

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

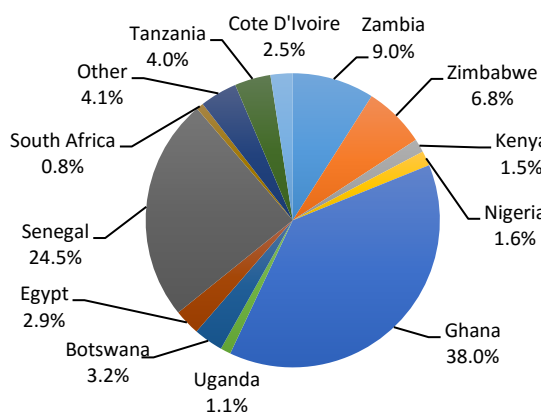
Dividend Policy: An amount equal to the annual comprehensive income of the Company (excluding net capital gains/losses).

Fund Performance (as at 30 June 2017) – Ordinary Shares

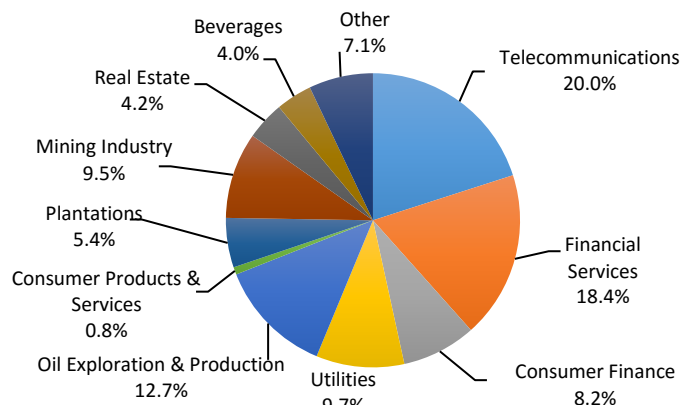
NAV per share: \$0.829 Total Net Assets: \$35.3 mm
 Share price as at 30 June 17: \$0.638 Market Capitalization: \$27.2 mm
 Premium/Discount to NAV: -23% Shares outstanding: 42.6 mm

US\$ NAV Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2017	-1.0%	-0.5%	3.0%	1.8%	2.1%	-0.6%							4.8%
2016	-3.2%	2.5%	1.9%	4.0%	-2.0%	-0.3%	-1.2%	0.4%	0.7%	-0.3%	-2.1%	-9.6%	-9.5%
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: 85% Equity, 16% Debt, -1% Unencumbered Cash

Top Ten Holdings - Ordinary Shares	Description	% of NAV
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	19.9%
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	19.1%
Tullow Oil 6.25% 04/15/2022	Leading independent oil exploration and production company	9.4%
Copperbelt Energy Corp	Leading electricity distributor in the Zambian Copperbelt	8.3%
Tizir 9.0% 28 Sep 2017	1st priority bond backed by Grande Cote mineral sands project in Senegal	4.9%
Tanzania Breweries	Brewer and distributor of malt beer, other beverages, and spirits	4.0%
Anglogold Ashanti	Gold mining company operating in 11 countries	3.5%
Standard Chartered Bank	Leading commercial bank in Ghana	3.5%
Letshego Holdings	Botswana based consumer finance lender focused on government employees	3.3%
African Leadership (Mauritius)	A tertiary education institution with campuses in Mauritius and Rwanda	2.9%
Total		78.8%

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.

