

### 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 May 2020

NAV per share	\$0.575	Total Net Assets	\$25.6mm
Share price as at 31 May	\$0.510	Market Capitalization	\$22.7mm
Discount to NAV	11%	Shares outstanding	44.6mm

### Year to Date Change in NAV

% US\$ NAV Return	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%
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%
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%
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%
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%
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%	
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%	
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%	
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%	
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%	
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%	
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%	
<b>FY</b>	<b>-42.5%</b>	<b>48.2%</b>	<b>27.1%</b>	<b>1.6%</b>	<b>4.4%</b>	<b>27.7%</b>	<b>-17.3%</b>	<b>-11.4%</b>	<b>-9.5%</b>	<b>16.9%</b>	<b>-27.0%</b>	<b>-5.5%</b>	<b>-9.8%</b>

### Table of monthly top performers and losers

Security	% Gain	Security	% Loss
Sonatel	6%	Enterprise Group	-12%
Mashonaland	29%	First Mutual Properties	-26%
African Bank Floating Rate Notes	6%	Anglogold Ashanti	-5%
Kosmos	10%	Copperbelt Energy	-4%

**Top Ten Holdings**

Company Name	Description	% of NAV
Cash Balance	Percentage of Portfolio net asset value held as cash	19.9%
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	17.1%
African Leadership	Network of tertiary institutions in Rwanda and Mauritius	9.2%
CEC	Largest electricity transmitter in the Zambian Copperbelt	8.2%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	7.8%
AngloGold Ashanti	Gold mining company operating in 10 countries	6.0%
First Mutual Properties	Real estate company based in Zimbabwe	4.2%
Tanzania Breweries	Largest producer and distributor of alcoholic beverages in Tanzania	4.3%
StanChart Bank Ghana	Leading commercial bank in Ghana	3.3%
Mashonaland Holdings	Real estate company based in Zimbabwe	2.2%
		<b>82.2%</b>

**Manager's Commentary****Market Conditions**

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") NAV declined 3.7% in May, while its share price remained unchanged. As a reference, three major African indexes recorded gains, while two indexes recorded losses. Nigeria gained 12.8%, Morocco gained 4.6% and South Africa gained 5.4% while Egypt was down 3.8% and Kenya was down 1.4%. Three Africa-focused ETFs – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US) were up, 3.4%, 0.8%, and 3.9% respectively.

**Portfolio Highlights**

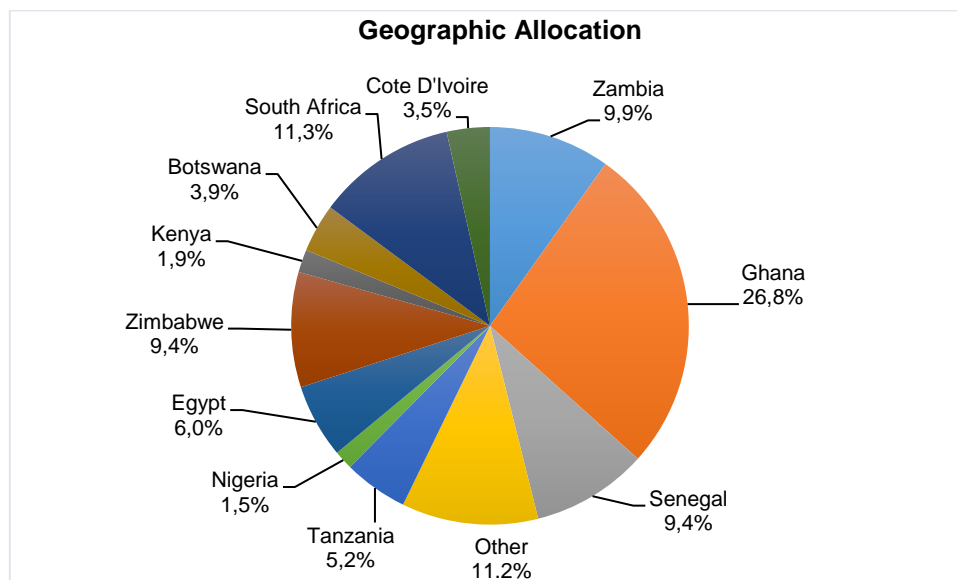
The Fund's largest losses came from Enterprise Group, First Mutual and AngloGold Ashanti, while its largest gains came from Sonatel, Mashonaland Holdings, and Kosmos. Enterprise Group accounted for over 50% of net losses. EGL declined 12% against a total traded volume of approximately \$30,000 in May, which imply that trading activity was dominated by retail rather than institutional investors. Copperbelt (CEC) remains mired in operating challenges. The power supply agreement between CEC and its largest customer, Konkola Copper Mines (KCM), expired on the 31<sup>st</sup> of May. Upon expiry, KCM had accumulated \$144.7 million debt to CEC in unpaid power charges over a 12 month period. Despite impairing KCM's overdue receivable, CEC remained profitable in 2019. The Government of Zambia declared CEC's distribution and transmission infrastructure as a "Common Carrier" to enable its wholly-owned power generation subsidiary-ZESCO- to wheel power to KCM through CEC's infrastructure at a tariff set by CECs' regulator. The regulator has imposed a 66% tariff reduction on CEC's wheeling charges. CEC has fallen afoul of the tendency of sub-Saharan African regulators to elevate the short-term needs of electricity consumers above the long-term interests of electricity companies. Copperbelt will issue a more comprehensive announcement on the measures it will pursue in light on these developments.

**Fund Exposure – 31 May 2020**

	Exposure		Exposure
Long Equities	70.1%	Special Situations	9.2%
Bonds	3.6%	Net Current Assets	17.1%



## Fund Exposure by Country – 31 May 2020



## Company Details (Ordinary Shares)

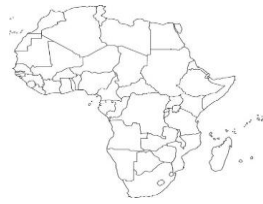
Bloomberg	AOF LN
Reuters	AOF.L
Website	www.africaopportunityfund.com
Listing	SFS / London Stock Exchange
Structure	Closed-end
ISIN	KYG012921048
	Euroclear/Clearstream
Inception	26 July 2007
Domicile	Cayman Islands

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

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