Africa Opportunity Fund Ltd – Ordinary Shares *31 March 2017*

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

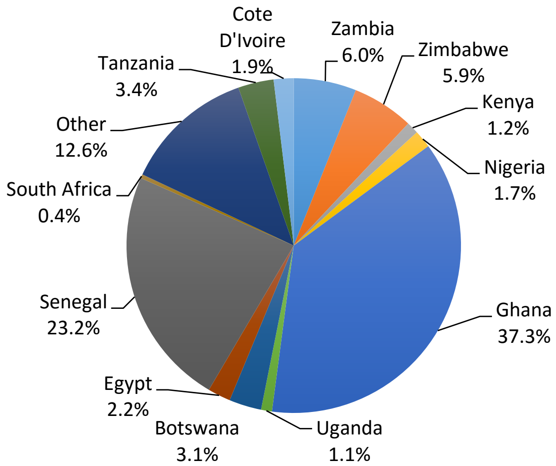
Dividend Policy: An amount equal to the annual comprehensive income of the Company (excluding net capital gains/losses).

Fund Performance (as at 31 March 2017) – Ordinary Share

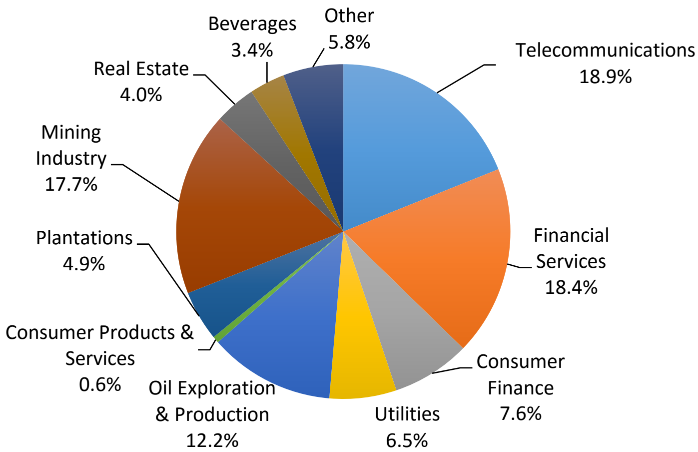
NAV per share:	$0.803	Total Net Assets:	$34.2 mm
Share price as at 31 March 17:	$0.633	Market Capitalization:	$26.9 mm
Premium/Discount to NAV:	-21%	Shares outstanding:	42.6 mm

US$ NAV Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2017	-13.2%	-0.5%	3.0%										-11.0%
2016	-3.2%	2.5%	1.9%	4.0%	-2.0%	-0.3%	-1.2%	0.4%	0.7%	-0.3%	-2.1%	3.1%	3.2%
2015	-5.2%	-1.8%	-2.4%	2.3%	1.0%	-2.5%	4.2%	-4.5%	-3.3%	0.5%	2.8%	-2.3%	-11.4%
2014	2.3%	3.1%	-4.0%	-3.2%	-8.0%	0.8%	0.6%	-2.2%	-2.6%	-4.0%	-2.1%	0.9%	-17.3%
2013	4.9%	-0.8%	7.8%	5.6%	-1.6%	0.4%	3.2%	1.7%	2.8%	-0.3%	1.5%	-0.1%	27.7%
2012	1.8%	0.4%	-0.3%	0.8%	-6.1%	0.8%	-0.4%	-1.9%	1.1%	-2.4%	4.6%	6.4%	4.4%
2011	-1.4%	-1.1%	2.9%	5.5%	1.5%	-0.9%	4.2%	-2.5%	-9.0%	3.6%	-2.8%	2.6%	1.6%
2010	5.6%	1.2%	3.1%	4.7%	-8.4%	-6.7%	10.9%	0.3%	8.2%	7.5%	-3.5%	3.6%	27.1%
2009	-2.1%	-10.4%	16.7%	6.2%	3.7%	10.0%	5.0%	2.4%	8.0%	1.5%	1.6%	0.1%	48.2%
2008	-0.7%	1.9%	1.4%	1.0%	0.1%	-0.6%	-3.8%	-8.2%	-9.8%	-23.8%	-10.2%	-4.1%	-42.5%

