Africa Opportunity Fund Ltd – Ordinary Shares

30 June 2016

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.

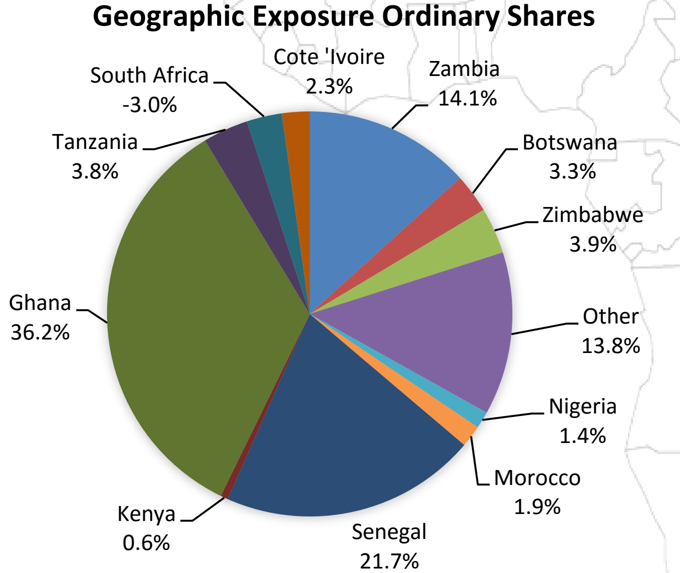
Listing: Specialist Fund Segment of the London Stock Exchange's Main Market.

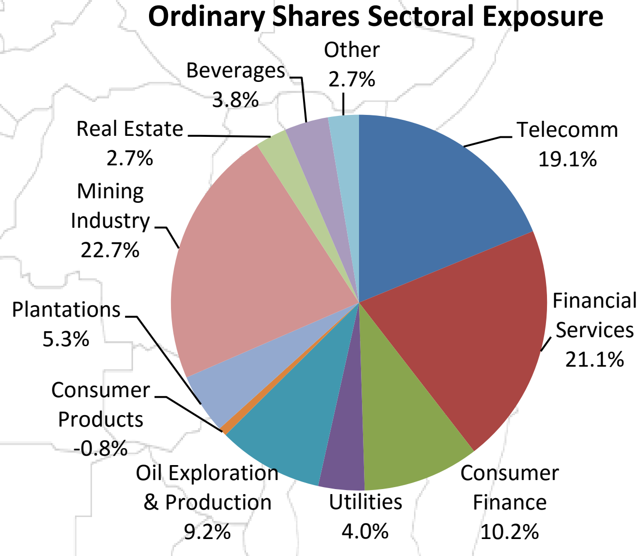
Dividend Policy: An amount equal to the annual comprehensive income of the Company (excluding net capital gains/losses).

Fund Performance (as at 30 June 2016) – Ordinary Shares

NAV per share:	$0.898	Total Net Assets:	$38.3 mm
Share price as at 30 June 16:	$0.693	Market Capitalization:	$29.5 mm
Premium/Discount to NAV:	-23%	Shares outstanding:	42.6 mm

US$ NAV Total Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2016	-3.2%	2.5%	1.9%	4.0%	-2.0%	-0.3%							2.7%
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%





Holdings: 75% Equity, 25% Debt, 0% Unencumbered Cash

Top Ten Holdings - Ordinary Shares	Description	% of NAV
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	20.5%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	17.0%
Shoprite Holdings	Largest South African food retailer operating over 2100 stores in 15 countries	7.3%
IAM Gold - 6.75% 10/01/2020	Gold mining company focused in West Africa	7.1%
Tullow Oil 6.25% 04/15/2022	Oil and gas exploration company focused on West African oil fields	6.8%
Anglogold Ashanti	Gold mining company with operating mines in Africa, Australia, and South America	4.8%
Tizir - 9% 09/28/17	First priority bond backed by Grande Cote mineral sands project in Senegal	4.1%
Tanzania Breweries	Brewer and distributor of malt beer, spirits and other beverages	3.9%
Copperbelt Energy	Electricity transmission operator in the Zambian Copperbelt with Nigerian investments	3.4%
Letshego Holdings	Botswana based consumer finance lender focused on government employees	3.3%
Total		**78.2%**

Africa Opportunity Fund Ltd – C-Shares

30 June 2016

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.

