

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. WHEN CONSIDERING WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK INDEPENDENT FINANCIAL ADVICE FROM A FINANCIAL ADVISER WHO IS AUTHORISED UNDER FSMA IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A TERRITORY OUTSIDE OF THE UNITED KINGDOM.

If you have sold or otherwise transferred all of your ordinary shares of USD 0.01 each ("**Ordinary Shares**") in Africa Opportunity Fund Limited (the "**Company**" or "**AOF**") you should pass this document, together with the accompanying proxy form (the "**Proxy Form**") as soon as possible, to the purchaser or transferee or to the other person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This document and all accompanying documents should not, however, be forwarded or transmitted in or into any of the Restricted Territories.

The whole of this document should be read. Attention is drawn to the "Risk Factors" set out in Part II of this document.

AFRICA OPPORTUNITY FUND LIMITED

*(a company limited by shares incorporated under the laws of the
Cayman Islands with registered number MC-188243)*

Continuation vote, Shareholder Proposals and Notice of Extraordinary General Meeting

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and no-one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Liberum or for providing advice in relation to the Proposals. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Liberum may have under the FSMA or the regulatory regime established thereunder.

Notice of an Extraordinary General Meeting ("**EGM**") of the Company to be held at the offices of SS&C Fund Services (Cayman) Ltd., 39 Market Street, Suite 3205, Gardenia Court, Camana Bay, Grand Cayman, KY1-9003, Cayman Islands at 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on Thursday 27 June 2019 is set out on page 23 of this document. A Proxy Form for use at the EGM accompanies this document and, to be valid, must be completed and returned in accordance with the instructions set out thereon as soon as possible by mail or by facsimile but in any event so as to reach:

**Anson Registrars Limited
PO Box 426
Anson House, Havilland Street,
St Peter Port
Guernsey GY1 3WX
Channel Islands**

or

Fax number +44 (0)1481 661519

by no later than 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 25 June 2019.

Further details of action to be taken are set out in Part I of this document and in the instructions on the Proxy Form.

If Shareholders have any queries regarding the completion of the Proxy Form please contact the Registrar, Anson Registrars Limited, by telephone on +44 (0)1481 711301 or by e-mail at registrars@anson-group.com. Please note that the Registrar can only give procedural advice and is not authorised to provide investment advice.

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EXPECTED TIMETABLE OF EVENTS

EGM Record Date	Noon (Cayman Islands Time) / 6.00 p.m. (British Summer Time) on 25 June 2019
Latest time and date for receipt of Proxy Forms	9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 25 June 2019
Extraordinary General Meeting	9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 27 June 2019
Results of the EGM announced on	27 June 2019

The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory News Service of the London Stock Exchange.

PART I

LETTER FROM THE CHAIR

AFRICA OPPORTUNITY FUND LIMITED

(incorporated in the Cayman Islands, with registered company number MC-188243)

Directors:

Myma Adwowa Belo-Osagie (*Chair*)
Christopher John Agar
Vikram Mansharamani
Peter Benedikt Mombaur
Shingayi Stanley Mutasa
Robert Knapp

Registered office:

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

5 June 2019

Dear Shareholders

CONTINUATION VOTE AND PROPOSALS IN RELATION TO THE FUTURE OF THE COMPANY

1 INTRODUCTION

As set out in the Company's prospectus dated 28 March 2014, the Directors have committed to convene a general meeting in 2019 at which an ordinary resolution is proposed that the Company continue in existence. Should this resolution not be passed, the Directors are required to formulate proposals to be put to Shareholders to reorganise, reconstruct or wind up the Company. However, if the resolution is passed, the Company will continue its operations as contemplated in this document. Further details on the reasons why the Directors believe that Shareholders should vote in favour of the continuation of the Company are set out in paragraph 2 below.

The Prospectus also stated that the Company would provide Shareholders with an opportunity to realise all or part of their shareholding in the Company for a net realised *pro rata* share of the Company's investment portfolio (the "**Realisation Opportunity**"). However, following discussions with certain Shareholders, it has become clear that such Shareholders would prefer to dispense with the Realisation Opportunity and instead restructure the Company to facilitate a staged return of capital to Shareholders in an efficient manner.

In light of the above, the Board is seeking Shareholder approval to waive the Realisation Opportunity and instead, subject to the approval of Shareholders, adopt the New Investment Policy which involves the Company ceasing all new investments and seeking to realise, in an orderly fashion, the Company's portfolio of investments and return the net proceeds generated to Shareholders over time. The Reorganisation will be conditional on the passing of the Waiver Resolution and the Continuation Resolution.

In order to give the Board maximum flexibility in terms of the manner in which the net proceeds of the realisation of the Company's portfolio of investments is returned to Shareholders, it is also proposed that the Company will adopt the New Articles which will, *inter alia*, include a mechanism to allow the Company to compulsorily redeem Ordinary Shares at the discretion of the Directors to allow cash to be returned to

Shareholders following the realisation of assets, as well as providing an opportunity to make minor clarifications and general updates to the Articles where relevant.

This document sets out details of the Proposals, as well as certain proposed changes to the arrangements with the Company's investment manager, which will take effect conditional on the passing of the Reorganisation Resolution, and which will be considered to be a related party transaction between the Company and the Investment Manager, and includes, at the end of this document, a notice convening an EGM of the Company, at which the Resolutions will be proposed.