Geographic Exposure Ordinary Shares*



Sectoral Exposure Ordinary Shares*



*Geographic and Sectoral exposure as a percentage of Security holdings

Holdings: 82% Equity, 26% Debt, -8% Unencumbered Cash

Top Ten Holdings - Ordinary Shares	Description	% of NAV
Enterprise	Ghanaian property & casualty insurance and life assurance company	20.2%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	20.1%
Tullow Oil 6.25% 04/15/2022	Leading independent oil exploration and production company	10.0%
IAM Gold - 6.75% 10/01/2020	Gold mining company focused in West Africa	9.2%
Copperbelt	Leading electricity distributor in the Zambian Copperbelt	5.7%
Tizir - 9% 09/28/17	1st priority bond backed by Grande Cote mineral sands project in Senegal	4.8%
Tanzania Breweries	Brewer and distributor of malt beer, other beverages, and spirits	3.7%
Letshego	Botswana based consumer finance lender focused on government employees	3.4%
Standard Chartered Bank Ghana	Leading commercial bank in Ghana	3.3%
Anglogold Ashanti	Gold mining company operating in 11 countries	3.2%
Total		**83.6%**

Africa Opportunity Fund Ltd – C Shares *31 March 2017*

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

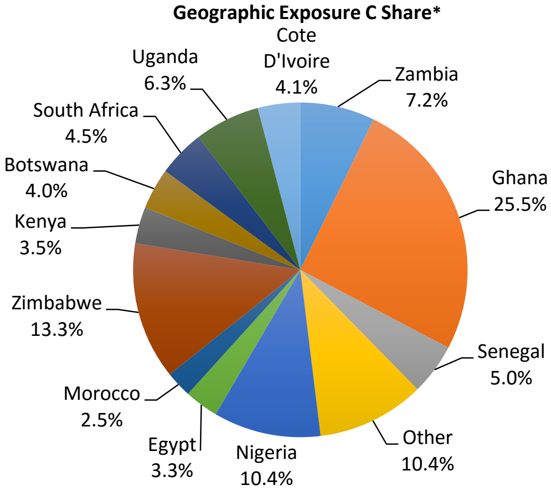
Dividend Policy: An amount equal to the annual comprehensive income of the Company (excluding net capital gains/losses).

Fund Performance (as at 31 March 2017) – C-Shares

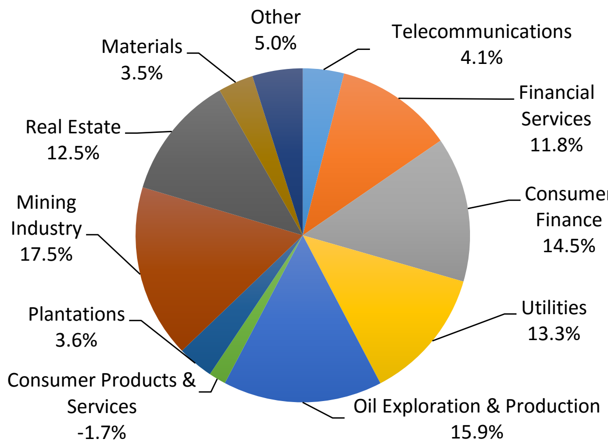
NAV per share:	$0.815	Total Net Assets:	$23.8 mm
Share price as at 31 March 16:	$0.680	Market Capitalization:	$19.8 mm
Premium/Discount to NAV:	-16.6%	Shares outstanding:	29.2 mm

