

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

**Listing:** AOF is traded on the AIM market of the London Stock Exchange. It also has a primary listing on the Channel Islands Stock Exchange and is therefore a "qualifying investment" within a UK ISA, PEP or SIPP.

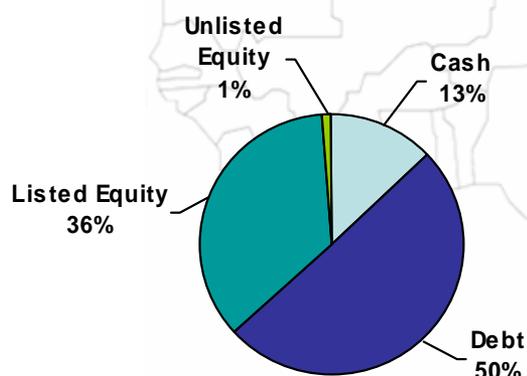
**Dividend policy:** The Fund will pay a quarterly dividend that in sum will equal 1 year Libor on an annual basis.

## Fund Performance (as of 30 June 2008)

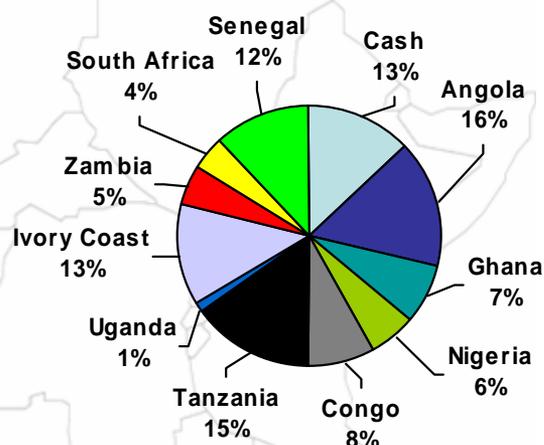
NAV per share:	US\$0.992	Total Net Assets:	US\$124 m
Share price as at 30 June 08:	US\$0.93	Market Capitalization:	US\$116 m
Premium/Discount to NAV:	-6.25%	Shares outstanding:	125 m
Dividend history:	\$0.0113 (ex-date 9-Jul-08)		

US\$ NAV Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2008	-0.7%	1.9%	1.4%	-0.1%	1.2%	-0.6%	n/a	n/a	n/a	n/a	n/a	n/a	2.6%

### Strategy



### Geography



Top Ten Holdings	Rationale & Description	% of NAV
Sonatel	Fast growing mobile phone provider in Senegal and neighboring countries	12.1%
Ivory Coast Govt 10% 28/01/11	Ivory Coast domestic debt denominated in CFA francs	8.5%
Africa Offshore LIB+600 6/29/2012	8.4% US\$ bond w/ 2 <sup>nd</sup> priority mortgage on oilfield construction vessels	8.0%
Katanga Mining KATCN14 11/30/13	Corporate debt financing the restart of the KOV copper and cobalt mine in the Democratic Republic of Congo	6.8%
AFDB 13.75% TZS 5/9/2009 Bond	African Development Bank AAA rated Tanzanian Shilling bond	6.6%
Artumas Group	Tanzanian natural gas producer and power generator	6.2%
Ghana Govt 12.3% 12/01/2008	Ghana government bond denominated in Ghanaian Cedis	5.2%
Marine Subsea 7.5% Convert. Note	Norwegian based oil well service vessel with long term Sonangal contract	4.7%
SAPH	Ivory Coast rubber plantation operator and processor	4.3%
Africa Offshore LIB+600 2/15/2012	8.4% US\$ bond w/ 2 <sup>nd</sup> priority mortgage on oilfield construction vessels	3.5%
<b>TOTAL</b>		<b>65.9%</b>

## Portfolio and Fund Developments

Africa Opportunity Fund Ltd ("AOF") was launched on AIM in July 2007 followed by a listing on the CISX in November 2007, raising approximately \$120 million. Africa Opportunity Partners, the Manager, has established a presence in Johannesburg and invested in excess of 85% of the capital to date.

During the second quarter of 2008 the Manager increased its listed equity holdings from 28% of the portfolio to 36%. Opportunities were found in the mining and natural resources arena, as well as the South African financial services arena. The Manager also added to its holding of Ghanaian government bonds at an 18% yield, and invested in corporate debt yielding 15% that is financing the rehabilitation of the KOV copper and cobalt mine in the Democratic Republic of the Congo.

African markets continue to feel the effects of developed market credit turmoil, as well as corrections arising from rising inflation and interest rates. The Nigeria, Kenya, Botswana, Namibia, Mauritius, Egyptian and South African markets are down in US dollar terms for 2008. Economic growth remains broadly strong, and markets such as Ghana, Ivory Coast, Morocco, and Tunisia have performed well. While the Manager remains cautious towards the full valuation of many shares, attractive opportunities are available on a selective basis and the Manager is working to further increase its equity holdings.

## Fund Details

**Bloomberg:** AOF LN  
**Reuters:** AOF.L  
**Website:** [www.africaopportunityfund.com](http://www.africaopportunityfund.com)  
[www.aof.ky](http://www.aof.ky)

**Listing:** Channel Islands Stock Exchange  
AIM / London Stock Exchange

**Structure:** Closed-end

**ISIN:** KYG012921048  
Euroclear/Clearstream

**Inception:** 26 July 2007

**Domicile:** Cayman Islands

**Portfolio Managers:** Francis Daniels  
Robert Knapp

**Investment Manager:** Africa Opportunity Partners  
**Email Address:** [funds@lcf.co.uk](mailto:funds@lcf.co.uk)

**Broker:** LCF Edmond de Rothschild Securities  
Tel: +44 20 7845 5960  
Fax: +44 20 7845 5961  
[www.countryfunds.co.uk](http://www.countryfunds.co.uk)

**Nominated Adviser:** Grant Thornton UK LLP  
Tel: +44 20 7383 5100

**Auditor:** Ernst & Young

## Important Information

This document, and the material contained herein, has been prepared for the purpose of providing general information about, and an overview of, Africa Opportunity Fund Limited (the "**Company**") and its operations. It is not meant to be a complete review of all matters concerning the Company. This document is not intended as an offer or solicitation for the subscription, purchase or sale of securities in the Company.

The material in this document is not intended to provide, and should not be relied on for accounting, legal or tax advice or investment recommendations or decisions. Potential investors are advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of investment in the Company and legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances.

Whilst the Company and Africa Opportunity Partners Limited have taken all reasonable care to ensure the information and facts contained in this document are accurate and up-to-date, they do not nor do any of their respective directors, officers, partners, employees, agents or advisers make any undertaking, representation, warranty or other assurance, express or implied, as to the accuracy or completeness of the information or opinions contained in this document. No responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligent or otherwise.

No warranty is given, in whole or in part, regarding the performance of the Company. There is no guarantee that investment objectives of the Company will be achieved. Potential investors should be aware that past performance may not necessarily be repeated in the future. The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