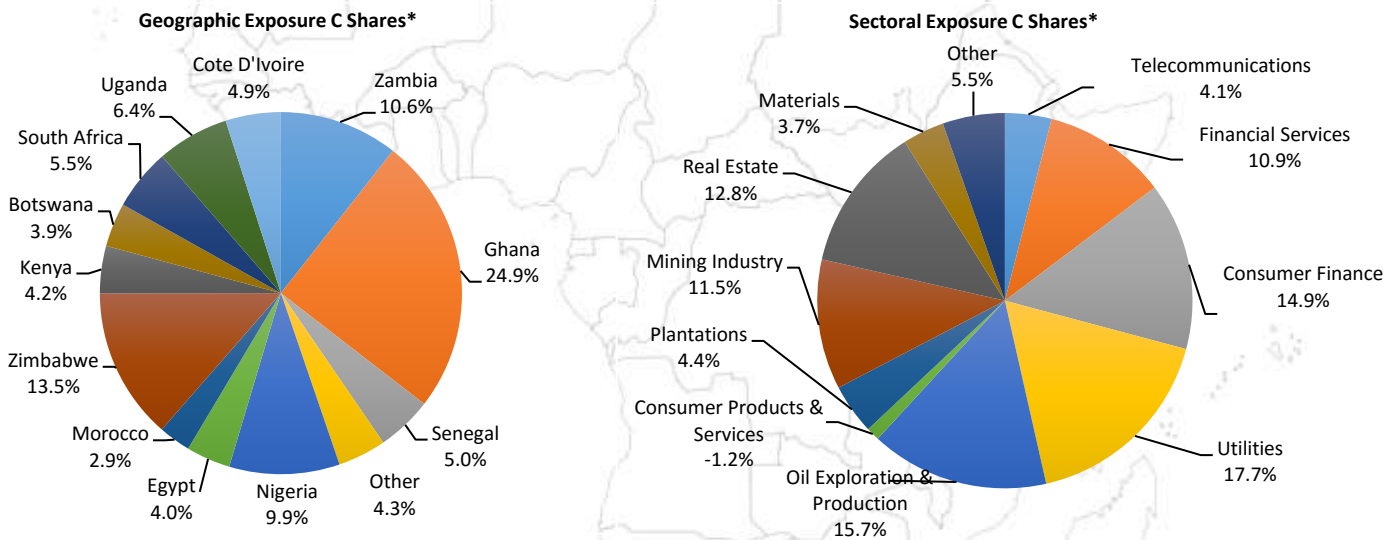
Listing: Specialist Fund Segment of the London Stock Exchange’s Main Market (subsequent to 30 June 2017, the C Shares class was consolidated with the ordinary share class and the C shares class cancelled)

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

Fund Performance (as at 30 June 2017) – C-Shares

NAV per share:	\$0.854	Total Net Assets:	\$24.9 mm
Share price as at 30 June 17:	\$0.700	Market Capitalization:	\$20.4 mm
Premium/Discount to NAV:	-18.0%	Shares outstanding:	29.2 mm

US\$ NAV Return %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2017	1.3%	0.1%	2.3%	3.9%	0.8%	0.0%							8.7%
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 and Sectoral exposure as a percentage of Security holdings

Holdings: 70% Equity, 20% Debt, 10% Unencumbered Cash

Top Ten Holdings - C Shares	Description	% of NAV
Tullow Oil 6.25% 04/15/2022	Leading independent oil exploration and production company	9.8%
Copperbelt Energy Corp	Leading electricity distributor in the Zambian Copperbelt	9.5%
Mashonaland Holdings	Zimbabwean real estate company	6.5%
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	6.0%
Stanbic Bank Uganda	Leading commercial bank in Uganda	5.8%
Continental Reinsurance	Leading Pan-African reinsurer based in Nigeria	5.6%
Pearl Properties	Zimbabwean real estate company	4.9%
Anglogold Ashanti	Gold mining company operating in 11 countries	4.9%
Tizir 9.0% 28 Sep 2017	1st priority bond backed by Grande Cote mineral sands project in Senegal	4.5%
Soc Caoutchouc Grand Bereby (SOGB)	Rubber and palm oil company based in Cote D'Ivoire	4.0%
Total		61.5%

Manager's Commentary

Market Conditions

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") ordinary share NAV rose 3.3% in Q2. AOF's C shares NAV rose 4.8% in Q2. As a reference, during the quarter in USD the S&P rose 3%, Brazil fell 8%, Russia fell 9%, India rose 5%, and China rose 9%. In Africa, South Africa rose 2%, Egypt rose 5%, Kenya rose 19%, and Nigeria rose 30% (14%, when using the new NAFEX rate for foreign investors and exporters). 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, 1%, 5%, and 3%.

Conversion of C shares into Ordinary Shares

On 23 August the conversion of the C shares into the ordinary shares took effect to create a single ordinary share for the Fund. Following the conversion, the Fund has one class of 74,849,606 ordinary shares in issue. We hope this will improve liquidity, and, at the very least, we know this will simplify reporting. In this report we provide an update on Q2 performance through 30th June, but going forward AOF has only one single share class and we will report on that single share class.