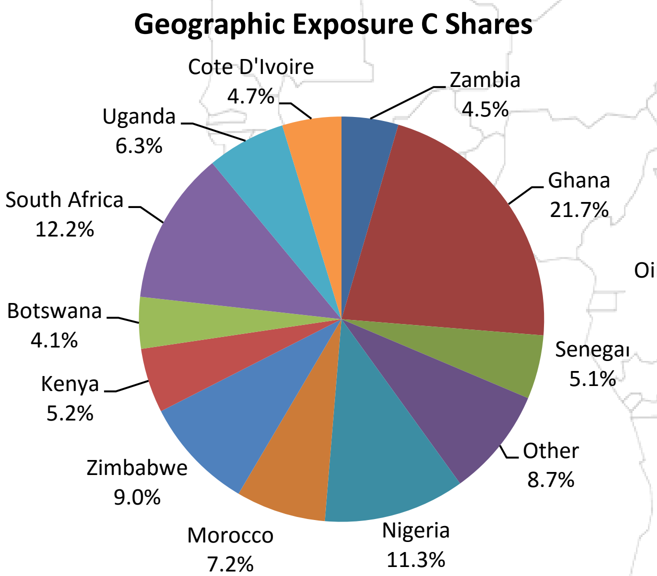
Listing: Specialist Fund Segment of the London Stock Exchange's Main Market.

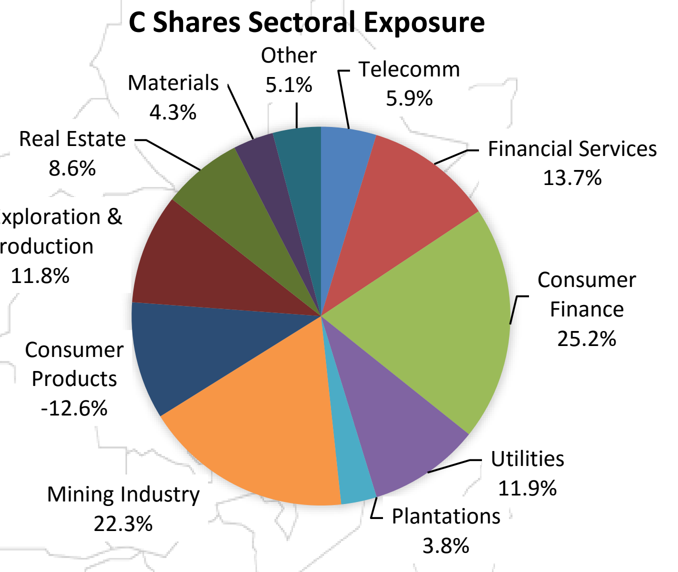
Dividend Policy: An amount equal to the annual comprehensive income of the Company (excluding net capital gains/losses).

Fund Performance (as at 30 June 2016) – C-Shares

NAV per share:	$0.819	Total Net Assets:	$23.9 mm
Share price as at 30 June 16:	$0.650	Market Capitalization:	$18.9 mm
Premium/Discount to NAV:	-20.6%	Shares outstanding:	29.2 mm

US$ NAV Total Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2016	-5.4%	1.8%	-2.9%	8.9%	0.8%	-2.9%							-0.3%
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%





Holdings: 59% Equity, 39% Debt, 2% Unencumbered Cash

Top Ten Holdings - C Shares	Description	% of Nav
Tullow Oil 6.25% 04/15/2022	Oil and gas exploration company focused on West African oil fields	8.1%
Anglogold Ashanti	Gold producer with operating mines in Africa, Australia, and South America	7.6%
Continental Reinsurance	Nigeria-listed and Pan-African provider of P&C and life reinsurance services	7.3%
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	7.2%
Stanbic Uganda	Leading commercial bank in Uganda	6.1%
Mashonaland	Zimbabwean real estate company	5.2%
Kenya Power & Light	Distributor and retailer of electricity in Kenya	5.0%
IAM Gold - 6.75% 10/01/2020	Gold mining company focused in West Africa	4.6%
Copperbelt Energy	Electricity transmission operator in the Zambian Copperbelt with Nigerian investments	4.4%
African Bank - 5% 22/04/2022	South African bank and financial services provider focused on consumer lending	4.3%
Total		**59.8%**

