QANTARA AFRICAN SOVEREIGN BONDS
UCITS under French law

Reporting April 2025

QANTARA
ASSET MANAGEMENT

Investment objective

The Fund's objective is to outperform the JP Morgan EMBI Global Diversified Africa over the Fund's recommended investment horizon of 3 years. It offers investors geographic diversification of their bond investments and exposure to African transformation through a portfolio of debt securities issued by African countries, state-owned companies and supranational organizations, denominated in Hard currencies (USD, EUR) and listed on international markets.

key elements

Risk indicator (*)

1	2	3	**4**	5	6	7

Lower risk — Higher risk

Minimum recommended investment period : 3 years

Benchmark: JPM EMBI GD Africa
Yield to maturity: 11.1%
Duration: 4.6
Average rating: B (linear)
Average coupon: 8.5%

SFDR Classification : Article 8
Domiciliation : France
Legal form: UCITS - FCP
Launch date: 22/12/2023
Assets under management: 4.5 M€
Fund currency: EUR
Nav Calculation : Weekly

Isin codes : FR001400FLD9 / FR001400FLB3
Bloomberg codes : QAMABID FP Equity / QANTASB FP
Income distribution: Capitalization
Date of 1st NAV: 22/12/2023
Original NAV: 100
NAV at 31/03/2025 : 109.94 (part ID) – 108.41 (Part I)

Minimum % of Taxonomy alignment: 0%
Minimum % of sustainable investments: 0%

Investment team

frontoffice@qantara-am.com

James KUATE - CIO & Fund manager

25 years' experience as proprietary trader & fund manager in Fixed income and convertible Bonds.

Martin Ley

Senior Fund manager - Analyst

8 years' experience as Fixed income Fund manager.

Perrine GUERIN

Chief Economist- Strategist

6 years' experience as country risk economist on Africa

(*) The risk indicator assumes that you hold the product for 3 years. The real risk may be very different if you opt to exit before maturity, and you may get less in return. The synthetic risk indicator enables you to assess the level of risk of this product compared with others.

Management comments

April saw a major spike in volatility following the introduction of tariffs on a scale unprecedented in the modern era by the Trump administration . Risky assets initially fell sharply. The market then rallied on the announcement of a 90-day moratorium by the US administration, opening the door to negotiations and to a less unfavorable outcome for global economy. The US 10-year rate ended the month stable, but with a significant drop in short-term rates. The dollar (DXY) continued to fall over the month.

Due to risk aversion, risk premiums within the asset class widened by 74 bps over the month, after peaking at 137 bps following the announcements. Tariffs direct impact on the African continent is likely to be limited, given the low level of trade with the US (6% of African exports). However, fears of a global recession have led to a fall in commodity prices, likely to weigh on the economic prospects of certain issuers. Against this backdrop, the benchmark index fell by -2.7%. The Qantara ASB fund had a smaller decline of -2%, due to its more defensive stance at the beginning of the month and its EUR bucket, which benefited from the fall in European interest rates.

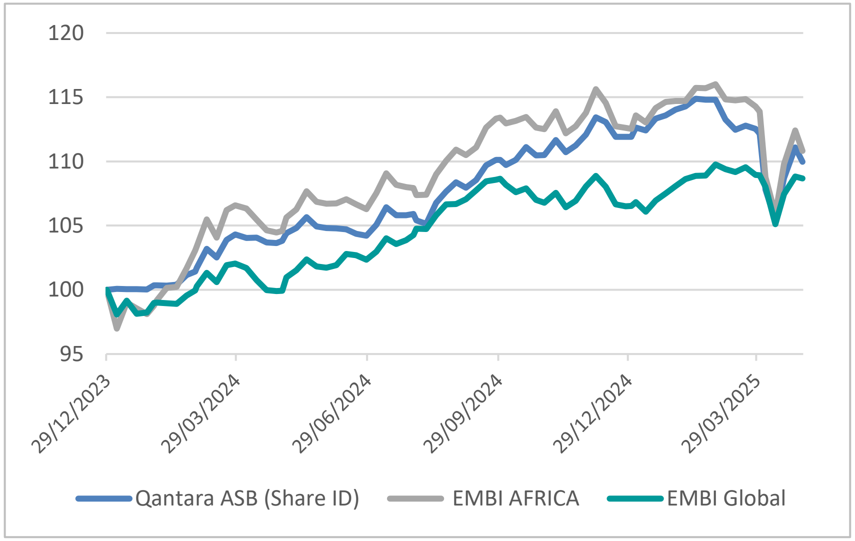
Primary market was very quiet due to rising risk premiums. **OCP** issued USD 1.75 billion on 2 maturities (5-year at 6.33% and 10-year at 6.96%). **Kenya** also issued USD 500 million in a private placement at 8.25% maturing in 2032.