2 CONTINUATION OF THE EXISTENCE OF THE COMPANY

The Company does not have a fixed life but the Directors consider it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Historically the Company has offered Shareholders the opportunity to approve the continuation of the life of the Company every 5 years and, accordingly, the last continuation vote was passed in 2014. The Board is therefore taking the opportunity at this EGM to propose, as an ordinary resolution, that the Company continue in existence.

The Directors believe that continuing the life of the Company but with a new realisation strategy to undertake a staged return of capital to Shareholders (further details of which are set out in paragraph 3 below) will enable the Company to maximise the value realised on the sale of its investments and grant it sufficient time to put into effect the New Investment Policy. In particular, the Directors and the Investment Manager believe that the Company's portfolio holds several undervalued investments that, the Directors believe, could be realised at materially higher prices than current carrying values over the next few years and therefore continuing the life of the Company, rather than winding up the Company (and thus accelerating the disposal process of the assets in the portfolio), should better enable the Company to achieve greater returns to Shareholders.

If the Continuation Resolution is not passed, the Directors will be required to formulate and revert to Shareholders with proposals to reorganise or reconstruct the Company or to wind up the Company. If the Continuation Resolution is passed, the Reorganisation Resolution (details of which are set out in paragraph 3 below) will be put to Shareholders at the EGM.

If the Continuation Resolution is passed, a similar continuation resolution will be proposed by the Company at an extraordinary general meeting in 2022.

3 THE REORGANISATION

In the event that the Continuation Resolution is passed, the Board proposes to restructure the Company: including implementing the New Investment Policy and changes to the remuneration structure of the Investment Manager. The Reorganisation is conditional upon the approval of the Reorganisation Resolution at the EGM.

(a) Investment Policy and Distribution Policy

For a period of up to three years following the EGM (the "**Return Period**"), the Company will make no new investments (save that it may invest in, or advance additional funds to, existing investments within the Company's portfolio to maximise value and assist in their eventual realisation). The Company will adopt the New Investment Policy whereby the Company's existing portfolio of investments will be divested in a controlled, orderly and timely manner to facilitate a staged return of capital.

During the Return Period the net proceeds of all portfolio realisations will be returned to Shareholders, at the Board's discretion, having regard to the Company's working capital requirements (including the fees

payable under the Amended and Restated Investment Management Agreement) and the cost and tax efficiency of individual transactions and/or distributions.

It should be appreciated that there is no time horizon in terms of the implementation of the New Investment Policy. Although the Company's portfolio is comprised of largely listed equity holdings, the Company has some illiquid investments and it may take the Investment Manager some time to realise these.

Shareholders will be provided with an opportunity to reassess the investment policy and distribution policy at the end of the Return Period. To that end, a further ordinary resolution for the Company's continuation will be proposed at an extraordinary general meeting to be convened at the end of the Return Period (the "**Second Continuation Vote**").

During the Return Period the Directors will look to reduce the ongoing running costs of the Company in particular through reducing the management fee payable to the Investment Manager (further details of which are set out in paragraph (c) below) and by reducing the overall size of the Board. It is anticipated that, going forward, the Board will comprise three Directors only. Such governance changes will be made in due course.

Part III of this document sets out the proposed changes to the Company's investment policy, including the text of the New Investment Policy.

(b) Staged return of capital and compulsory redemptions of Ordinary Shares

The Company proposes to undertake a staged return of capital to Shareholders. The Directors propose to effect the return of capital by way of a compulsory redemption of Ordinary Shares (a "**Compulsory Redemption**"). Currently the Ordinary Shares are non-redeemable. Accordingly, it will first be necessary to change the Articles to permit the Directors, at their sole discretion, to effect a Compulsory Redemption of Ordinary Shares on an ongoing basis, and *pro rata*, to a Shareholder's shareholding in the Company, in order to return capital to Shareholders.

Details of any Compulsory Redemptions will be announced to the market by way of an RNS in due course.

The Directors shall continue to have the right to return cash otherwise than through Compulsory Redemptions, such as by way of tender offers to Shareholders to purchase their Ordinary Shares. In such circumstances, a tender offer will be made to Shareholders in accordance with market practice and in compliance with the Listing Rules (to the extent the Company voluntarily complies with these) and applicable law. Further, the Directors may determine, in their absolute discretion where they consider it to be in the best interests of Shareholders, to return cash from sales made pursuant to the New Investment Policy to Shareholders by way of dividend or any other distribution permitted by the Listing Rules (to the extent the Company voluntarily complies with these) and applicable law.

Further details regarding the return of capital and the proposed changes to the Articles are set out in Part IV of this document.

(c) Changes to the Investment Management arrangements

The Company and the Investment Manager have, conditionally upon the approval of the Reorganisation Resolution at the EGM, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

Management fees

The management fee shall be reduced to 1 per cent. of the Net Asset Value per annum for the first two years of the Return Period and then further reduced to 0 per cent. in the last year of the Return Period.

Performance fees

The Investment Manager's entitlement to future performance fees (through CarryCo) will be cancelled and CarryCo's limited partnership interest in the Limited Partnership will be transferred to the Company for nominal value.