US$ NAV Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2017	1.1%	0.1%	2.3%										3.5%
2016	-5.4%	1.8%	-2.9%	8.9%	0.8%	-2.9%	-2.0%	-1.0%	0.1%	-2.3%	-3.2%	4.6%	-4.1%
2015	-2.5%	-0.7%	-0.7%	1.6%	1.5%	-4.4%	-1.5%	-3.1%	-1.8%	0.4%	0.1%	0.9%	-10.0%
2014	N/A	N/A	N/A	-2.6%	-0.2%	0.0%	0.0%	-0.8%	-0.5%	-2.0%	-2.4%	-0.5%	-8.8%

Geographic Exposure C Share*



Sectoral Exposure C Shares*



*Geographic and Sectoral exposure as a percentage of Security holdings

Holdings: 66% Equity, 26% Debt, 8% Unencumbered Cash

Top Ten Holdings - C Shares	Description	% of NAV
Tullow Oil 6.25% 04/15/2022	Leading independent oil exploration and production company	10.6%
Copperbelt Energy	Leading electricity distributor in the Zambian Copperbelt	6.7%
Enterprise	Ghanaian property & casualty insurance and life assurance company	6.4%
Mashonaland Holdings	Zimbabwean real estate company	6.4%
Continental Reinsurance	Leading Pan-African reinsurer based in Nigeria	6.3%
Stanbic Uganda	Leading commercial bank in Uganda	5.8%
IAM Gold - 6.75% 10/01/2020	Gold mining company focused in West Africa	5.4%
Pearl Properties	Zimbabwean real estate company	5.0%
Tizir - 9% 09/28/17	1st priority bond backed by Grande Cote mineral sands project in Senegal	4.6%
Anglogold Ashanti	Gold mining company operating in 11 countries	4.5%
Total		**61.7%**

Manager's Commentary

Market Conditions

The Africa Opportunity Fund ("AOF") ordinary share NAV fell 11% in Q1, primarily due to the $0.12 per share provision that was made following the Shoprite arbitration process. Excluding the provision, the ordinary share NAV rose 2.3% in Q1. In the same period, the share price rose 1.2% from $0.625 to $0.632. As a reference, during the quarter in USD the S&P rose 6%, Brazil rose 12%, Russia fell 3%, India rose 17%, and China rose 5%. In Africa, South Africa rose 6%, Egypt rose 7%, Kenya fell 2%, and Nigeria fell 1%. Three Africa-focused exchange traded funds – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US), rose, respectively, 4%, 2%, and 6%.

Ordinary Share Portfolio Highlights

Details of the Shoprite award were provided in AOF's annual report and accounts released during the quarter. Needless to say, AOF is disappointed and perplexed that shares purchased on a legitimate stock exchange by numerous investors could be found to hold invalid title. We are appealing the arbitrator's determination. But to be prudent, the directors and investment manager decided to make a provision against the value of the Shoprite position pending the outcome of the appeal.

Moving beyond the topic of Shoprite, except for the depreciation of the Rand in the last week of Q1, in reaction to the removal of South Africa's finance minister - Mr. Pravin Gordhan - African currencies turned in benign performances. Ghana's Cedi, for example, depreciated by less than 2% against the Dollar in Q1 and the Zambian Kwacha appreciated by 3% against the Dollar. Thus, AOF underperformed several Africa indices in local currency terms this quarter. Changes made in the AOF portfolio during the quarter included selling its Anglogold Ashanti bonds while increasing its exposure to gold equities, selling its equity holdings in Pallinghurst Resources, and increasing its North African and East African equity exposure. The ordinary share portfolio had 5% of its net asset value in gold mining equities, 9% in gold mining debt, 2% in oil and gas equities, and 11% in oil and gas debt.