Manager’s Commentary

Market Conditions

The Africa Opportunity Fund (“AOF” or the “Fund”) ordinary share NAV rose 2% in Q2. In the same period, the share price rose 9% from $0.637 to $0.693. As a reference, in US dollar terms, in Q2 the S&P rose 2%, Brazil rose 15%, Russia rose 7%, India rose 5%, and China fell 4%. In Africa, South Africa rose 1%, Egypt fell 7%, Kenya fell 3%, and Nigeria fell 15%. Two Africa-focused exchange traded funds – the Lyxor ETF Pan Africa (PAF FP) listed on the Euronext Paris, and Market Vectors Africa Index (AFK US) listed on the NYSE – rose 9% and 6% respectively, while one exchange traded fund- the DBX MSCI Africa Top 50 (XMAF LN) listed on the LSE-fell 1%.

Ordinary Share Portfolio Highlights

The Fund had a respectable performance. Its bonds and the securities of commodity producers rallied, offset by more losses on the short side. Specifically, the bond portfolio contributed 2.7%; the equity securities of commodity producers contributed 1.9%, and the shorts lost -0.2%. The Fund’s performance occurred against a darkening landscape of macro risks. For the first time since 2004, the International Monetary Fund’s latest Sub-Saharan Africa 2016 and 2017 regional GDP forecasts of 1.6% and 3.3% are lower than its corresponding global GDP forecast of 3.1% and 3.4%. Nigeria is experiencing outright recession, with its GDP forecast to contract by 1.8%, while South Africa’s Reserve Bank forecasts 0% GDP growth for this year. The secular headwinds include a declining Chinese GDP growth rate, low commodity prices, and a negative impact from Brexit on the important African export markets in Europe and the United Kingdom. Cyclical headwinds, lasting 12 to 18 months, range from the constricting effects of looming elections in Ghana, Zambia, and Kenya on domestic investment decisions, to large hidden state borrowing by mendicant governments like that of Mozambique, and religious and ethnic banditry in Nigeria. Fortunately, the growing gloom about Africa is expanding the pockets of deeply undervalued securities to investigate and purchase. The H1 2016 results of several companies across Africa confirm the unfolding slowdown-operating profits are declining in US Dollar terms, year-on-year. Significantly, the strongest companies are responding in a variety of ways: for example, deepening their supply roots in Africa, as manifest in Dangote Cement’s switch from the use of high cost and imported low-pour fuel oil to coal imported from South Africa to reliance on Nigerian coal as an alternative to natural gas. AOF seeks to benefit from these wind patterns by investing in: African oligopolies located in stressed economies; companies with large assets ignored by the market; high yielding hard currency denominated African corporate debt; and some hard currency earners. We’ll also continue to look for ways to short over-indebted African consumers. During the quarter, the Fund trimmed modestly its gold portfolio, acquired debt securities of some Nigerian banks, and covered some of its short positions. The ordinary shares had 7% of their net asset value in gold mining equities, 8% in gold mining debt, 1% in oil and gas equities, and 8% in oil and gas debt.