Realisation fees

The Investment Manager shall be entitled to the following realisation fees during the Return Period from the net proceeds of all portfolio realisations (including any cash returned by way of a Compulsory Redemption):

On distributions of cash to Shareholders where the applicable payment date is on or prior to 30 June 2020:	2 per cent. of the net amounts realised.
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On distributions of cash to Shareholders where the applicable payment date is 1 July 2020 or later:	1 per cent. of the net amounts realised.
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The proposed revisions to the arrangements with the Investment Manager set out in this paragraph, constitute a related party transaction under the Company's related party policy, and in accordance with that policy, the Company is required to obtain: (i) the approval of a majority of the Directors who are independent of the Investment Manager; and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser.

Accordingly the Independent Directors believe the proposed revisions to be fair and reasonable insofar as Shareholders are concerned and have approved the proposed revisions.

A summary of the Amended and Restated Investment Management Agreement is set out in paragraph 3 of Part V of this document.

4 ADMISSION

It is the current intention of the Directors that the Company's listing on the Specialist Fund Segment should be maintained. However, it may be (particularly if the Company has been able to return significant sums to Shareholders by way of Compulsory Redemption or otherwise) that the costs of maintaining such listing will become disproportionate. If that is the case the Directors will consider whether it is appropriate to seek Shareholder approval to the cancellation of the listing.

5 RISK FACTORS

The attention of Shareholders is drawn to the Risk Factors set out in Part II of this document.

6 GENERAL MEETING

The Resolutions will be proposed at the EGM to be held at the offices of SS&C Fund Services (Cayman) Ltd., 39 Market Street, Suite 3205, Gardenia Court, Camana Bay, Grand Cayman, KY1-9003, Cayman Islands at 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on Thursday 27 June 2019. The Reorganisation is conditional upon Shareholders passing each of the Resolutions. Notice of the EGM is set out at the end of this document.

The Resolutions seek the approval of Shareholders for:

- (a) Resolution 1: the waiver of the Realisation Opportunity (the "**Waiver Resolution**");
- (b) Resolution 2: the extension of the life of the Company (the "**Continuation Resolution**"); and
- (c) Resolution 3: the adoption of the New Investment Policy (the full text of which is set out in Part III of this document, the approval of the terms of the Amended and Restated Investment Management Agreement and the adoption of the New Articles to permit the Directors to undertake Compulsory Redemptions (as further described in Part IV of this document) (the "**Reorganisation Resolution**").

In order to be passed, the Waiver Resolution and the Continuation Resolution, which are to be proposed as ordinary resolutions, will require the approval of Shareholders representing at least 50 per cent. of the votes cast at the EGM. The Reorganisation Resolution, which is to be proposed as a special resolution, will require the approval of Shareholders representing at least two-thirds of the votes cast at the EGM.

The Articles provide that at the EGM each Shareholder present in person or by proxy or who (being a corporation) is present by a representative shall on a show of hands have, for each of the Resolutions, one vote and on a poll shall have one vote for each Ordinary Share of which he is a holder.

The quorum for the EGM shall be two persons entitled to attend and to vote, each being a Shareholder or a proxy of a Shareholder or a duly authorised representative of a corporation which is a Shareholder. In the event that the EGM is adjourned and the above-mentioned quorum is not present, at such adjourned EGM the Shareholders present shall be a quorum.

7 ACTION TO BE TAKEN

Shareholders will find enclosed with this document a personalised Form of Proxy for use in connection with the EGM. Submission of the Form of Proxy will enable your vote to be counted at the EGM in the event of your absence.

Shareholders are asked to complete and return the Form of Proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Registrars, Anson Registrars Limited, PO Box 426, Anson House, Havilland Street, St Peter Port, Guernsey, GY1 3WX Channel Islands by no later than 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 25 June 2019.

Shareholders are requested to complete and return the Form of Proxy whether or not they wish to attend the EGM. The return of the Form of Proxy will not prevent Shareholders from attending the EGM, or any adjournment thereof, and voting in person should they so wish.

8 RECOMMENDATION

The Board considers that the Proposals are in the best interests of Shareholders as a whole and recommends unanimously that Shareholders vote in favour of the Resolutions as they intend to do so in respect of their beneficial holdings of Ordinary Shares which, in aggregate amount to 14,284,315 Ordinary Shares representing approximately 19.08 per cent. of the issued share capital of the Company.

Yours faithfully,

Myma Adwowa Belo-Osagie
Chair

PART II

RISK FACTORS

The Directors consider that the following risk factors should be considered by Shareholders prior to deciding how to cast their votes at the EGM. Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom, without delay.

Investment in the Ordinary Shares involves a degree of risk. The risks referred to below are all of the material risks applicable to the Company of which the Directors are aware as at the date of this document. Additional risks that are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

The Company's business, financial condition or operations could be materially and adversely affected by the occurrence of any of the risks described below. In such circumstances, the market price of the Ordinary Shares could decline and investors could lose all or part of their investment. In particular, Shareholders should note that the past performance of the Ordinary Shares should not be used as a guide to their future performance.

Conditionality of the Reorganisation

Implementation of the Reorganisation is conditional upon the Resolutions being passed at the EGM. In the event that the Waiver Resolution and the Continuation Resolution are not passed, the Reorganisation will not proceed and the Company will formulate proposals to be put to Shareholders to reorganise, reconstruct or wind up the Company. In the event the Reorganisation Resolution is not passed but the Continuation Resolution is passed, the Reorganisation will not proceed and the Company would continue as presently constituted and in accordance with its existing investment policy.