Ordinary Shares Portfolio Highlights

The Fund made quiet progress in this quarter. Like other currencies, several African currencies appreciated against the US Dollar. The Rand, Zambian Kwacha, CFA Franc, and the Moroccan Dirham were among those appreciating currencies. In contrast, the April introduction of the NAFEX Naira rate in Nigeria for foreign investors and exporters constituted a 14% devaluation against the US Dollar, easily the most significant of the currency moves in Q2. The NAFEX Naira rate, influenced by market forces, and the official Naira rate, immune to market forces, formed a Nigeria foreign exchange market reminiscent of South Africa's defunct commercial rand and financial rand regime. Consequently, investors are returning to Nigeria, using the NAFEX Naira rate, encouraging the strong performance of Nigerian markets. Large listed companies with high average daily turnovers – a rough guide would be a \$500,000 daily value of trades – tended to be the initial beneficiaries of stabilising African currencies. Thus, the presence of several illiquid securities in the ordinary share portfolio led to AOF underperforming several Africa indices in local currency terms in this quarter. Changes made in the AOF portfolio during the quarter included increasing its AngloGold Ashanti equity holding, selling its IamGold 6.75% 10/01/20 bonds, and increasing its Alexandria Containers and Kosmos Energy investments. The ordinary share portfolio had 5% of its net asset value in gold mining equities, no exposure in gold mining debt, 2% in oil and gas equities, and 11% in oil and gas debt.

Copperbelt's shares enjoyed another superb quarter, appreciating 49% to trade on a dividend yield of 8.8%, an adjusted P/E ratio of 6x, and an EV/Adjusted EBITDA ratio of 3.8x. We believe it continues to remain deeply undervalued. An electric transmission business, earning a 10% US Dollar denominated return on capital, should have little difficulty in justifying a 6x EV/EBITDA multiple or a 5% dividend yield. After all, even African distribution companies, like Kenya Power, Umeme in Uganda, Lydec in Morocco, and Compagnie Ivoirienne d'Électricité in Cote d'Ivoire, trade respectively on dividend yields between 5% and 4%. A 5% dividend yield implies an additional 75% appreciation in Copperbelt's share price. A key source of Copperbelt's profitability is its power trading activities, in which it purchases power from other members of the Southern Africa Power Pool for sale, and delivery, to customers in the Katanga province of the Democratic Republic of Congo. In essence, Copperbelt is buying from South Africa, plagued by excess capacity, to sell in Congo, suffering from an electricity drought. We continue to await an announcement about new higher tariffs for the Zambian mining industry. Copperbelt's gain contributed 2.3 cents per ordinary share to the NAV in Q2 and 3.7 cents per share for H1.

Our Zimbabwean property investments are operating in a deteriorating macro environment. Inflation has lifted its head in a country without its own tangible currency. At the moment, it seems innocuous, as the rate of 3% appears low in the wake of a recent episode of actual deflation. However, the Reserve Bank of Zimbabwe and the Zimbabwean government have been able to increase the supply of deposits in the Zimbabwean banking system to fund the Zimbabwean government's wage bill and other forms of recurrent expenditure. 99% of Zimbabwe's tax revenue in 2016 was used to pay salaries and wages of government employees. In accordance with historical precedent, Zimbabwean blue chip companies like Delta Holdings and Econet have exploded in market capitalization as liquid stores of value in an atmosphere of inflation phobia. Seedco, one of the smaller but liquid investments of the ordinary shares, rose 52%. This gain contributed 0.5 cents per ordinary share to the NAV in Q2 and 0.4 cents per share in H1. Seedco in Zimbabwe was a

beneficiary of the quest for liquidity in Zimbabwe. Mashonaland Holdings and Pearl Properties were less fortunate, as their securities are illiquid. However, we know also that commercial buildings and land banks thrive in inflationary storms. With little to no debt, Mashonaland and Pearl should not contradict our expectations.

Sonatel delivered a total return of 9.5% in Q2, adding 1.5 cents to the NAV per ordinary share. It reported decent H1 2017 results. Year-on-year, revenues rose 6% (excluding the new Sierra Leonean joint venture); net profits rose 1%; but, EBITDA margin weakened to 48%. Its international traffic revenues, although commanding high profit margins, continue to decline as customers switch to WhatsApp, Skype and other forms of data-based communication. Yet, the most striking feature of those results was the 88% and 75% increase in the respective contributions of mobile money transactions and mobile data usage to Sonatel's revenues in H1 2017. Climbing to \$136 million in revenue, they rose from 11% of Sonatel's revenues in H1 2016 to 17% this year. Although currently of modest proportion, it is evident that they will become primary propellants of Sonatel's future. Safaricom of Kenya has blazed the trail that Sonatel seeks to follow. Sonatel continues to be undervalued when measured against its peers.