Ghana’s large share of the ordinary shares’ portfolio calls for explanation. AOF purchased almost $2 million face value of Tullow bonds in April, at a price of 74, precipitating the jump in AOF’s exposure to Ghana. The running yield and yield to maturity of those bonds were 8.4% and 12.5% respectively. With a debt/total assets ratio of 44%, a debt/equity ratio of 170%, and large development commitments, it must be conceded that Tullow’s balance sheet is debt laden. But, measured against Tullow’s 320 million crude oil barrels in reserve, the Fund was paying $16/barrel of low-cost oil , and little for resources in Equatorial Guinea, Gabon, Kenya and Uganda. Significantly, the fund was not increasing its Cedi exposure. To date, those bonds have generated 10% in returns. Tullow will increase its Ghana revenues in Q3 as the Tweneboa, Enyenra, and Ntomme offshore oil fields enter production. AOF’s Cedi-denominated investments in Enterprise Group and Standard Chartered Bank had a weak Q2. Standard Chartered Bank’s ordinary shares lost 12% while Enterprise’s shares declined by 4%, both in US Dollars. Furthermore, the Cedi remains vulnerable to a sharp depreciation, as the Ghana government exceeds its expenditure targets in this year of elections. However, the H1 results of both Enterprise and Standard Chartered were decent. Enterprise’s H1 2016 profits attributable to shareholders rose by 53% when compared to 2015. A warning is warranted insofar as Enterprise’s life business has slowed down its growth rate. In the case of Standard Chartered Bank, credit impairment charges declined, year-on-year, in each of the first two quarters of 2016 leading to a 98% rise in H1 2016 profits to $38.6 million.

Iamgold's 6.75% 2020 bonds are typical of the hard currency fixed income securities in the AOF portfolio. They generated a 44% return, in the 1st half of 2016 . 7.96 million ounces of proved and probable reserves and annual production around 800,000 ounces from 4 operating mines in Burkina Faso, Mali, Surinam, and Canada place Iamgold squarely in the class of mid-tier gold producers. All-in sustaining costs of $1,114 make Iamgold our highest cost gold mining producer. But, it has the most sober balance sheet among our gold producers. Its opening 2016 debt/total assets ratio of 21% was much lower than Goldfield's 34% ratio and the 38% ratio of Anglogold Ashanti. $230 million of additional equity was issued in H1 2016, enhancing the cushion below our bonds. Debt/EBITDA, as of 30 June, 2016, was a respectable 2.7x. Iamgold's $650 million bond issue ranks behind an undrawn secured $250 million bank facility. Therefore, we are second in line for repayment in the event of a default. In owning its bonds at the end of Q2, AOF was paying $110 per reserve ounce, an attractive price for a gold security with a running yield of 7.5%.

Copperbelt Energy is a company with large assets ignored by the market, for eminently understandable reasons. Its investment in Abuja Electricity Distribution Company is proving to be a gargantuan millstone of losses. After the end of the quarter, a Nigerian Federal high court issued an order revoking a 45% tariff increase granted to distribution companies by Nigeria's electricity regulator. Still, electricity consumed without payment ceases to be produced. Nigerian consumers will either become payers or lose their woefully minimal quantities of grid-supplied electricity. Copperbelt Energy's US Dollar denominated share price rose 10% in Q2 and 20% in H1. Despite its Nigerian woes and Nigeria-induced losses, it declared a dividend in respect of 2015. It trades on a historical dividend yield of 13%. That dividend represented a 40% payout ratio of its profitable and cash generating US Dollar denominated Zambian operations. Crucially, those Zambian operations do not guarantee the Nigerian debts of the consolidated Copperbelt group. A 10%+ dividend yield, if sustainable, is a sign of undervaluation because it turns an equity security into a convertible debt synonym. In the case of Copperbelt, the markets have discounted completely its Nigerian businesses. Understandable as the market's contempt for Nigeria is, in light of the low collection rates in Nigeria, it ignores Copperbelt's rapidly growing and highly profitable business segment of electric power trading within the Southern African Power Pool. That segment grew more than 100% in 2015 to constitute 33% of Copperbelt's $68 million in Zambian operating profits, and should grow rapidly again in 2016. Copperbelt just completed the construction of the 220kV double circuit transmission line between Zambia and the Democratic Republic of Congo, increasing the capacity of Zambia-Congo interconnection from 260 MW to 500 MW, which will enhance its trading capacity. Copperbelt expects to sell about 15% less power to its Zambian customers in 2016 and expects also to incur losses in Nigeria. Nevertheless, we anticipate that its Zambian profits and dividend levels will match its 2015 levels.