Realisation

If the Reorganisation is implemented, this may possibly lead to speculation as to the prospects of the Company and the assets in which it is invested. This in turn may have an adverse effect on the realisable value of the Company's assets, in particular (but not only) in the short and potentially medium term.

There can be no guarantee that the change to the Company's investment policy will provide the returns, or realise the value, described in this document. As the New Investment Policy is implemented and the Company's portfolio is divested, the value of the Company's portfolio will be reduced and concentrated in fewer holdings, and the mix of asset exposure and the spread of risk will be affected accordingly. This may adversely affect the performance of the Company's portfolio.

The exact timing, form and value of payments to Shareholders is uncertain and will depend, amongst other things, on the speed and price at which each asset of the Company is realised. The sale of some assets may only be possible at prices substantially less than the values used to calculate the NAV per Ordinary Share.

The Company might experience increased volatility in its net asset value and/or its Ordinary Share price as a result of the changes to the portfolio structure following approval of the Proposals and realisations.

Liquidity of the Company's investments

The Company's investments comprise mainly African equities. African stock exchanges are classified as 'frontier markets' and are characterised by high levels of illiquidity. Some investments may take a

substantial length of time to realise. There can be no guarantee that the Company will be able to realise its investments and distribute pro rata net proceeds to the Shareholders within a specific period of time.

Maintenance of the Company as a listed vehicle

The maintenance of the Company as an ongoing listed vehicle will entail administrative, legal and listing costs, which will decrease the amount ultimately distributed to Shareholders. Although the Directors intend to maintain the Company's listing for as long as the Directors believe it to be practicable during the divestment period, the Directors may seek suspension of the listing of the Ordinary Shares if the Company can no longer satisfy the continuing obligations for listing and consequently the listing of the Ordinary Shares may be suspended and/or cancelled. Once suspended and/or cancelled, the Ordinary Shares would no longer be capable of being traded on the London Stock Exchange, which would materially reduce market liquidity in the Ordinary Shares.

Compulsory redemptions

Compulsory Redemption will be made at the Directors' sole discretion, as and when they deem that the Company has sufficient share capital and/or profits and/or share premium available to make a Compulsory Redemption. Shareholders will therefore have little certainty as to when their Ordinary Shares will be redeemed.

The Company's cash balances will be reduced by any Compulsory Redemption or other distribution to Shareholders, thereby increasing the impact of fixed costs incurred by the Company on the remaining assets. The funds returned to Shareholders pursuant to a Compulsory Redemption or other distribution will no longer be available for application in the ordinary course of the Company's business or to meet contingencies.

Shareholders are advised that future returns of cash may not necessarily be made as soon as cash becomes available. Shareholders should also note that, due to the illiquid nature of the Company's investments, there can be no certainty of the length of time it may take to complete a realisation of all the Company's assets.

In determining the size of any Compulsory Redemption or other distribution to Shareholders, the Directors will take into account the Company's ongoing running costs. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future Compulsory Redemptions or distributions.

The market price of the Ordinary Shares is subject to change during the course of, and subsequent to, any Compulsory Redemption. It therefore cannot be certain whether the value returned to Shareholders pursuant to any Compulsory Redemption will be greater or less than the price at which Shares could be sold in the market at any given time.

Any Compulsory Redemption will reduce the number of Ordinary Shares in issue. The impact on the liquidity and the market price of the Ordinary Shares as a result of the implementation of the Compulsory Redemption, if any, cannot be predicted and Shareholders may find it more difficult to sell their Ordinary Shares, or may be forced to sell them at a lower price as supply and demand for Ordinary Shares may change. More generally, as with all investment company shares, the market price of the Ordinary Shares may not reflect the underlying net asset value of the Company and the discount (or premium) to net asset value at which the Ordinary Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general sentiment.

Forward looking statements

This document may contain statements that constitute forward-looking statements that include but are not limited to statements regarding the expected proceeds generated from the divestment of assets owned by the Company. Undue reliance should not be placed on forward-looking statements. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements. These risks and uncertainties include but are not limited to delays in receipt of payments, and unforeseen changes to general economic and business conditions. Forward-looking statements are based on the estimates and opinions of the Company's management at the time the statements are made. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change, except as required by law.

In addition to the risks set out in this Part II, Shareholders will continue to be subject to the risks as outlined in the Prospectus.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Proposals. Accordingly, additional risks and uncertainties not presently known to the Directors may also have an adverse effect on the Reorganisation and/or the Company's business, financial condition or results or prospects.

PART III

CHANGE OF INVESTMENT POLICY

The Directors consider it to be in the best interests of the Company and its Shareholders that the Company's investment policy be changed to facilitate a realisation strategy and the proposed orderly return of capital to Shareholders. The Company is therefore seeking Shareholders approval for the adoption of the New Investment Policy (set out in full in paragraph 2 below) in substitution for the existing investment policy (set out in paragraph 1 below).

1 EXISTING INVESTMENT POLICY

The Company's investment objective is to generate 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.

The Company will adhere to the following investment policies and restrictions:

Geographical focus. The Group will make investments in companies or assets with a material portion of their value derived from or located in Africa. Such companies may be domiciled in Africa or outside Africa or, if listed, listed either on an African stock exchange or a non-African stock exchange. The geographic mix of investments will vary over time depending on the relative attractiveness of opportunities among countries and regions.