Copperbelt's shares enjoyed a superb quarter, appreciating 38%. In the wake of the separation of its non-Zambian investments -primarily Nigerian - from its Zambian operations, the market has recognized the high quality of Copperbelt's Zambian electricity revenues and profits. As in early 2016, it declared a large dividend, giving a yield of 12%. AOF enjoyed a gain of 1.4 cents per share from its Copperbelt holdings. The Southern Africa drought has ended, so the water level of the Kariba dam, which is the source of a majority of Zambia's electricity, is rising. According to the Zambezi River Authority, the Kariba Dam reservoir was 49% full at end of Q1 2017 versus 25% full at end of Q1 2016. Consequently, Zesco, Copperbelt's bulk supplier of electricity for delivery to Zambia's mining sector, which obtains electricity from the Kariba dam, should be able to increase its supplies to Copperbelt in 2017 for delivery to Copperbelt's Zambian mining customers. 2017 will be the first year since 2012 in which Copperbelt's executive team and accounts are dedicated exclusively to Zambian operations. One matter requiring resolution is that, like all African countries minus Seychelles and Uganda, Zambia's electricity tariffs do not cover the capital and operating costs of the national electricity network. Since 2014, like most African customers, the Zambian mining sector has resisted tariff increases. Copperbelt believes that a negotiated solution based on higher tariffs will be announced in 2017. With its recently adopted 50% dividend payout policy, simpler financial accounts, and growing profits, Copperbelt has all the ingredients for a rerating. It remains deeply undervalued.

Standard Chartered Ghana released respectable 2016 results. It earned $57 million, its fourth highest profits ever, after the halcyon 2010-2013 years of soaring profits. In Dollars, its earnings per share rose 240% to $0.49/share, placing it, with a market capitalization of $414 million, on an 8x P/E ratio and a 2.5x P/B ratio, at the end of Q1. Its 2016 return on average equity of 35% and return on average assets of 6% were pleasing improvements on the abysmal 2015 returns of 12% and 2%, which were Standard Chartered's worst returns since 1993. Standard Chartered's cost to income ratio fell from 43% in 2015 to 31% in 2016, a ratio lower than the 5 year average of 36%, and impairment charges registered their first decline since 2012. Of significance, in a 13% inflation environment, its operating expenses declined 15% in Cedi terms and interest expense, as a percentage of deposits and borrowed funds, fell to 3% from 5% in 2015. It is ironic testament to Standard Chartered's resilience that it reported decent profits in a year in which its non-performing loans ratio hit an all-time high of 45% while maintaining a capital adequacy ratio of 22%.

To recuperate, cash and Ghana government securities, as a percentage of Standard Chartered's total assets, have vaulted from 45% in 2014 to 63% in 2016. It is no wonder that Ghana's 2016 GDP growth rate of 3.6% was its lowest since 1990 when the balance sheets of its top banks are stuffed with safe assets. For AOF, assuming an improvement in Standard Chartered's credit culture, there is the comfort of a reasonable valuation of its ordinary shares. AOF's NAV enjoyed a gain of 0.5 cents per share from the 25% appreciation in SCB's ordinary shares in Q1 2017.

Enterprise Group's share price had a tepid quarter, declining by 1% in Dollars. In contrast, although Sonatel's share price was flat in local currency terms, it rose 2% in Dollars. Sonatel has been in the AOF portfolio for 9 years. Throughout that period, it has generated high returns on equity, high returns on assets, and traded on a high dividend yield. For the ordinary shares, Sonatel has been a convertible bond swaddled in equity clothing. Sonatel's 2016 results disclosed its first sub-50% EBITDA margin of 49%, as its debt level rose 5x to $316 million. One consolation was that its cash level of $396 million remained higher than debt. Data and value-added services, like mobile money and money transfer, are the primary sources of future revenue and profit growth. In the case of its mobile money service, Sonatel has discovered that it needs to build a new and separate distribution network to stimulate growth. That approach, emulating M-Pesa in Kenya, has been very successful in Mali and is being extended to Senegal. By virtue of its presence in several markets, Sonatel has the capability of introducing international money transfer, as well as intra-country money transfer, services at rates lower than those of Western Union and Moneygram. Safaricom's latest interim results, in which EBITDA margins rose 13% to 50%, show the margin and profit elevating powers of an African 3G and 4G telecoms business. We expect Sonatel to emulate Safaricom on the far western side of Africa.