Some commentary on Ghana, the largest country exposure of the ordinary shares, is warranted. Standard Chartered Ghana released respectable Q2 2017 results. It earned \$17 million in Q2 and \$36 million in H1, down slightly from \$20 million and \$39 million in the corresponding periods of 2016. Net interest yields, as a % of average assets, have begun to decline while Standard Chartered Bank's cost to income ratio jumped from 26% to 36%. The sharp rise in expenses is a disappointment. But, it also is reversing some of its loan impairments, leading to a non-performing loan ratio of 42%. Standard Chartered's equity to assets ratio is 18%, capital adequacy ratio is 24%, and its loan-to-deposit ratio is 42%. These are sober metrics. All in all, a 7% annualized return on average assets and an annualized 40% return on average equity for H1 2017 signal emphatically that Standard Chartered is a strong and profitable Ghanaian bank. AOF's NAV enjoyed a gain of 0.4 cents per share from the 15% total return of SCB's ordinary shares in Q2 2017. Its H1 contribution to AOF's NAV was 0.9 cents per share.

Enterprise Group's share price had another insipid quarter, declining by 2% in US Dollars to deprive the ordinary shares of 0.4 cents per share. Its market capitalization of \$72.3 million on 30 June, the highest among the listed insurance companies on West African exchanges, was dramatically lower than the \$130 million announced on 23 June to be received by Sanlam Emerging Markets, minority partner of Enterprise Group in its property and casualty, life assurance, and pension trustee and administration businesses, from Prudential Financial Inc., of the US, and Leapfrog Investors, a South African based private equity group. Enterprise's private market value, based on this Leapfrog/Prudential transaction, amounts to \$180 million or 6 Cedis per share, dramatically higher than our appraisal value of 4.1 Cedis per share and 2.5x Enterprise's share price of 2.4 Cedis per share on the Ghana Stock Exchange. Sanlam and Enterprise dissolved their 17 year relationship because Enterprise's wish to expand in other West African countries conflicted with Sanlam's West African expansion plan. Prudential/Leapfrog has promised to invest an additional \$50 million for Enterprise's expansion plans, starting with an underwritten capital raise at 6 Cedis per share. The sharp divergences in valuations between the Ghana Stock Exchange, AOF, and Leapfrog/Prudential beg for explanation. No doubt, Enterprise's illiquidity was no help. Average daily trading volume is 0.02% of its outstanding share capital, low by even the standards of the Ghana Stock Exchange. Also striking was that sell-side analyst reports never relied on the typical methods for valuing life assurance companies, despite Enterprise's largest division being a life company. No mention of "embedded value", common in Europe, Southern and East Africa, as one example. Rather, accounting-based valuation was most common. Embedded value, computed by actuaries using discounted cash flow methods, recognizes the deferred unrecognized profit in a life company's existing set of policies, on top of the fair value of its net assets. We focused on Enterprise's operating cash flows, modified to incorporate the unrecognized profits disclosed by Enterprise's annual embedded value report. By capitalizing Enterprise's modified operating cash flow by a 5x multiple, we elected to ignore Enterprise's medium-term prospects. For an insurance market with a minuscule penetration rate, we believed our approach was sober. Leapfrog/Prudential used standard insurance industry valuation methods, according the greatest weight to the embedded value of Enterprise. Since Sanlam was also in the property and casualty and pensions trustees divisions of Enterprise, those two divisions were also valued by the standards of their respective industries. We think that Enterprise's new partners will add considerable value to its future.

AOF increased its equity exposure to Anglogold Ashanti in Q2. In so doing, we suffered losses arising from South Africa's announcement of a new Mining Charter proposing a prescription to increase black participation in mining. A notoriously unreasonable proposal in the new Mining Charter is that South African mining companies maintain a permanent 30% black shareholding ownership level, regardless of whether existing or future black shareholders sell their interests. Thus, shareholders of South African mining companies would be subject to the risk of continuous share dilution as new shares

would have to be issued to fresh black shareholders or cash resources of those companies would have to be applied to share repurchases to reduce the non-black shareholding in those companies. Either way, that single provision places the South African mining sector on a divestment slope. It must be said that this proposal is simply part of a trend in 2017 for extreme demands to be imposed on mining companies by African governments. The most notorious of those demands is the recent \$190 billion tax demand presented to Acacia Mining by the Tanzanian government. Tanzania has also passed legislation allowing the Tanzanian government to force renegotiations of mines, including, possibly, AngloGold's Geita mine. AngloGold also announced its intention to retrench 8,500 South African workers at its Tau Tona and Kopanang mines. Impairments of those two mines adds to the retrenchment expenses. The ordinary shares lost 0.35 cents per share in H1 2017 as a result.

