



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 - 30 September 2018

NAV per share	\$0.842	Total Net Assets	\$63.0mm
Share price as at 30 September	\$0.730	Market Capitalization	\$54.6mm
Discount to NAV	13%	Shares outstanding	74.8mm

Year to Date Change in NAV

US\$ NAV Return %	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Jan	-0.7%	-2.1%	5.6%	-1.4%	1.9%	4.9%	2.2%	-5.1%	-3.2%	-1.0%	5.1%
Feb	1.9%	-10.4%	1.2%	-1.1%	0.4%	-0.8%	3.3%	-1.8%	2.5%	-0.5%	3.8%
March	1.4%	16.7%	3.1%	2.9%	0.0%	7.8%	-4.0%	-2.4%	1.8%	3.0%	0.1%
April	1.0%	6.2%	4.7%	5.5%	0.5%	5.4%	-2.8%	2.3%	4.0%	1.8%	-4.5%
May	0.1%	3.7%	-8.4%	1.5%	-6.0%	-1.4%	-8.3%	1.0%	-2.0%	2.1%	-8.4%
June	-0.6%	10.0%	-6.7%	-0.9%	1.1%	0.4%	0.8%	-2.5%	-0.2%	-0.6%	-0.6%
July	-3.8%	5.0%	10.9%	4.2%	-0.7%	3.2%	0.6%	1.8%	-1.3%	3.5%	1.8%
Aug	-8.2%	2.4%	0.3%	-2.5%	-1.9%	1.7%	-2.2%	-2.2%	0.5%	11.3%	-3.9%
Sept	-9.8%	8.0%	8.2%	-9.0%	1.5%	2.8%	-2.6%	-3.2%	0.7%	-2.6%	-2.1%
Oct	-23.8%	1.5%	7.5%	3.6%	-2.7%	-0.3%	-4.1%	-0.5%	-0.2%	-0.5%	
Nov	-10.2%	1.6%	-3.5%	-2.8%	4.6%	1.5%	-2.0%	2.9%	-2.1%	1.3%	
Dec	-4.1%	0.1%	3.6%	2.6%	6.3%	-0.1%	0.9%	-2.5%	3.1%	-1.4%	
FY	-42.5%	48.2%	27.1%	1.6%	4.4%	27.7%	-17.3%	-11.4%	-9.5%	16.9%	-9.0%

Table of monthly top performers and losers

Top Gains / Losses

	% Gain	Amount (mm)		% Losses	Amount (mm)
Anglogold	8.5%	0.7	Copperbelt	-17.5%	-0.9
Mashonaland	15.6%	0.4	Enterprise	-5.8%	-0.6
FML Properties	16.0%	0.3	Sonatel	-6.0%	-0.4
Pick N Pay	2.9%	0.1	Kenya Power	-17.1%	-0.2
PSG Group	35.9%	0.1	Tanzania Breweries	-10.9%	-0.2



Top Ten Holdings

Company Name	Description	% of NAV
Enterprise	Ghanaian property & casualty insurance and life assurance company	16.5%
Sonatel	Dominant Senegalese and regional integrated telecommunication operator	9.6%
Copperbelt	Largest electricity transmitter in the Zambian Copperbelt	7.2%
FML Properties	Zimbabwean real estate company	6.8%
Anglogold	Gold mining company operating in 11 countries	5.4%
Stanchart Ghana	Leading commercial bank in Ghana	4.6%
Kosmos Energy	Oil producer and exporter in West Africa	4.6%
Mashonaland Holdings	Zimbabwean real estate company	4.2%
Continental Re	Leading Pan-African reinsurer offering non-life and life reinsurance products	3.7%
Stanbic Uganda	Leading commercial bank in Uganda	3.5%
Total		66.1%

Manager's Commentary

Market Conditions

The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") ordinary share NAV declined 2% in September from \$0.860 in August. The share price lost 3% from \$0.75/share to \$0.73/share. As a reference, in September other African indexes broadly suffered declines too: South Africa = -2%, Egypt = -9%, Kenya = -11%, Morocco = -2% and Nigeria = -7%. Three Africa-focused ETFs – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US), lost, 0.2%, 2%, and 4% respectively.

Portfolio Highlights

The Fund's 2% NAV decline was largely due to Copperbelt Energy, Enterprise and Sonatel. Our Copperbelt investment lost 18% after the share price declined 3% whilst the ZMW lost 15% from ZMW10.20/\$ to ZMW12.01/\$. Enterprise's share price was 1% lower whilst the GHS lost 5% from GHS4.74/\$ to GHS4.97/\$. Sonatel's share price declined 6% whilst the XOF was largely unchanged. Gains were mainly from Anglogold and Zimbabwean Property Investments FML Properties and Mashonaland. Anglogold recovered 8% in September after having shed 11% in August following the announcement of a restructuring at its Mponeng mine in South Africa and the 4% decline in the gold price. The gold price was relatively stable in September at \$1,193/oz from \$1,200/oz at the end of August. FML Properties and Mashonaland both gained 16% that was fuelled by a currency crisis in Zimbabwe that has triggered a flight to safety with investors shunning all cash balances and fixed income investments in favour of real assets and shares.

Fund Exposure - 30 September 2018

	Exposure		Exposure
Long Equities	85.9%	Arbitrage	1.0%
Short Equities	-3.0%	Cash Balance	9.5%
Bonds	3.4%	Other Assets & Liabilities	-1.1%
Special Situations	4.3%		



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)

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 one can assure future results and achievements. No undue reliance should be placed on forward-looking statements. The Company and Africa Opportunity Partners disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, 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.