AOF's Tullow bonds received additional credit support in this quarter through a rights issue in mid-March. It raised £607 million in equity. Earlier in the quarter, it had farmed down its Uganda holdings for $900 million to reduce its future development liabilities, of which $100 million was received upfront in cash. Those Tullow bonds were accumulated in 2016 at an average price of 74. Based on Tullow's 2015 commercial reserves of 322 million barrels in West Africa and its gross debt of $4.36 billion, we accepted a $14 per barrel valuation. AOF's margin of safety came from Tullow's additional 975 million barrels of East African contingent resources. Thus, AOF got exposure to several promising oil areas in countries like Kenya and Uganda for free. Tullow added more debt in 2016, as it brought the new TEN field in Ghana into commercial production. As it happened with its Jubilee oil field, initial daily production was lower than originally forecast, which created some stress and led to the equity raise. AOF's investment in Tullow and Kosmos debt, as well as Kosmos equity, gives it a stake in a continental suite of African oil resources, generating contractual interest as those resources come into commercial life. These bonds were flat in Q1, trading at an average price of 93. Tullow bonds generated a return of 2.2% over the quarter and a return of 37% since we started to purchase the bonds in February 2016.

AOF sold its Pallinghurst holdings in this quarter. It has owned shares of Pallinghurst Resources Limited since Q1 2012. Pallinghurst is a closed-end mining investment vehicle. We were attracted to Pallinghurst because its shares traded at a 56% discount to its reported net asset value. Our own internal estimate was that Pallinghurst's shares were trading at a 30% discount to our stringent and diminished net asset value of $0.48/share. Our December 2016 appraisal value for Pallinghurst, of $0.43/share, was a bit lower than our initial appraisal value and, by coincidence, slightly lower than Pallinghurst's December 2016 NAV of $0.48 per share. Gemfields was the only profitable asset of Pallinghurst in 2012; all of its other assets were under development. By the end of 2016, all of its investments, except for iron ore deposits in Australia, were in commercial production. Furthermore, each of its mining operations sat in the lowest cost quartile and earned Dollars. Unfortunately, since December 2012, except for the prices of coloured stones like emeralds and rubies which have risen in value and flat manganese prices, the platinum, and iron ore prices have dropped by a cumulative 41% and 46%. The increase in the number of its operating mines from 1 to 3 in this period has not been able to offset the repeated drops in Pallinghurst's net asset value triggered by those commodity price declines. We elected to sell our holdings in this quarter when its market price traded higher than our appraisal value, especially as we had identified more attractive investment prospects in other industries. AOF recovered most of the original US Dollar cost of its Pallinghurst investment.

C Share Portfolio Highlights

The NAV of AOF's C share rose 3.5% in Q1. Its largest gains came from Copperbelt Energy and Continental Reinsurance and its largest losses came from Kenya Power, iShares MSCI Emerging Markets P36 option, and its short book. The C shares had 6% of its net asset value in gold mining equities, 5% in gold mining debt, 3% in oil and gas equities, and 12% in oil and gas debt.

