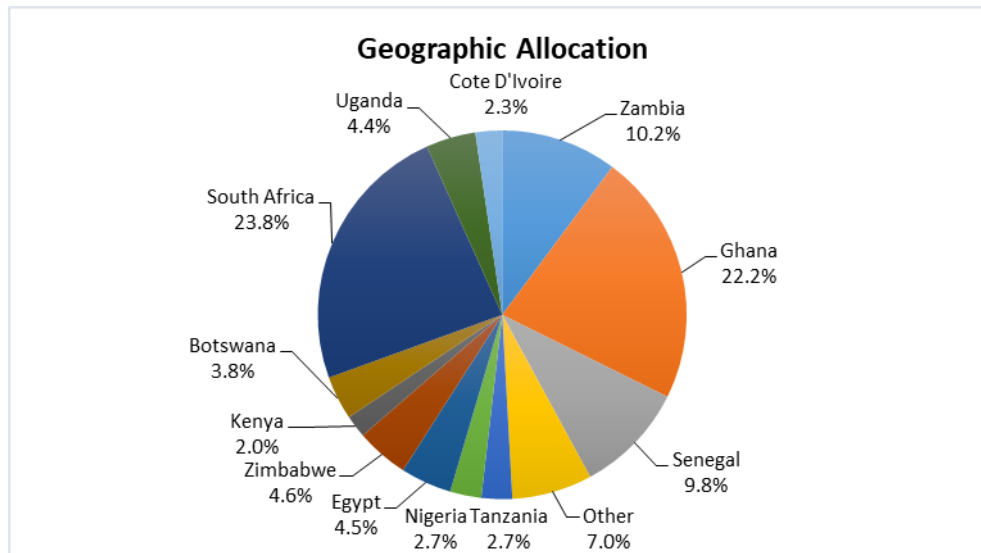
Gains were mainly from Anglogold that gained 27% from \$9.92/share to \$12.55/share on the back of a 5% increase in the gold price to \$1,282/oz.

Fund Exposure – 31 December 2018

	Exposure		Exposure
Long Equities	86.9%	Arbitrage	0.3%
Short Equities	0.0%	Cash Balance	-1.8%
Bonds	4.5%	Other Assets & Liabilities	-1.0%
Special Situations	4.7%		



Fund Exposure by Country – 31 December 2018



Company Details (Ordinary Shares)

Bloomberg	AOF LN
Reuters	AOF.L
Website	www.africaopportunityfund.com
Listing	SFS / London Stock Exchange
Structure	Closed-end
ISIN	KYG012921048
	Euroclear/Clearstream
Inception	26 July 2007
Domicile	Cayman Islands

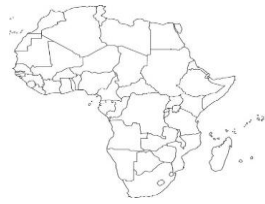
Portfolio	Francis Daniels
Managers	Robert Knapp
Investment Manager	Africa Opportunity Partners Ltd
Broker	Liberum Capital Ltd
Auditor	Ernst & Young (Mauritius)

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