

Investment Objective

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

Listing

Specialist Fund Segment of the London Stock Exchange's Main Market

Dividend Policy

An amount equal to the annual comprehensive income excluding net capital gains/losses.

Fund Performance – 31 July 2019

| | | | |
|---------------------------|---------|-----------------------|----------|
| NAV per share | \$0.673 | Total Net Assets | \$50.4mm |
| Share price as at 31 July | \$0.575 | Market Capitalization | \$43.0mm |
| Discount to NAV | 14.6% | Shares outstanding | 74.8mm |

Year to Date Change in NAV

| % US\$ NAV Return | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------|---------------|--------------|--------------|-------------|-------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|
| Jan | -0.7% | -2.1% | 5.6% | -1.4% | 1.9% | 4.9% | 2.2% | -5.1% | -3.2% | -1.0% | 5.1% | 0.9% |
| Feb | 1.9% | -10.4% | 1.2% | -1.1% | 0.4% | -0.8% | 3.3% | -1.8% | 2.5% | -0.5% | 3.8% | 7.6% |
| March | 1.4% | 16.7% | 3.1% | 2.9% | 0.0% | 7.8% | -4.0% | -2.4% | 1.8% | 3.0% | 0.1% | -5.0% |
| April | 1.0% | 6.2% | 4.7% | 5.5% | 0.5% | 5.4% | -2.8% | 2.3% | 4.0% | 1.8% | -4.5% | -2.2% |
| May | 0.1% | 3.7% | -8.4% | 1.5% | -6.0% | -1.4% | -8.3% | 1.0% | -2.0% | 2.1% | -8.4% | -1.4% |
| June | -0.6% | 10.0% | -6.7% | -0.9% | 1.1% | 0.4% | 0.8% | -2.5% | -0.2% | -0.6% | -0.6% | 2.7% |
| July | -3.8% | 5.0% | 10.9% | 4.2% | -0.7% | 3.2% | 0.6% | 1.8% | -1.3% | 3.5% | 1.8% | -2.3% |
| Aug | -8.2% | 2.4% | 0.3% | -2.5% | -1.9% | 1.7% | -2.2% | -2.2% | 0.5% | 11.3% | -3.9% | |
| 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% | -4.6% | |
| Nov | -10.2% | 1.6% | -3.5% | -2.8% | 4.6% | 1.5% | -2.0% | 2.9% | -2.1% | 1.3% | -12.8% | |
| Dec | -4.1% | 0.1% | 3.6% | 2.6% | 6.3% | -0.1% | 0.9% | -2.5% | 3.1% | -1.4% | -3.6% | |
| FY | -42.5% | 48.2% | 27.1% | 1.6% | 4.4% | 27.7% | -17.3% | -11.4% | -9.5% | 16.9% | -27.0% | -0.3% |

Table of monthly top performers and losers

Top Gains / Losses

| | % Gain | Amount (mm) | | % Losses | Amount (mm) |
|-------------------|--------|-------------|-------------------|----------|-------------|
| Copperbelt Energy | 14.4% | 0.5 | First Mutual Prop | -50.4% | -0.3 |
| Enterprise | 0.7% | 0.0 | Continental RE | -8.6% | -0.3 |
| Stanchart Ghana | 0.6% | 0.0 | Anglogold Ashanti | -3.4% | -0.2 |
| MTN 4.755% 2024 | 0.9% | 0.0 | Letshego | -10.1% | -0.2 |
| Sonatel | 0.1% | 0.0 | Fastjet | -10.3% | -0.2 |



Top Ten Holdings

| Company Name | Description | % of NAV |
|-------------------------------|---|--------------|
| Enterprise | Ghanaian property & casualty insurance and life assurance company | 13.0% |
| Anglogold | Gold mining company operating in 11 countries | 10.9% |
| Sonatel | Dominant Senegalese and regional integrated telecommunication operator | 8.5% |
| Copperbelt | Largest electricity transmitter in the Zambian Copperbelt | 8.2% |
| Continental RE | Leading Pan African reinsurer offering non-life and life reinsurance products | 6.4% |
| African Leadership University | Network of tertiary institutions in Rwanda and Mauritius | 4.7% |
| Stanchart Ghana | Leading commercial bank in Ghana | 3.5% |
| Kosmos Energy | Oil Producer and explorer in West Africa | 3.1% |
| Letshego | Microfinance holding company | 3.0% |
| Fastjet | Low cost airline operating in 3 countries | 2.6% |
| Total | | 63.9% |

Manager's Commentary

Market Conditions

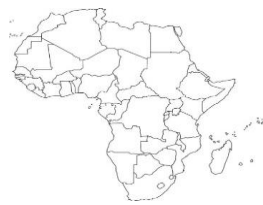
The Africa Opportunity Fund ("AOF" or the "Company" or the "Fund") NAV decreased 2.3% in July, while the share price lost 1.7% to close at \$0.575. As a reference, but for Morocco, during the month other major African indexes broadly recorded losses. South Africa = -2.4%, Egypt = -2.7%, Kenya = -0.9%, Morocco = 3.9% and Nigeria = -3.5%. Three Africa-focused ETFs – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US) had mixed results, 1.5%, -3.2%, and -4.3% respectively.