Continental Reinsurance's market capitalization rose by 16% to $38 million at the end of Q1 2017. It added 0.6 cents per share to the net asset value of the C shares. This market capitalization was 21% lower than Continental's $48 million capitalization at the end of Q1 2016. It was valued on a Price/Book ratio of 0.6x, a P/E ratio of 4x, and a dividend yield of 10%. Continental's return on average equity was 15% and return on average assets was 9%. Its Pan-African strategy softened the damage inflicted by a devaluing Naira on the US Dollar value of its shareholders' equity. Continental's shareholder equity has declined by 29% in Dollars since December 2013, as the Naira has been devalued by 49% against the Dollar in that period. Continental's dividends helped to reduce the overall Dollar loss arising from the combined value of Continental's dividend and change in shareholders equity over that period to 16%. The company reported mixed 2016 results: net premium revenue fell 4%, its combined ratio worsened from 89% to 98%; investment losses were reversed into gains, net income climbed 18% to $12 million, and free cash climbed 339% to $21 million, its highest level since 2005. Nigeria's contribution to revenues declined slightly to 53% in 2016, but it was the single biggest source of operating (excluding investment income) losses. Losses of $13 million in Nigeria swamped aggregate operating profits of $4 million from Cote d'Ivoire, Cameroon, Kenya, Tunisia, and Botswana. Fortunately, more than 70% of Continental's cash and cash equivalents, receivables, and retrocession assets were denominated in the US Dollar or other non-Nigerian currency, as it reported $16 million in net foreign exchange gains on its holdings of freely tradeable currencies. It was to be expected, therefore, that Nigeria's claims ratio remained the highest, as it rose from 52% in 2015 to 61%. Continental's 4% decline in consolidated net premiums written stood in stark contrast to Tunisia's 24% leap in written premiums, accompanied by a 22% claims ratio. We hope that Continental's new Moroccan controlling shareholder - Saham Finance - will assist Continental expand in North Africa. Still, there were signs of stress calling for extra vigilance. Continental's Nigerian operations recorded a $6 million impairment of its financial assets (constituting 81% of consolidated impairments). 2016 operating expenses rose by 1/3rd even as insurance revenue rose by only 20%, hinting at intensifying competition among reinsurers. Worse, in Dollars, Continental's float - net funds it owes its policyholders - has fallen 36% in five years from $17 million to $11 million. Nevertheless, Continental's sober balance sheet - insurance reserves equate to only 70% of Continental's total capital versus, as an example, Swiss Re's 307% -- deployed increasingly outside Nigeria in its quest to build an African business does not deserve to trade at a deep discount to book.

Stanbic Uganda released superb results, as its earnings per share rose by 27%. Uganda's largest bank, it reported a return on equity of 30% and a return on assets of 4.6%. At 54%, its efficiency ratio continues its three year glide towards our preferred ceiling of 50%. A market capitalization of $368 million placed it on a 7x P/E ratio and a 1.9x P/B ratio, at the end of Q1. Stanbic Uganda's appeal is that it comprises Uganda's largest investment bank as well its largest retail bank. Uganda's 2016 GDP growth rate was 4.5%, as non-performing loans in the Ugandan banking system rose to constitute 10% of assets. Drought has appeared, inducing a pick-up in inflation to 6.4% by the end of Q1. By growing its deposit base by 25% to $895 million and investing 1/3rd of those deposits in high yielding, risk-free, government securities to expand that book by 30%, while also providing trade finance facilities for Chinese financed parts of the Government of Uganda's infrastructure agendum, Stanbic Uganda was able to grow its net profits in a year when the net profits of the Uganda banking industry fell by 44%. In fact, the indirect Chinese shareholding of Stanbic should be an asset as the Chinese presence in Uganda's oil fields and infrastructure continues to expand in size. The one blot on these 2016 results was a rise in Stanbic's credit loss ratio from 1.5% in 2015 to 1.8% in 2016 because of difficulties suffered by some of its manufacturing customers. However, its capital adequacy ratio was a healthy 21.1%, with shareholders equity equating to 16% of total assets. For the future, it has announced an ambitious target of increasing its Uganda shilling-denominated net profits by 84% by 2020. Stanbic Uganda deserves a higher valuation.