Type of investment. The Group may invest in equity, quasi-equity debt instruments or real estate interests which may or may not represent shareholding or management control, and debt issued by African sovereign states and government entities. Investments may be made directly or through special purpose vehicles, joint venture, nominee or trust structures.

Investment size. At the time of investment, no single investment may exceed 15 per cent. of the Net Asset Value without the prior approval of the Board. No one initial investment will exceed 20 per cent. of the Net Asset Value at the time of investment.

Borrowing and gearing. The Group may use overdraft and other short-term borrowing facilities to satisfy short-term working capital needs, including to meet any expenses or fees payable by the Group. Borrowings may be utilised for investment purposes with the prior approval of the Board. The Group has no borrowing or gearing limits in its Articles but gearing, represented by borrowings as a percentage of Net Asset Value, will not exceed 30 per cent.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

In the event of a breach of the investment policy set out above, the Investment Manager shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to shareholders via a Regulatory Information Service announcement.

2 NEW INVESTMENT POLICY

The Company will be managed with the objective of realising the value of the assets in its portfolio in a prudent manner with a view to making an orderly return of capital to Shareholders over time.

The Company's investment objective will be effected with a view to realising all of its investments in such a manner that seeks to achieve a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company will sell or otherwise realise its investments with the objective of achieving the best exit values reasonably available within reasonable time scales.

The Company will cease to make any new investments (unless additional funds are required for existing investments within the Company's portfolio) and shall not undertake additional borrowing other than to refinance existing borrowing or for working capital purposes.

Any cash received by the Company as part of the realisation process will be held by the Company as cash on deposit and/or as cash equivalents prior to its distribution to Shareholders, which shall be at such intervals as the Board may determine is appropriate.

PART IV

COMPULSORY REDEMPTION OF ORDINARY SHARES AND RELATED AMENDMENTS TO THE ARTICLES

1 COMPULSORY REDEMPTION MECHANISM

Pursuant to the Proposals, the Company proposes to undertake a staged return of capital to Shareholders. It is proposed to effect the return of capital by way of a Compulsory Redemption of Ordinary Shares. Currently the Ordinary Shares are non-redeemable and, accordingly, it will first be necessary to change the Articles to authorise the Directors to compulsorily redeem some or all of the Shares at the discretion of the Board.

Under the New Articles, the Directors will be authorised to make Compulsory Redemptions of Ordinary Shares in volumes and on dates to be determined at the Directors' sole discretion, with the amount distributed in respect of the Compulsory Redemption on each occasion representing the cash available for distribution by the Company at the relevant time. Ordinary Shares will be redeemed from all Shareholders pro rata to the existing holdings of Ordinary Shares on the relevant Redemption Date.

As and when the Directors exercise their discretion to exercise the right of Compulsory Redemption, the Company will make a Redemption Announcement in advance of the relevant Redemption Date. The Redemption Announcement is expected to include the following details in respect of each Compulsory Redemption:

- (a) the aggregate amount to be distributed to Shareholders by way of the Compulsory Redemption;
- (b) the relevant percentage of Ordinary Shares to be redeemed (pro rata as between Shareholders as at the Redemption Record Date);
- (c) a timetable for the Compulsory Redemption and distribution of redemption proceeds, including the Redemption Date and Redemption Record Date;
- (d) the Redemption Price, which is expected to be calculated by reference to the Net Asset Value per Ordinary Share (as at a Net Asset Value Date selected by the Directors) of the Ordinary Shares that will be redeemed on a given Redemption Date, less the costs associated with the relevant redemption and as adjusted as the Directors consider appropriate;
- (e) a New ISIN in respect of Ordinary Shares which will continue to be traded on the Specialist Fund Segment following the relevant Redemption Date; and
- (f) any additional information that the Board deems necessary in connection with the Compulsory Redemption.

Redemption of Ordinary Shares will become effective on each Redemption Date (once the Company's register of members has been updated), being a date chosen at the Directors' absolute discretion, as determined by the Directors to be in the best interests of Shareholders as a whole. In determining the timing of any Compulsory Redemption, the Directors will take into account, amongst other things, the amount of cash available of redemption proceeds, the costs associated with the relevant Compulsory Redemption and whether the Company has sufficient cash to pay its debts in the ordinary course immediately following the Redemption Date.

Accordingly, the proceeds of any disposals of the Company's assets in line with the New Investment Policy will not necessarily be distributed at or soon after the date of any such disposal but may be

retained and aggregated with the proceeds of other disposals pending return to Shareholders. The Shares redeemed will be the relevant percentage of the Ordinary Shares registered in the names of Shareholders on the Redemption Record Date. Shareholders will receive the Redemption Price per Share in respect of each of their Shares redeemed compulsorily.

The Directors reserve the right (and the New Articles reflect this) to amend or alter the term of any Compulsory Redemption as they, in the light of prevailing circumstances, believe necessary or appropriate.