In **South Africa**, the Budget Framework Bill was passed without the DA, the ANC's main ally in the government of national unity. However, the DA indicated that it would not leave the alliance, and the proposed VAT hike was withdrawn. **Rwanda** experienced a sharp spread widening (740 bps) at the beginning of the month, followed by a sharp tightening with the commitment of the parties involved in the conflict in eastern Congo to sign peace and cooperation agreements under the aegis of the USA and Qatar. We initiated a position on the name. **Gabon** saw the widest spread of our universe (+265 bps), as the presidential elections saw the victory of B. Olingui. The country reprofiled a significant portion of its domestic debt (USD 1 billion), which should ease cash flow pressures. The next catalyst should be the announcement of a program with the IMF. The spread widening is due to the high sensitivity of the country's revenues to oil prices. **Angola** experienced a similar phenomenon, with spreads widening by +235 bps. The country had to settle margin calls to JPM for USD 200 million. According to the Minister of Finance, an IMF program is highly likely if crude oil prices continue to fall. On the Supra side, **Afreximbank** reported significantly improved results (+29% on net profit to $974 million). **BOAD's** outlook was upgraded to stable by Fitch, Niger (9.3% of loans) fully repaid its arrears to BOAD and Guinea-Bissau (5.4% of loans) resumed payments to the bank under revised conditions following its restructuring.

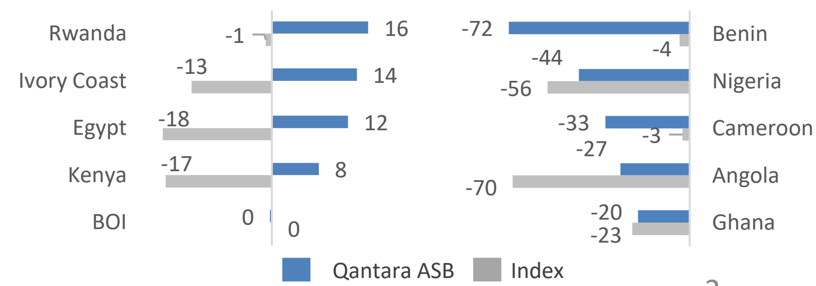
US growth stood at -0.3% in Q1, confirming the negative impact of tariffs and increasing the likelihood of a US recession. While a recession is generally negative for flows to emerging markets, the falling dollar is a mitigating factor. The recent widening of spreads and a lighter repayment schedule create some value in the asset class. We are selective on names that are highly sensitive to oil prices (+ Gabon, = Nigeria, - Angola) and positive on importers (Egypt, Rwanda, Benin).

	MTD	YTD	3 M	6 M	2024	1 Y	Since Inception
Qantara ASB-Part IID	-2.0%	-1.7%	-3.2%	-0.5%	11.9%	5.9%	9.9%
EMBI GD Africa	-2.7%	-1.5%	-3.5%	-2.1%	12.5%	6.0%	11.2%
Excess return	0.7%	-0.2%	0.3%	1.6%	-0.6%	-0.0%	-1.3%
Qantara ASB-Part I	-1.9%	-2.0%	-3.3%	-0.9%	10.6%	4.5%	8.4%
EMBI GD Global	-0.2%	2.0%	0.5%	1.5%	6.5%	8.8%	9.0%

Qantara ASB & Emerging indices



Top 5 contributions (bps) **Bottom 5 contributions (bps)**

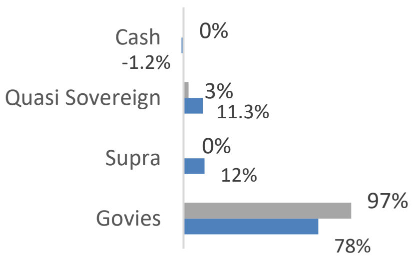


Source : Qantara AM, Bloomberg as of 30/04/2025 – Performances in USD

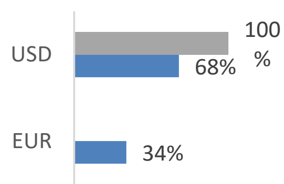
Disclaimer: Past performance is not indicative of future performance. All performances are net of management fees.

	Fund	Index
Taux USD	11.1	9.7
Taux EUR	9.0	6.9
Duration	4.6	5.2
Z Spread	741	589
Taux coupon	8.5%	8.2%
Cash	-1.2%	0%
Rating Linéaire	B	B
ESG Score interne (*)	47.0	46,1
Volatilité (1Y)	7.6	9.1
Ratio de Sharpe (1Y)	0.18	0.12
Max drawdown	-8.2	-9.0
Tracking error	2.3	N/A