AOF also covered some of its short positions. We closed our Massmart short position and reduced our Shoprite short position-the two largest source of losses in our short book. The ordinary shares lost 0.2 cents per share from its short book in Q2 2016.

C Share Portfolio Highlights

The NAV of AOF's C share rose 6.6% in Q2. In the same period, the share price rose 1.6% from $0.640 to $0.650. The C shares' Q2 portfolio has exposure to 33 issuers, of which 14 are new issuers to AOF. Its largest losses came from Continental Reinsurance, Mashonaland Holdings, and its short book. Continental and Mashonaland Holdings constituted 7% and 5% of the NAV of the C shares. The C shares had 9% of its net asset value in gold mining equities, 6% in gold mining debt, 2% in oil and gas equities, and 9% in oil and gas debt. Although gold companies like Anglogold and Iamgold contributed positively to the C share portfolio, those gains were overwhelmed by the losses incurred in some of the large holdings of the C shares.

Q2 witnessed the end of the curatorship of African Bank and the successful restructuring of its debt. African Bank collapsed in August 2014 because its provisions were insufficient for the level of losses it was incurring and it lost access to the wholesale money markets. African Bank's loan portfolio was divided into two segments: a relatively conservative loan book, supported by a new banking license, with a value of 21 billion Rands, 24 billion Rands of cash, and 10 billion Rands of equity; and a risky loan book in run-off mode, without a banking license to grant new loans. The C shares' portfolio acquired its Swiss Franc denominated African Bank bonds at an average price of 57 between August 2014 and November 2015. Bondholders approved in February 2016 an exchange of new securities for the old African Bank bonds. The new package comprised a cash payment equal to 10 percent of the face value of the old bonds, new bonds with a face value equal to 84 percent of the old bonds, a stub claim in the risky loan-book with an initial value around 6 cents, and 90% of accrued, but unpaid interest on the old bonds. The new bonds matured two years later than the old bonds. The consolidated books of African Bank remain the largest unsecured consumer finance book in South Africa. Collections on those books have turned out better than forecast. Nevertheless, our somber view of the financial state of South Africa's consumer inclined us to reduce our exposure to that sector. We sold some of our bonds at a price of 92, then tendered the balance to African Bank at 94 in July. Our total return was 21% in H1 and 47% since August 2014. During the quarter, we sold the OCP 6.875% 04/25/2044 bonds at a price of 103 and the equity securities of Maroc Telecom.

The struggle to get African retail consumers to accept that reliable grid-supplied electricity requires cost-effective electricity tariffs paid by them to electricity distributors like Kenya Power and Abuja Electricity Distribution Company is unrelenting and continues unabated. It is certainly proving to be a tough fight. In early May, Kenya's energy permanent secretary rejected Kenya Power's request to the country's electricity regulatory authority for a tariff increase. Kenya Power's share price fell 5% in May alone, and 10% in Q2. To compound woes, it is paying larger capacity charges as new renewable energy generation and other independent power producers increase power output at a time when it is suffering disappointment in electricity sales to Kenyan industrial customers. The last disappointment is that Kenya Power appears to have satisfied the conditions precedent for borrowing from the World Bank - an event supposed to occur last year to reduce its financing costs-only at the end of June 2016. The 70% discount to book value at which Kenya Power traded at the end of Q2 implied that the markets believed that Kenyan grid-supplied electricity would be permanently unprofitable. That is overwrought pessimism. Kenya Power's end-of-quarter vital valuation statistics were a P/E ratio of 2.6x and a P/B of 0.3x. Its enterprise value of $1.1 billion was 42% of total assets generating 10.42% in cash from operations as of December 2015. That return was almost identical to Umeme of Uganda's 10.43%. Yet, Umeme's $471 million enterprise value represents 90% of its total assets. Contrast both valuations with those of National Grid in the UK and ITC Holdings in the US: a 7.8% cash from operations return in the case of National Grid and 7.6% in the case of ITC Holdings supported enterprise value/total assets ratios of 110% and 150%, respectively. Undoubtedly, imperceptible interest rates in a QE world inapplicable to sub-Saharan Africa, hold aloft the British and American benchmarks. Yet, a doubling of Kenya Power's market capitalization would raise its enterprise value/total assets ratio from 42% to a mere 49%. Kenya Power is cheap!