2 SETTLEMENT

In the case of Ordinary Shares held in uncertificated form (that is, through Euroclear or Clearstream (as applicable)), redemptions will take effect automatically on each Redemption Date and redeemed Ordinary Shares will be cancelled. All Ordinary Shares in issue will be disabled in Euroclear or Clearstream on the relevant Redemption Date and the Old ISIN applicable to such Ordinary Shares (which, as at the date of this document, is KYG012921048) will expire. A New ISIN in respect of the remaining Ordinary Shares in issue and which have not been redeemed will be enabled and available for transactions from and including the first Business Day following the relevant Redemption Date (or such other date notified to Shareholders). The New ISIN will be notified to Shareholders in the relevant Redemption Announcement. Up to and including the Redemption Date, Ordinary Shares will be traded under the Old ISIN and, as such, a purchaser of such Ordinary Shares would have a market claim for a proportion of the redemption proceeds. Euroclear or Clearstream will automatically transform any open transactions as at the Redemption Date (which may be the record date for the purposes of the redemption) into the New ISIN.

In the case of Ordinary Shares held in certificated form (that is, not in Euroclear or Clearstream), redemptions will take effect automatically on each Redemption Date. As the Ordinary Shares will be compulsorily redeemed, certificated Shareholders do not need to return their share certificates to the Company in order to claim their redemption monies. Shareholders' existing share certificates will be cancelled and new share certificates will be issued to each such Shareholder for the balance of their shareholding in the Company after each Redemption Date. Cheques will automatically be issued to certificated Shareholders upon the Compulsory Redemption of any of their Ordinary Shares. All Ordinary Shares that are redeemed will be cancelled with effect from the relevant Redemption Date. Accordingly, once redeemed, Ordinary Shares will be incapable of transfer.

Payments of redemption monies are expected to be effected either through Euroclear or Clearstream (in the case of Ordinary Shares held in uncertificated form) or by cheque (in the case of Ordinary Shares held in certificated form) within 14 Business Days of the relevant Redemption Date, or as soon as practicable thereafter. Shareholders will be paid their redemption proceeds in U.S. Dollars.

3 NEW ARTICLES

In order to make the Shares redeemable, it is proposed to amend and restate the Articles in order to permit the redemption of some or all of the Ordinary Shares at the discretion of the Directors and to set out the procedure by which the Directors may undertake any Compulsory Redemption of such Ordinary Shares. The Company's memorandum will also be amended and restated, along with the New Articles, to make minor clarifications and general updates to such documents where relevant.

A draft of the proposed New Articles (showing the full terms of the changes proposed to be made) may be inspected at the registered office of the Company and at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document up to and including the date of the EGM and at the place of the EGM for at least 15 minutes before and during the EGM.

Once the New Articles have been adopted, it is proposed that the Board will resolve to undertake Compulsory Redemptions of the Ordinary Shares in stages in line with the Company's realisation strategy. The Directors may only authorise a Compulsory Redemption if they are satisfied on reasonable grounds that, immediately after such Compulsory Redemption is made, the Company would satisfy the solvency test applicable to the Company under the Companies Law.

4 ALTERNATIVE METHODS TO RETURN CASH TO SHAREHOLDERS

The Directors shall continue to have the right to return cash otherwise than through Compulsory Redemptions, such as by way of tender offers to Shareholders to purchase their Shares. In such circumstances, a tender offer will be made to Shareholders in accordance with market practice and in compliance with the Listing Rules (to the extent the Company voluntarily complies with these) and applicable law. The New Articles contain amended provisions to allow the Directors to undertake tender offers in a flexible manner. Further, the Directors may determine, in their absolute discretion where they consider it to be in the best interests of Shareholders, to return cash from disposals of the Company's assets in accordance with the Proposed Investment Policy to Shareholders by way of dividend or any other distribution permitted by the Listing Rules (to the extent the Company voluntarily complies with these) and applicable law.

PART V

GENERAL INFORMATION

1 DIRECTORS' AND OTHER MAJOR INTERESTS

Insofar as is known to the Company, the interests of each Director (all of which are beneficial, except as shown below) in the Ordinary Shares, as at 4 June 2019, (being the latest practical date prior to the publication of this document) are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>
Myrna Adwowa Belo-Osagie	100,000	0.13
Christopher John Agar	100,000	0.13
Vikram Mansharamani	100,000	0.13
Peter Benedikt Mombaur	1,900,957	2.54
Shingayi Stanley Mutasa	-	-
Robert Knapp	12,083,358	16.14

As at the close of business on 4 June 2019 (being the latest practical date prior to the publication of this document), insofar as is known to the Company, the following parties were known to be interested in 3 per cent. or more of the issued Ordinary Share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>
City of London Investment Management Company Limited	29,855,684	39.89
Robert Knapp	12,083,358	16.14
Metage Capital Management	10,226,525	13.66
Mr Lars E Bader	4,990,727	6.67
Lazard Asset Management LLC	3,258,025	4.35

2 THE COMPANY

The Company was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 21 June 2007 with registered number MC-188243 under the name Africa Opportunity Fund Limited.

The registered office of the Company is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is not and has not since incorporation been involved in any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

3 AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT

Conditionally upon the Reorganisation Resolution being passed at the EGM, the Company, the Investment Manager and AOF (GP) have entered into the amended and restated investment

management agreement dated 5 June 2019 pursuant to the terms of which the Investment Manager is appointed to manage the Group's portfolio of assets in accordance with the investment policies from time to time approved by the Board (in its capacity as the board of directors of AOF (GP)). Under the terms of the agreement, the Investment Manager acts as sole manager of the Group's portfolio in accordance with the terms of the agreement with discretion to manage the Group's assets.

The Amended and Restated Investment Management Agreement is subject to termination on 12 months' written notice by AOF (GP) or the Investment Manager.