The short book and currency hedges lost 2.8 cents per share in H1, with the appreciating Euro accounting for 50% of the short book and currency hedges loss.

C Shares Portfolio Highlights

The largest gains for the C shares NAV came from Copperbelt Energy and Societe de Caoutchoucs de Grand-Bereby ("SOGB") and its largest losses came from AngloGold Ashanti, and its short book. The C shares had 6% of its net asset value in gold mining equities, zero exposure in gold mining debt, 3% in oil and gas equities, and 11% in oil and gas debt.

Copperbelt gave the highest returns to the C shares, as was the case with the ordinary shares. SOGB - a rubber and palm oil plantation listed on the Bourse Regionale de Valeurs Mobiliers - delivered the second best share price appreciation. SOGB's first quarter results soared 400% against Q1 2016 and almost equaled SOGB's 2016 results. Its share price followed in reaction to those results, but fell in tandem with weakening rubber prices in Q2. As a commodity producer, SOGB is a price taker. Thus, it has to be a low cost producer to generate profits even in times of low prices. It has not incurred a loss for the last 20 years. That record stands in contrast to other Ivorian listed plantation operators like Societe Africanine de Plantations d'Heaveas (rubber), which suffered losses in 2015 and 2014, or Palm Ci. SOGB's entry into crude palm oil production, expanded to palm kernel oil production, plus a growing role as the purchaser, and processor, of rubber and palm oil cultivated by small scale farmers was key to its loss avoiding record. Indeed, SOGB's 2016 palm oil profits were larger than its rubber profits. SOGB is part of the Socfin Group, controlled by Vincent Bollore and his family-owned Bollore Group. Its gains delivered 0.7 cents per share in H1 2017.

The Tizir bond, maturing in September 2017, was successfully refinanced after the end of Q2. We tendered our 9% Tizir bonds, at a price of 102, for new 9.5% 5 year bonds. Tizir also announced record Q2 heavy mineral concentrate production at Grande Cote in Senegal in a time of improving titanium dioxide and zircon markets and prices. Located 50 kilometers northeast of Dakar, Grande Cote is a mine with at least 25 years of life. It is designed to extract ilmenite, zircon, rutile, and leucoxene for export to the Tyssedal smelter in Norway, unique in Europe and one of only 5 such smelters. Senegal's mineral sands complex was discovered in the 1950s. However, it took the joint venture between Eramet of France and Mineral Deposits of Australia, with the Senegalese government owning a 10% free carried interest, in 2011 to place those mineral sands deposits on a path to commercial life in 2014. At full production, it will be one of the largest single exports of Senegal. Truth be told, the Tizir bonds have been a source of intermittent anxiety, as Tizir's net profit margins and EBITDA margins both disappeared in the general commodity price collapse from 2013. Nameplate capacity of Grande Cote is yet to be reached, but, with most of the capital expenditure for Tizir spent, the next few years present a vista of rising free cash flows. Caution is still warranted insofar as commodity prices can easily disappoint at unexpected times. The C shares are being compensated for Tizir's risks in the form of a higher coupon.

Stanbic Uganda released disappointing H1 results, as its earnings per share fell 11% in US Dollars. It reported a return on equity of 28% and a return on assets of 4%. At 51%, its efficiency ratio remains slightly ahead of our preferred ceiling of 50%. A market capitalization of \$384 million placed it on a 7.6x trailing P/E ratio and a 1.8x P/B ratio, at the end of Q2. A rapidly declining central bank rate led to a 5% point fall in Stanbic's prime lending rate and an average net interest margin of 8.6% versus 9.4% in H1 2016. The yields on 91 day treasury bills dropped 4.4% to 10.7% in this period. Non-interest income also declined 10% because of a stable Uganda shilling and a drop in trading revenues. Total fall in revenues were \$6 million. The rise in the Markit Stanbic Bank Uganda's Purchasing Manager's Index from 51 in May to 52.8 in June is a hopeful sign of rising economic activity, especially in the construction and service sectors, spurring increased credit demand. On the positive side, operating and credit costs declined, respectively, by 3% and 4%, year-on-year. Net profit shrank from \$30 million in H1 2016 to \$27 million. However, its capital adequacy ratio rose to a robust 22.1%, with shareholders equity equating to 16% of total assets. Although we expect Stanbic's 2017 net profits to be lower than those of 2016, its future remains exciting. We believe that it deserves a higher valuation. We gained 0.7 cents per share in H1 2017.