AOF sold its Anglogold 6.5% 2040 bonds during the quarter. They were purchased in February 2016 at a price of 78% of par and were sold in March 2017 at a price of 99% of par. The total return for owning these bonds was 36%. The gold price was $1209 in February 2016 and $1254 in March 2017. That small movement in price masked a surge in the gold price to $1366 in July 2016 and a fall to a low of $1135 in November 2016. Anglogold Ashanti's treasury team retired more expensive debt in 2016 and refinanced other debt. Thus, the value of these bonds rose in response to the stronger credit quality of Anglogold Ashanti. Throughout our ownership of this bond, we worried about its duration risk. Thus, as its price rallied to par and the prospect of the US Fed raising rates became more likely, with potentially severe capital losses to be borne by bondholders without the prospects of matching gains, we elected to sell those bonds.

Elsewhere in the portfolio, Zimbabwe continues to suffer deflation because of an acute shortage of Dollar notes in relation to the volume of Dollar denominated credit in existence. Hence the re-emergence of a pattern from the era when Zimbabwe had its own Zimbabwe Dollars - the premium paid for an Old Mutual share purchased on the Harare Stock Exchange over an Old Mutual share traded on the London Stock Exchange rose from 36% at the end of 2016 to 42% at the end of Q1, signifying a deepening shortage of Dollars and tighter liquidity conditions. One positive antidote to the tight liquidity is the end of the southern Africa's drought, bringing lower food prices to stressed Zimbabwean consumers later this year. Currently, though, even the largest and most profitable companies, like Delta Corporation and Econet Wireless, have admitted to an inability to transfer money to settle foreign liabilities. The share prices of Mashonaland Holdings and Pearl Properties have been flat in this quarter. However, their operating results will show the scars of Zimbabwe's tough conditions, as vacancy rates rise and property valuations drop. AOF continues to have a substantial margin of safety insofar as these companies trade at less than the replacement value of their underlying commercial buildings and have modest debt levels.

Portfolio Appraisal Value

As of March 31, the Manager's appraisal of the intrinsic economic value of the Ordinary Share portfolio was $1.09 per share. The market price of $0.633 at quarter end represents a 42% discount. The Manager's appraisal of the intrinsic economic value of the C Share portfolio was $1.145 per share. The market price of $0.680 at quarter end represents a 41% discount. Note the Appraisal Values are intended to provide a measure of the Manager's long-term view of the attractiveness of AOF's portfolio. It is a subjective estimate, and does not tell when that value will be realized, nor does it guarantee that any security will reach its Appraisal Value.

Attribution Analysis

We have set forth an attribution analysis for Q1 2017 at the end of this quarterly newsletter to give readers more data about the underlying sources of the performance of the ordinary share portfolio and the C share portfolio.

Merger of Ordinary and C shares

The board of AOF intends to merge the two classes of shares later in 2017.

Strategy

The long-term investment appeal of Africa remains intact. We remain focused on investing in companies that sell goods and services in short supply. We also invest in commodity related companies, on a selective basis, when we can implicitly purchase the underlying resources at a material discount to spot market values. AOF's ordinary share portfolio possesses undervalued companies. Its top 7 equity holdings offer a weighted average dividend yield of 5%, a rolling P/E ratio of 13x, a return on assets of 11%, and a return on equity of 22%. Excluding Copperbelt's non-Zambian operations, AOF's ordinary share portfolio's top 7 equity holdings had a weighted average dividend yield of 5%, a P/E ratio of 8x, a return on assets of 13%, and a return on equity of 26%. The corresponding statistics for the top 7 equity holdings in AOF's C share portfolio are a dividend yield of 5%, a P/E ratio of 28x, a return on assets of 0.1%, and a return on equity of 5%. If Copperbelt's non-Zambian operations were excluded, then the top 7 equity holdings of the C shares had a weighted average dividend yield of 5%, a P/E ratio of 8x, a return on assets of 4%, and a return on equity of 12%. As African markets adjust to the down draft of weak commodity prices and volatility, we are finding excellent long opportunities. As always, caution is necessary. It is a privilege to have investible funds. We intend to exercise that privilege with prudent confidence.