Portfolio Highlights

The Fund's 2.3% NAV decrease was largely due to losses from First Mutual Properties and Continental RE. Our First Mutual Properties' investments lost 50.4% following the combination of a 35% decline in its share price in Zimbabwe Dollar (ZWL) terms and a 24% weakening of the Old Mutual Implied rate (OMIR) from 9.22/\$ to 12.16/\$. The OMIR was weaker due to a triple combination of a 7% weaker Old Mutual London price, the 3% weaker GBP against the US\$ and an 18% increase in the Zimbabwe share price.

Our Continental RE position lost 8.6% after the lifting of suspension of the shares on the 18th of July 2019. Nigeria's Security and Exchange Commission directed Continental RE to reconvene another Court ordered meeting to consider the Scheme of Arrangement. The company's major shareholder CRe Africa had offered NGN 2.10/share to minorities and a Court ordered meeting held on 20th December 2019 had approved the scheme. Since then, the shares had been suspended from trading. Prior to the meeting, some minority shareholders had mobilised to push for a higher price to entice them to give up future dividends or other options that excluded delisting. CRe Africa's buyout is intended to recapitalise the group, change the domicile to Mauritius and improve the credit rating. To shore up the capital, a rights issue may be contemplated and this could be dilutive to shareholders. However, we believe that the next meeting will uphold the December resolution.

Gains mainly came from Copperbelt Energy which gained 14.4% as the shares recovered from the slump in June following the Zambia government's attempt to liquidate Vedanta-controlled Konkola Copper Mine-Zambia's largest mine and one of Copperbelt's major customers.

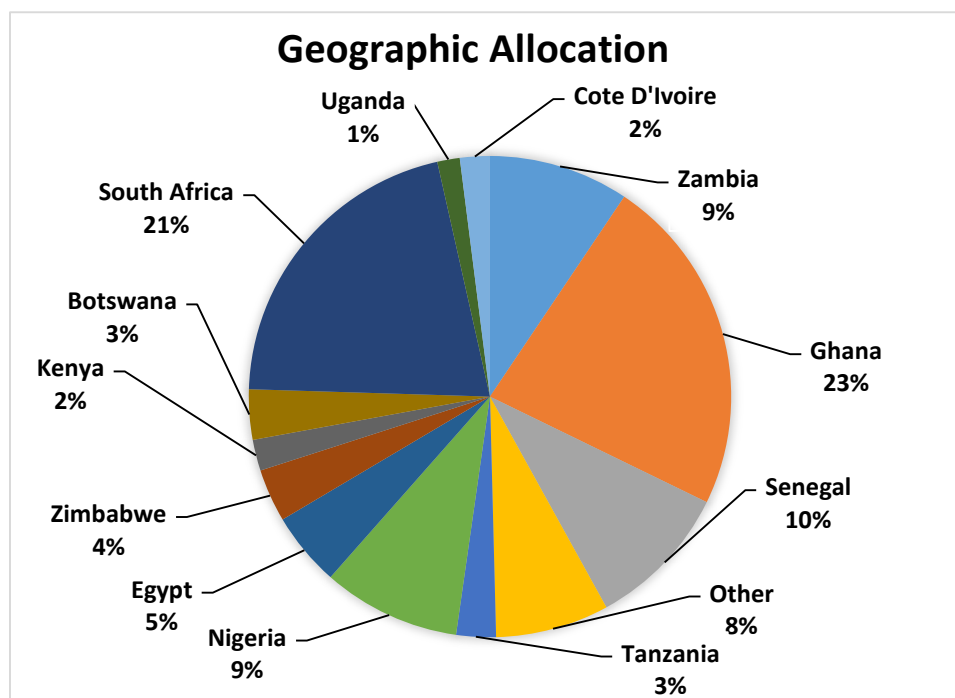


Fund Exposure – 31 July 2019

| | Exposure |
|----------------|----------|
| Long Equities | 78.1% |
| Short Equities | 0.0% |
| Bonds | 4.8% |

| | Exposure |
|----------------------------|----------|
| Special Situations | 4.7% |
| Cash Balance | 12.9% |
| Other Assets & Liabilities | -0.4% |

Fund Exposure by Country – 31 July 2019



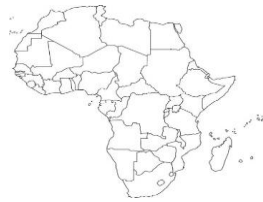
Company Details (Ordinary Shares)

| | |
|-----------|-------------------------------|
| 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

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