Elsewhere in the portfolio, AOF's lamgold bonds were redeemed at a price of 103 during the quarter, they delivered a return of 8% in H1 and contributed 0.7 cents to the NAV of the C shares; while the short book and currency hedges delivered 1.4 cents per share in losses.

Portfolio Appraisal Value

As of June 30, the Manager's appraisal of the intrinsic economic value of the Ordinary Share portfolio was \$1.098 per share. The market price of \$0.638 at quarter end represented a 42% discount. The Manager's appraisal of the intrinsic economic value of the C Shares portfolio was \$1.158 per share. The market price of \$0.700 at quarter end represented a 40% 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 2017 and H1 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 shares portfolio. We have also presented the geographic and sectoral allocation and the top ten positions of the Consolidated Fund Assets as of the end of August 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. At 30 June 2017, 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 14x, a return on assets of 8%, and a return on equity of 9%. Excluding Copperbelt's non-Zambian operations, AOF's ordinary share portfolio's top 7 equity holdings, at 30 June 2017, had a weighted average dividend yield of 5%, a P/E ratio of 8x, a return on assets of 11%, and a return on equity of 24%. The corresponding statistics for the top 8 equity holdings in AOF's C shares portfolio at 30 June 2017 are a dividend yield of 5%, a P/E ratio of 32x, a return on assets of -1%, and a return on equity of 2%. If Copperbelt's non-Zambian operations were excluded, then the top 8 equity holdings of the C shares at 30 June 2017 had a weighted average dividend yield of 5%, a P/E ratio of 10x, a return on assets of 4%, and a return on equity of 11%. 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 Q2 2017

Return by Sector, % of Securities	Ordinary Shares	C Shares
Telecommunications	1.8%	0.1%
Financial Services	-0.6%	-0.7%
Consumer Finance	0.6%	1.1%
Utilities	2.9%	4.7%
Oil Exploration & Production	-0.2%	-0.2%
Consumer Products & Services	0.1%	0.4%
Plantations	0.4%	0.9%
Mining Industry	-0.3%	-0.5%
Real Estate	0.1%	0.6%
Materials	0.0%	0.4%
Beverages	0.4%	0.0%
Other	0.3%	-0.3%
	5.7%	6.5%
Net Working Capital	-2.4%	-1.7%
Return on N.A.V	3.3%	4.8%

Africa Opportunity Fund

Return by Geography

For Q2 2017

Returns by Geography, % of Securities	Ordinary Shares	C Shares
Zambia	2.7%	3.5%
Ghana	-0.2%	-0.1%
Senegal	2.0%	0.2%
Other	-0.2%	-0.3%
Nigeria	-0.1%	-0.1%
Cote D'Ivoire	0.4%	0.9%
Morocco	0.0%	0.4%
Zimbabwe	0.6%	0.5%
Egypt	0.0%	0.1%
Kenya	0.3%	0.8%
Botswana	0.0%	0.0%
Tanzania	0.4%	0.0%
South Africa	-0.2%	-0.1%
Uganda	0.1%	-0.7%
	5.7%	6.5%
Net Working Capital	-2.4%	-1.7%
Return on N.A.V	3.3%	4.8%

Analysis of Portfolio return by Sector and by Geography

Africa Opportunity Fund
Return by Sector
For 1 H 2017

Return by Sector, % of Securities	Ordinary Shares	C Shares
Telecommunications	2.1%	0.3%
Financial Services	-1.1%	-0.5%
Consumer Finance	1.6%	3.4%
Utilities	4.3%	6.4%
Oil Exploration & Production	0.0%	-0.1%
Consumer Products & Services	-0.5%	-0.6%
Plantations	0.4%	1.0%
Mining Industry	2.0%	1.9%
Real Estate	0.0%	0.3%
Materials	0.0%	0.2%
Beverages	0.3%	0.0%
Other	-0.1%	-0.7%
	9.1%	11.7%
Net Working Capital	-4.3%	-3.0%
Return on N.A.V	4.8%	8.7%

Africa Opportunity Fund
Return by Geography
For 1 H 2017

Returns by Geography, % of Securities	Ordinary Shares	C Shares
Zambia	4.4%	6.1%
Ghana	0.2%	0.4%
Senegal	2.8%	0.8%
Other	0.8%	0.4%
Nigeria	0.1%	0.5%
Cote D'Ivoire	0.4%	0.9%
Morocco	0.0%	0.5%
Zimbabwe	0.5%	0.3%
Egypt	0.1%	0.2%
Kenya	0.0%	-0.2%
Botswana	0.0%	0.0%
Tanzania	0.3%	0.0%
South Africa	-0.5%	0.8%
Uganda	0.1%	0.9%
	9.1%	11.7%
Net Working Capital	-4.3%	-3.0%
Return on N.A.V	4.8%	8.7%