Analysis of Portfolio return by Sector and by Geography

Africa Opportunity Fund
Return by Sector
For Q1 March 2017

Return by Sector, % of Securities	Ordinary Shares	C Shares
Telecommunications	0.3%	0.2%
Financial Services	-0.5%	0.2%
Consumer Finance	0.9%	2.2%
Utilities	1.3%	1.5%
Oil Exploration & Production	0.1%	0.1%
Consumer Products & Services	-10.3%	-0.6%
Plantations	0.0%	0.1%
Mining Industry	1.5%	1.8%
Real Estate	-0.1%	-0.3%
Materials	0.0%	-0.2%
Beverages	-0.1%	0.0%
Other	-0.4%	-0.5%
	-7.3%	**4.5%**
Net Working Capital	-3.7%	-1.0%
Return on NAV	**-11.0%**	**3.5%**

Africa Opportunity Fund
Return by Geography
For Q1 March 2017

Returns by Geography, % of Securities	Ordinary Shares	C Shares
Zambia	-8.4%	2.4%
Ghana	0.4%	0.5%
Senegal	0.7%	0.6%
Other	0.3%	0.1%
Egypt	0.1%	0.2%
Nigeria	0.2%	0.6%
Cote D'Ivoire	0.0%	-0.1%
Morocco	0.0%	0.1%
Zimbabwe	-0.2%	-0.2%
Kenya	-0.3%	-1.0%
Botswana	0.0%	0.0%
Tanzania	-0.1%	0.0%
South Africa	0.0%	1.1%
Uganda	0.0%	0.2%
	-7.3%	**4.5%**
Net Working Capital	-3.7%	-1.0%
Return on NAV	**-11.0%**	**3.5%**

Attribution of Portfolio Returns by Asset Class

Ordinary Shares Portfolio

Asset Class Exposure	Invested Capital*	Attribution PnL	Q1 2017 Return on Invested Capital	Return Contribution on NAV
Long Equities	27,341,516	842,267	3.1%	2.1%
Short Equities/Options	-2,359,378	-368,323	-15.6%	-0.9%
Bonds	9,244,153	589,399	6.4%	1.4%
Special Situations	6,524,192	-4,028,289	-61.7%	-9.9%
	40,750,483	**-2,964,946**		**-7.3%**

*For this Q1 return, invested capital is as of 01/01/2017 and comprises the market value of securities in the ordinary shares portfolio as of 01/01/2017, plus net changes in that securities portfolio during Q1.

C Shares Portfolio

Asset Class Exposure	Invested Capital*	Attribution PnL	Q1 2017 Return on Invested Capital	Return Contribution on NAV
Long Equities	15,901,317	724,936	4.6%	3.5%
Short Equities/Options	-2,226,472	-278,945	-12.5%	-1.3%
Bonds	6,409,829	481,757	7.5%	2.3%
Arbitrage	71,596	2,308	3.2%	0.0%
Special Situations	668,919	0	0.0%	0.0%
	20,825,189	**930,056**		**4.5%**

*For this Q1 return, invested capital is as of 01/01/2017 and comprises the market value of securities in the C shares portfolio as of 01/01/2017, plus net changes in that securities portfolio during Q1.

Fund 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

Fund Details (C-Shares)

Bloomberg:	AOFC LN
Reuters:	AOFc.L
Website:	www.africaopportunityfund.com
Listing:	SFS / London Stock Exchange
Structure:	Closed-end
ISIN:	KYG012921121 Euroclear/Clearstream
Inception:	17 April 2014
Domicile:	Cayman Islands

Portfolio Managers:	Francis Daniels Robert Knapp
Investment Manager:	Africa Opportunity Partners Ltd.
Broker:	Liberum Capital Ltd
Auditor:	Ernst & Young

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