Q2 was another quarter for losses in the short book of the C shares, constituting 17% of the C share NAV. Those losses accounted for 0.4 cents per C share, as, at 17% of the C share NAV, that short book accounts for a larger proportion of the C share portfolio than the ordinary shares' short book (14% of NAV).

Portfolio Appraisal Value

As of June 30, the Manager's appraisal of the intrinsic economic value of the Ordinary Share portfolio was $1.16 per share. The market price of $0.693 at quarter end represents a 40% discount. The Manager's appraisal of the intrinsic economic value of the C Share portfolio was $1.07 per share. The market price of $0.650 at quarter end represents a 39% 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 Q2 2016 and for H1 2016 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.

Shoprite arbitration

The Shoprite arbitration commenced in August. It is expected to continue in September and October. We hope the arbitrator will deliver his decision by the end of the year.

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 4.7%, a rolling P/E ratio of 26.2x (falling to 9.4x if Copperbelt Zambia's profits are substituted for Copperbelt's group's consolidated losses), a return on assets of 10%, and a return on equity of 18%. Excluding Copperbelt, which recorded a 2015 loss exceeding its market capitalization, AOF's ordinary share portfolio's top 6 equity holdings had a weighted average dividend yield was 4%, a P/E ratio of 11x, a return on assets of 12%, and a return on equity of 23%. 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 314x (falling to 7.9x if Copperbelt Zambia's profits are substituted for Copperbelt group's consolidated losses), a return on assets of 4%, and a return on equity of 10%. If Copperbelt were excluded, then the top 6 equity holdings of the C shares had a weighted average dividend yield of 5%, a P/E ratio of 7.4x, a return on assets of 4%, and a return on equity of 10%. As African markets adjust to the down draft of weak commodity prices and volatility, we are finding excellent long and short 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 the 2nd Quarter Portfolio return by Sector and by Geography

Africa Opportunity Fund
Return by Sector
For Q2 2016

Return by Sector, % of Securities	Ordinary Shares	C Shares
Telecommunications	-0.3%	0.5%
Financial Services	-0.4%	-0.8%
Consumer Finance	-0.2%	0.6%
Utilities	0.6%	0.6%
Oil Exploration & Production	1.0%	0.7%
Consumer Products & Services	0.2%	-0.1%
Plantations	0.3%	0.6%
Mining Industry	3.5%	3.1%
Real Estate	0.0%	-0.3%
Materials	0.0%	-0.8%
Beverages	0.0%	0.0%
Other	-0.1%	0.0%
	4.6%	**4.0%**
Net Working Capital	**-3.0%**	**2.6%**
Return on N.A.V	**1.6%**	**6.6%**

Africa Opportunity Fund
Return by Geography
For Q2 2016

Returns by Geography, % of Securities	Ordinary Shares	C Shares
Zambia	1.2%	0.9%
Ghana	0.4%	0.3%
Senegal	-0.3%	0.1%
Other	2.1%	1.7%
Nigeria	-0.8%	-2.3%
Cote D'Ivoire	0.4%	0.8%
Morocco	0.1%	0.3%
Zimbabwe	-0.3%	-0.5%
Kenya	-0.1%	-0.5%
Botswana	0.1%	0.1%
Tanzania	0.0%	0.0%
South Africa	1.7%	3.9%
Uganda	0.0%	-0.8%
	4.6%	**4.0%**
Net Working Capital	**-3.0%**	**2.6%**
Return on N.A.V	**1.6%**	**6.6%**