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	27,420,354	2,023,553	7.4%	5.5%
Short Equities/Options	-1,305,574	14,401	1.1%	0.0%
Bonds	8,885,580	63,749	0.7%	0.2%
Special Situations	2,490,154	15,541	0.6%	0.0%
	37,490,514	2,117,244		5.7%

*For this Q2 return, invested capital is as of 01/04/2017 and comprises the market value of securities in the ordinary shares portfolio as of 01/04/2017, plus net changes in that securities portfolio during Q2.

Asset Class Exposure	Invested Capital*	Attribution PnL	H1 2017 Return on Invested Capital	Return Contribution on NAV
Long Equities	28,077,370	2,864,405	10.2%	7.8%
Short Equities/Options	-2,553,655	-465,376	-18.2%	-1.3%
Bonds	8,947,681	927,912	10.4%	2.5%
Special Situations	2,482,708	28,736	1.2%	0.1%
	36,954,103	3,355,677		9.1%

*For this H1 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 the first 6 months of 2017.

C Shares Portfolio

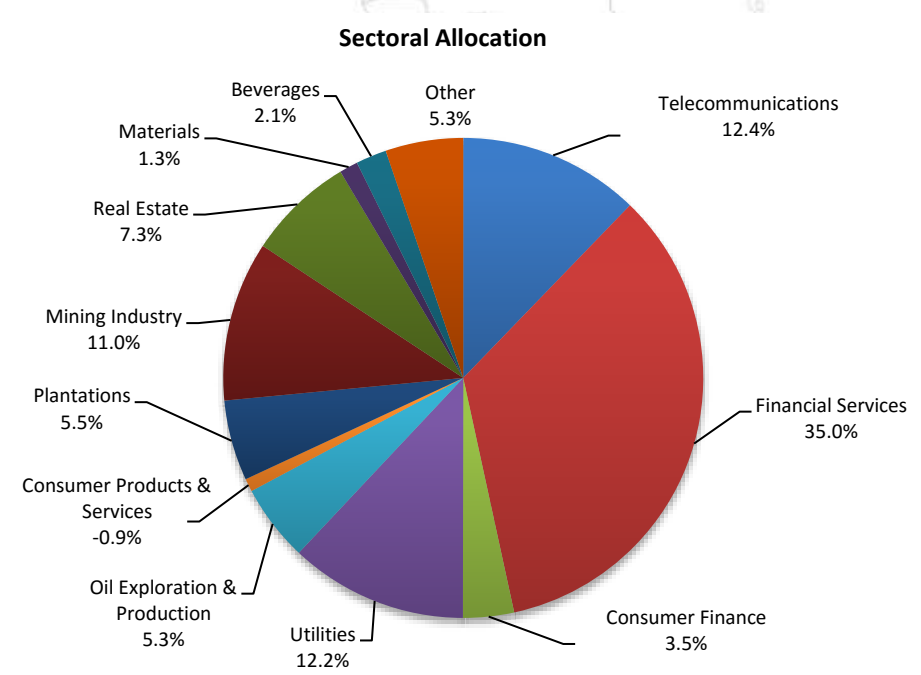
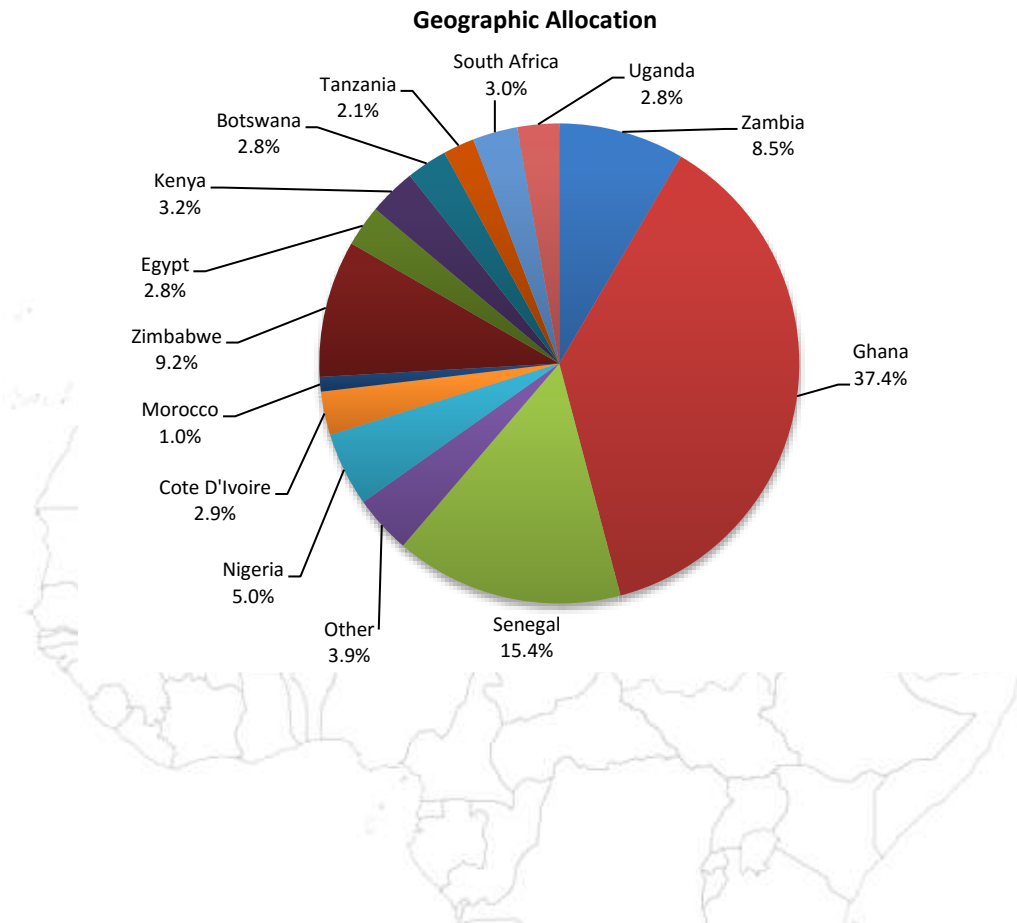
Asset Class Exposure	Invested Capital*	Attribution PnL	Q2 Return on Invested Capital	Return Contribution on NAV
Long Equities	16,974,142	1,312,940	7.7%	5.8%
Short Equities/Options	-1,518,291	63,278	4.2%	0.3%
Bonds	6,264,463	86,585	1.4%	0.4%
Arbitrage	73,031	7,177	9.8%	0.0%
Special Situations	668,919	0	0.0%	0.0%
	22,462,264	1,469,980		6.5%