Day to day management of the Group's portfolio of assets shall be carried out by Francis Daniels and Robert Knapp or such other designated employees of the Investment Manager approved in advance by the Board (in its capacity as the board of directors of AOF (GP)).

Under the Amended and Restated Investment Management Agreement, the Investment Manager receives a management fee equal to the aggregate of: (i) up to and including 30 June 2021, one per cent. of the Net Asset Value per annum, payable in US\$ quarterly in advance, and (ii) following 30 June 2021, no further management fee shall be payable. The quarterly management fee is paid based upon the last preceding published Net Asset Value current at the date of payment.

The Amended and Restated Investment Management Agreement contains an indemnity from the Company in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to the gross negligence, wilful default or fraud of the Investment Manager or any associate to whom the Investment Manager has delegated any of its functions, or any material breach by any of them of the terms of the agreement or any applicable legal requirements. In addition, the Company has given certain warranties to the Investment Manager. The agreement may be terminated immediately by AOF (GP) where the Investment Manager (i) is subject to an insolvency event; or (ii) is in material breach of duty or grossly negligent in connection with the performance of its duties under the agreement or commits a material breach of the agreement, which is either irremediable or not remedied within thirty (30) days of receipt of written notice served by AOF (GP) requiring the Investment Manager to remedy such breach upon being notified of such breach.

4 GENERAL

There has been no significant change in the financial or trading position of the Company since 31 December 2018, being the last date in respect of which the Company has published financial information.

Liberum, which is authorised in the United Kingdom under the FSMA and regulated by the FCA, has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advice to the Board in the form and context in which they appear.

5 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU, during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until the conclusion of the EGM:

- (a) this document;
- (b) the consent letter referred to in paragraph 4 above; and
- (c) the Company's memorandum of association and the Articles as at the date of this document.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Amended and Restated Investment Management Agreement"	the amended and restated investment management agreement dated 5 June 2019 between AOF (GP), the Company and the Investment Manager, further details of which are set out in paragraph 3 of Part V of this document;
"AOF (GP)"	Africa Opportunity Fund (GP) Limited, a wholly-owned subsidiary of the Company, incorporated in the Cayman Islands with registered number MC-189739 and acting as the general partner of the Limited Partnership;
"Articles"	the articles of association of the Company;
"Board" or "Directors"	the directors of the Company;
"Business Day"	any day other than a Saturday, Sunday or public holiday in London;
"CarryCo"	AOF CarryCo Limited, an exempted company incorporated in the Cayman Islands with limited liability with registered number MC-189876
"certificated" or "In certificated form"	not in uncertificated form;
"Clearstream"	the system of paperless settlement of trades and the holdings of shares without share certificates administered by Clearstream Banking SA;
"Companies Law"	the Cayman Islands Companies Law (2018 Revision), as amended;
"Company" or "AOF"	Africa Opportunity Fund Limited;
"Compulsory Redemption"	any compulsory redemption of the Ordinary Shares at the sole discretion of the Directors in accordance with the New Articles (assuming the Reorganisation Resolution is passed at the EGM) as further described in Part IV of this document;
"Continuation Resolution"	the ordinary resolution to approve that the Company continues in existence, to be proposed at the EGM, notice of which is set out on page 23 of this document;
"EGM"	the extraordinary general meeting of the Company convened for 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 27 June 2019;
"EGM Record Date"	Noon (Cayman Islands Time) / 6.00 p.m. (British Summer Time) on 25 June 2019;
"Euroclear"	the system of paperless settlement of trades and the holding of shares without share certificates administered by

	Euroclear Bank SA;
"FCA"	the Financial Conduct Authority or any successor authority;
"Form of Proxy"	the form of proxy provided to Shareholders relating to the Resolutions and the EGM and enclosed with this Circular;
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Group"	the Company, the Limited Partnership, AOF (GP) and CarryCo;
"Independent Directors"	the Board excluding Robert Knapp;
"Investment Manager"	Africa Opportunity Partners Limited, acting as the investment manager to the Group;
"ISIN"	International Securities Identification Number
"Limited Partnership"	Africa Opportunity Fund L.P., a Cayman Islands exempted limited partnership;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 74 of the FSMA and any statutory modification or re-enactment thereof for the time being in force;
"London Stock Exchange"	London Stock Exchange plc;
"Net Asset Value" or "NAV"	the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's accounting policies;
"Net Asset Value Date"	the date on which an estimated or confirmed Net Asset Value per Ordinary Share is published by the Company;
"Net Asset Value per Ordinary Share"	the Net Asset Value divided by the number of Ordinary Shares then in issue;
"New Articles"	the amended and restated articles of association of the Company proposed to be adopted by the passing of the Reorganisation Resolution, setting out, <i>inter alia</i> , the redemption terms attaching to the Ordinary Shares;
"New Investment Policy"	the proposed new investment policy of the Company, the full text of which is set out in paragraph 2 of Part III of this document;
"New ISIN"	a new ISIN in respect of the Ordinary Shares remaining in issue following a Redemption Date, which have not been redeemed on such date;
"Old ISIN"	the disabled ISIN by virtue of the redemption of Ordinary Shares on a Redemption Date (being, at the date of this document, KYG012921048);

