



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 Dec 2022

NAV per share	\$0.948	Total Net Assets	\$19.2mm
Share price as at 31 Dec	\$0.600	Market Capitalization	\$12.1mm
Discount to NAV	36.7%	Shares outstanding	20.2mm

NAV Performance History

% US\$ NAV Return	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	-2.1%
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%	7.5%
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%	-1.6%
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%	5.5%
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%	-14.4%
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%	2.0%
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%	-4.3%
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%	-5.2%
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%	4.6%
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%	-0.7%
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%	1.1%
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%	-0.8%
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%	-9.8%

Full Year 2022 Top Performers and Losers

Security	% Gain
Copperbelt Energy Corporation	48.6%
Letshego Holdings	9.5%
African Bank Stub	25.0%

Security	% Loss
Enterprise Group	-30.2%
First Mutual Properties	-64.1%
Mashonaland Holdings	-23.3%



Top Eight Holdings

Company Name	Description	% of NAV
Copperbelt Energy Corporation	Largest electricity transmitter in the Zambian Copperbelt	34.9%
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	27.9%
African Leadership	Network of tertiary institutions in Rwanda and Mauritius	13.7%
Mashonaland Holdings	Real estate company based in Zimbabwe	6.0%
Tanzania Breweries	Leading producer of alcoholic beverages in Tanzania	5.8%
First Mutual Properties	Real estate company based in Zimbabwe	5.2%
Letshego Holdings	Leading Pan-African microfinance company	1.7%
Cash Balance	Cash balance as a percentage of net asset value	7.9%
		103.1%

Manager's Commentary

Market Conditions

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") NAV declined 9.8% in 2022 while its share price declined 20%. As a reference, with the exception of Nigeria which gained 16.3% in 2022, all major African indices recorded losses: South Africa declined 2.8%, Egypt declined 18.9%, Morocco declined 26.6% and Kenya declined 25.3%. Africa-focused ETFs recorded losses as well: DBX MSCI Africa Top 50 (XMAF LN) declined 10.9%, Lyxor Pan African (LGQM GY) declined 10.9% and Van Eck Africa Index (AFK US) declined 17.3%.

Portfolio Highlights

AOF's Full Year net asset value declined 9.8% because gains from Copperbelt Energy, Letshego Holdings, and African Bank perpetual Stub were fully offset by losses from Enterprise Group, First Mutual Properties, Mashonaland Holdings and other securities. Currency depreciations across the African continent had a significant adverse impact on our net asset value in 2022. All major African currencies depreciated against the US Dollar in 2022. The Zimbabwean Dollar, Ghanaian Cedi and Egyptian Pound depreciated 88%, 39% and 37% respectively against the US Dollar. All three currencies operate in a managed regime and the respective underlying economies suffered inflation rates north of 20%. Our investments in Zimbabwe and Ghana accounted for lion-share of our unrealized losses. Elsewhere in the portfolio, the Zambian Kwacha, Kenyan Shilling and Botswana Pula depreciated 8% against the US Dollar.

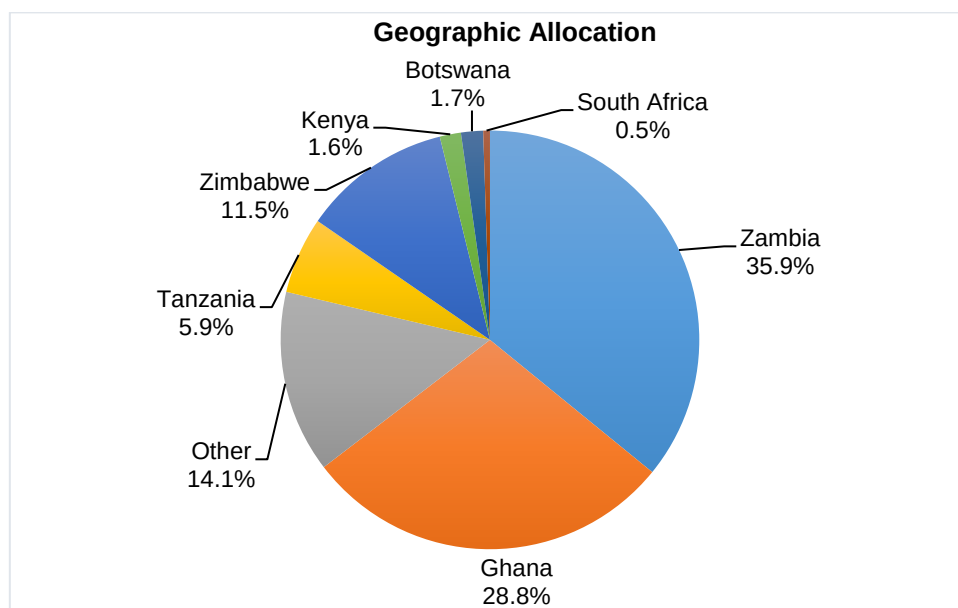
In 2022, we reduced our investments in Copperbelt Energy, Letshego Holdings, African Leadership and SOGB and fully divested out of African Bank perpetual Stub and SOGB. We also distributed \$4.5 million in July, which represented 18% of our 2022 starting net asset value. The sum of all distributions to shareholders since the end of 2019 is \$36.5 million, which is equivalent to 77% of the December 2019 closing NAV of \$47.7 million.

Fund Exposure – 31 Dec 2022

	Exposure		Exposure
Long Equities	83.5%	Special Situations	13.7%
Bonds	0.0%	Net Current Assets	2.8%



Fund Exposure by Country – 31 Dec 2022



Company Details (Ordinary Shares)

Bloomberg	AOF LN
Reuters	AOF.L
Website	www.africaopportunityfund.com
Listing	SFS / London Stock Exchange
Structure	Closed-end
ISIN	KYG012922038
	Euroclear/Clearstream
Inception	26 July 2007
Domicile	Cayman Islands

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

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