Analysis of the 1st Half Portfolio return by Sector and by Geography

Africa Opportunity Fund
Return by Sector
For H1 2016

Return by Sector, % of Securities	Ordinary Shares	C Shares
Telecommunications	0.6%	0.8%
Financial Services	-0.6%	-2.7%
Consumer Finance	-0.7%	-0.5%
Utilities	0.8%	0.2%
Oil Exploration & Production	1.3%	1.3%
Consumer Products & Services	-2.2%	-3.0%
Plantations	0.6%	1.2%
Mining Industry	6.6%	6.8%
Real Estate	-0.8%	-2.3%
Materials	0.0%	-0.8%
Beverages	-0.3%	0.0%
Other	-0.5%	0.0%
	4.7%	**0.90%**
Net Working Capital	**-2.1%**	**-1.2%**
Return on N.A.V	**2.6%**	**-0.3%**

Africa Opportunity Fund
Return by Geography
For H1 2016

Returns by Geography, % of Securities	Ordinary Shares	C Shares
Zambia	1.6%	1.3%
Ghana	1.0%	1.0%
Senegal	0.2%	0.0%
Other	3.2%	2.1%
Nigeria	-1.6%	-4.4%
Cote D'Ivoire	0.6%	1.3%
Morocco	0.3%	1.0%
Zimbabwe	-0.9%	-2.2%
Kenya	-0.2%	-1.5%
Botswana	-0.3%	-0.4%
Tanzania	-0.3%	0.0%
South Africa	1.1%	4.4%
Uganda	0.0%	-1.5%
	4.7%	**0.9%**
Net Working Capital	**-2.1%**	**-1.2%**
Return on N.A.V	**2.6%**	**-0.3%**

Attribution of Portfolio Returns by Asset Class

Ordinary Shares Portfolio

Asset Class Exposure	Invested Capital*	Attribution PnL	Q2 Return on Invested Capital	Return Contribution on NAV
Long Equities	28,038,004	570,834	2.0%	1.5%
Short Securities/Options	-5,274,636	-70,717	-1.3%	-0.2%
Bonds	8,816,169	1,018,667	11.6%	2.7%
Special Situations	6,043,055	212,965	3.5%	0.6%
	37,622,592	**1,731,749**		**4.6%**

*For this Q2 return, invested capital is as of 04/01/2016 and comprises the market value of securities in the ordinary shares portfolio as of 4/01/2016, plus net changes in that securities portfolio during Q2.

Asset Class Exposure	Invested Capital*	Attribution PnL	H1 Return on Invested Capital	Return Contribution on NAV
Long Equities	27,551,144	1,057,694	3.8%	2.8%
Short Securities/Options	-4,297,622	-1,108,890	-25.8%	-2.9%
Bonds	8,438,533	1,515,870	18.0%	4.1%
Special Situations	6,025,295	286,723	4.8%	0.8%
	37,717,350	**1,751,397**		**4.7%**

*For this H1 return, invested capital is as of 01/01/2016 and comprises the market value of securities in the ordinary shares portfolio as of 01/01/2016, plus net changes in that securities portfolio during H1.

C Shares Portfolio

Asset Class Exposure	Invested Capital*	Attribution PnL	Q2 Return on Invested Capital	Return Contribution on NAV
Long Equities	17,842,455	50,180	0.3%	0.2%
Short Securities/Options	-4,012,958	-112,068	-2.8%	-0.5%
Bonds	8,586,241	954,063	11.1%	4.3%
Special Situations	560,755	3,508	0.6%	0.0%
	22,976,493	**895,683**		**4.0%**

*For this Q2 return, invested capital is as of 04/01/2016 and comprises the market value of securities in the C shares portfolio as of 4/01/2016, plus net changes in that securities portfolio during Q2.

Asset Class Exposure	Invested Capital*	Attribution PnL	H1 Return on Invested Capital	Return Contribution on NAV
Long Equities	18,191,671	-294,716	-1.6%	-1.2%
Short Equities	-3,312,843	-829,015	-25.0%	-3.5%
Bonds	8,297,828	1,332,104	16.1%	5.6%
Special Situations	557,373	6,890	1.2%	0.0%
	23,734,029	**215,263**		**0.9%**

*For this H1 return, invested capital is as of 01/01/2016 and comprises the market value of securities in the C shares portfolio as of 01/01/2016, plus net changes in that securities portfolio during H1.

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.
Auditor:	Ernst & Young
Corporate Broker:	Liberum Capital Ltd

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