"Ordinary Shares"	ordinary shares of US\$0.01 each in the capital of the Company;
"Proposals"	the proposals outlined in this document, namely the Continuation Resolution, the recommended proposals for return of capital by way of Compulsory Redemption, change of investment policy and adoption of the New Articles;
"Prospectus"	the Company's prospectus dated 28 March 2014;
"Proxy Form"	the proxy form for use in connection with the EGM, and which accompanies this document;
"Redemption Announcement"	the announcement to be made by the Company to Shareholders in advance of any Compulsory Redemption;
"Redemption Date"	the date on which a Compulsory Redemption becomes effective;
"Redemption Price"	the Net Asset Value per Ordinary Share of the Ordinary Shares that will be redeemed on a given Redemption Date (as at a Net Asset Value Date selected by the Directors), less the costs associated with the relevant Compulsory Redemption and as adjusted as the Directors consider appropriate;
"Redemption Record Date"	close of business on the relevant Redemption Date or as otherwise set out in the relevant Redemption Announcement;
"Register"	the Company's register of Shareholders;
"Registrar"	Anson Registrars Limited;
"Regulatory News Service" or "RNS"	a primary information provider which has been approved by the FCA to disseminate regulatory news and information to the market;
"Reorganisation"	the proposed reorganisation of the Company to implement the New Investment Policy, make certain changes to the remuneration structure of the Investment Manager and adopt the New Articles;
"Reorganisation Resolution"	the special resolution to approve the Reorganisation, to be proposed at the EGM, notice of which is set out on page 23 of this document;
"Resolutions"	the Waiver Resolution, the Continuation Resolution and the Reorganisation Resolution;
"Restricted Territories"	any of the following territories: Australia, Canada, Japan, South Africa and the United States;
"Return Period"	the period of up to three years following the EGM during which the Company will adopt the New Investment Policy and divest of its existing portfolio of investments in a timely

	manner;
"Second Continuation Vote"	the proposal to Shareholders to hold a further continuation vote at the end of the Return Period;
"Shareholders"	holders of Ordinary Shares (or, where the context so requires, where Ordinary Shares are held in Euroclear and/or Clearstream, the persons otherwise beneficially entitled to such Ordinary Shares);
"Specialist Fund Segment"	the specialist fund segment of the London Stock Exchange;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"uncertificated" or "in uncertificated form"	an Ordinary Share recorded on the Register as being held in Euroclear or Clearstream by the relevant nominee on behalf of a Shareholder and the beneficial title to which may be transferred by means of Euroclear or Clearstream (as appropriate);
"United Kingdom" or "UK"	the United Kingdom of Great Britain;
"US\$", "US Dollar" or "USD"	United States dollars, the legal currency of the United States; and
"Waiver Resolution"	the ordinary resolution to waive the Realisation Opportunity, to be proposed at the EGM, notice of which is set out on page 23 of this document.

AFRICA OPPORTUNITY FUND LIMITED

(the "Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of SS&C Fund Services (Cayman) Ltd., 39 Market Street, Suite 3205, Gardenia Court, Camana Bay, Grand Cayman, KY1-9003, Cayman Islands at 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 27 June 2019 for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be passed as ordinary resolutions and resolution 3 as a special resolution:

ORDINARY RESOLUTIONS

- 1 **THAT**, the requirement of the Company to propose the realisation opportunity (as set out in the Company's prospectus dated 28 March 2014) be and is hereby waived.
- 2 **THAT**, the continuation of the existence of the Company be and is hereby approved.

SPECIAL RESOLUTION

- 3 **THAT**, conditional upon the passing of resolutions 1 and 2 above, the Company be reorganised as follows:
 - (a) the text set out under "New Investing Policy" in paragraph 2 of Part III of the Company's circular to Shareholders dated 5 June 2019 (the "**Circular**") be and is hereby adopted as the new investment policy of the Company;
 - (b) the terms of the Amended and Restated Investment Management Agreement (as defined in the Circular) be and are hereby approved;
 - (c) the memorandum and the articles of association in the form initialled by the Chair of the meeting be adopted as the memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association; and
 - (d) any variation to the rights attaching to the Ordinary Shares in the Company pursuant to the adoption of the new memorandum and articles of association, and in particular the right for the Company to redeem the Ordinary Shares (including any redemptions made of 15 per cent. or more of the Company's issued share capital), be and is hereby approved.

Dated: 5 June 2019

Registered Office:
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

By Order of the Board
SS&C Fund Services (Cayman) Ltd.
Administrator

Notes:

1. *A Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A Proxy Form is enclosed with this notice. Completion and return of the Proxy Form will not preclude members from attending or voting at the meeting, if they so wish.*
2. *To be valid, the Proxy Form , together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with Anson Registrars Limited, PO Box 426, Anson House, Havilland Street, St Peter Port, Guernsey, GY1 3WX Channel Islands by no later than 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 25 June 2019. The Company will also accept faxed copies of completed Proxy forms sent to: Fax Number: +44 (0)1481 661519.*
3. *A holder of Ordinary Shares (or the beneficial title thereto) must first have his or her name entered on the Company's register of members (or where Ordinary Shares are held in Euroclear and/or Clearstream by the relevant nominee on behalf of such holder, be beneficially entitled to such Ordinary Shares by) not later than 9.00 a.m. (Cayman Islands Time) / 3.00 p.m. (British Summer Time) on 25 June 2019. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear and/or Clearstream nominee).*
4. *Shareholders who wish to attend the EGM in person should follow normal Euroclear and/or Clearstream procedures.*