*For this Q2 return, invested capital is as of 01/04/2017 and comprises the market value of securities in the c shares portfolio as of 01/04/2017, plus net changes in that securities portfolio during Q2.

Asset Class Exposure	Invested Capital*	Attribution PnL	H1 2017 Return on Invested Capital	Return Contribution on NAV
Long Equities	16,503,233	2,041,383	12.4%	9.7%
Short Equities/Options	-2,327,170	-302,225	-13.0%	-1.4%
Bonds	6,212,181	733,670	11.8%	3.5%
Arbitrage	71,596	8,612	12.0%	0.0%
Special Situations	668,919	0	0.0%	0.0%
	21,128,758	2,481,440		11.7%

*For this H1 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 the first 6 months of 2017.

Geographic and Sectoral Allocation of the Consolidated Fund assets as of 31 August 2017



Top 10 Exposures in the Consolidated Fund as of 31 August 2017

Top Ten Holdings – AOF	Description	% of NAV on 31 Aug 2017	% of NAV on 30 June 2017
Enterprise Group	Ghanaian property & casualty insurance and life assurance company	24.2%	13.6%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	10.1%	11.7%
Copperbelt Energy Corp	Leading electricity distributor in the Zambian Copperbelt	7.5%	8.8%
Tizir 9.0% 28 Sep 2017	1st priority bond backed by Grande Cote mineral sands project in Senegal	4.2%	4.7%
Anglogold Ashanti	Gold mining company operating in 11 countries	4.2%	4.1%
Standard Chartered Bank	Leading commercial bank in Ghana	4.0%	3.4%
Mashonaland Holdings	Zimbabwean real estate company	3.6%	3.9%
Continental Reinsurance	Leading Pan-African reinsurer based in Nigeria	3.5%	3.3%
Pearl Properties	Zimbabwean real estate company	3.2%	3.2%
Kenya Power & Lighting Ltd	Leading electricity distributor in Kenya	3.0%	2.5%
Total		67.5%	59.2%

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

Company Details (C-Shares) – cancelled on 23 August 2017

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
Cancellation: 23 August 2017
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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