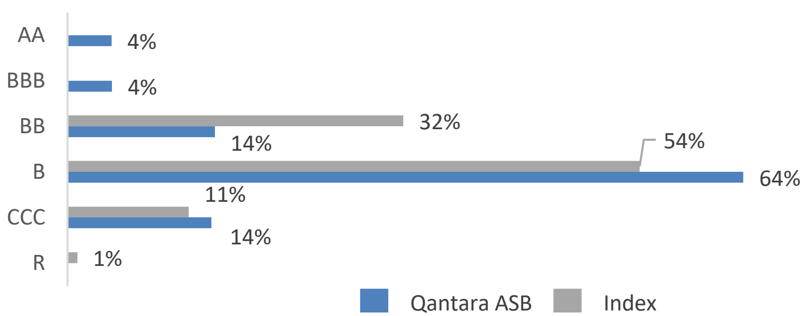
Breakdown by issuer



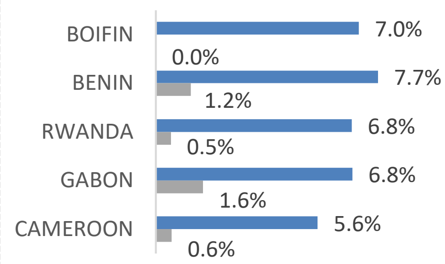
Breakdown by currency



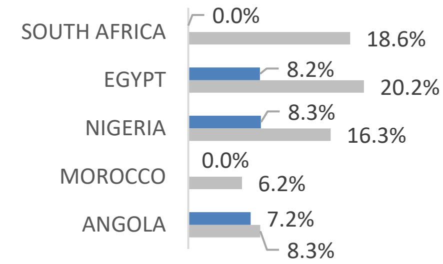
Breakdown by rating



Main overweight



Main underweight



Top 5 issuers

	Fund's weight	Active Weight
NIGERIA	8.3%	-8.0%
EGYPT	8.2%	-11.9%
KENYA	8.2%	1.5%
BENIN	7.7%	6.5%
BOIFIN	7.0%	7.0%

Main movements and positioning

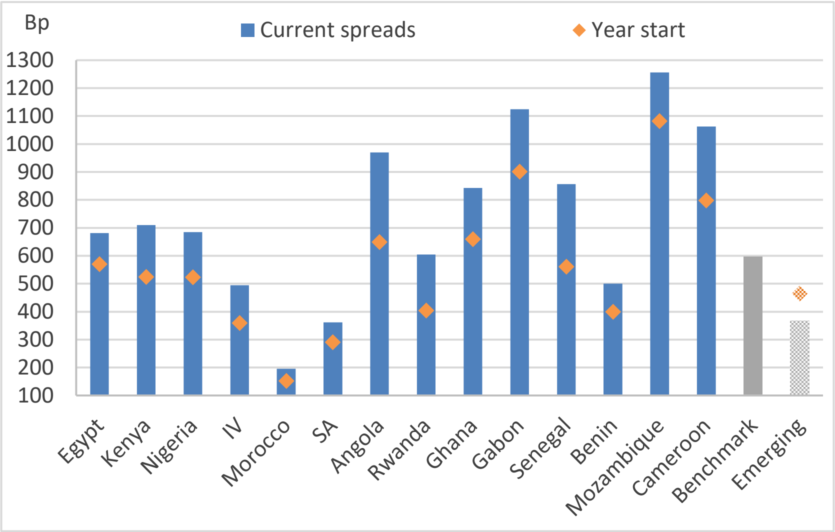
- Bought RWANDA 5 ½ 08/09/31
- Bought GABON 9 ½ 02/18/29
- Bought IVYCST 4 ⅞ 01/30/32
- Sold OCPMR 6 ¾ 05/02/34
- Sold AFREXI 3.798 05/17/31

The fund took advantage of spread widening to strengthen several positions (Gabon, Kenya, Ivory Coast tendered last month). These purchases were made by reducing the supranational pocket. Rwanda's widening spread and the willingness of the parties involved to conclude peace agreements in eastern Congo under the aegis of the USA and Qatar offered a very good entry point into the name. Gabon at 15% yield is very attractive following the elections, the reprofiling of domestic debt and discussions on an IMF program.

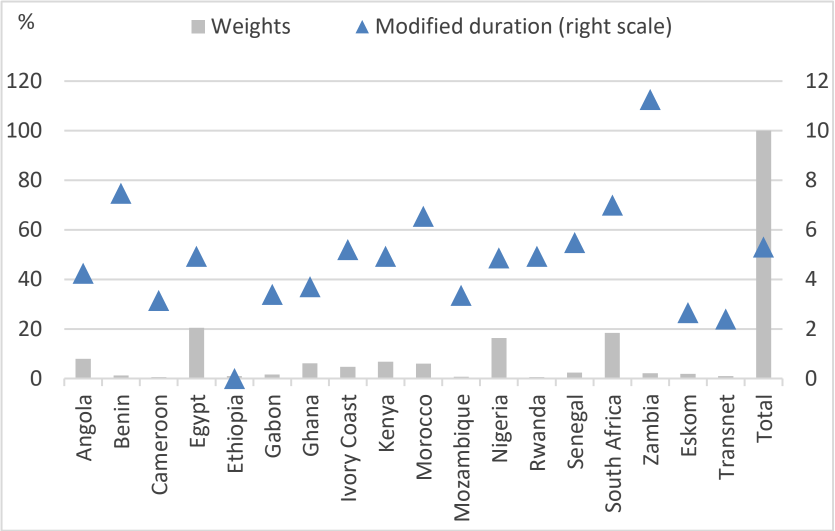
QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg as of 30/04/2025

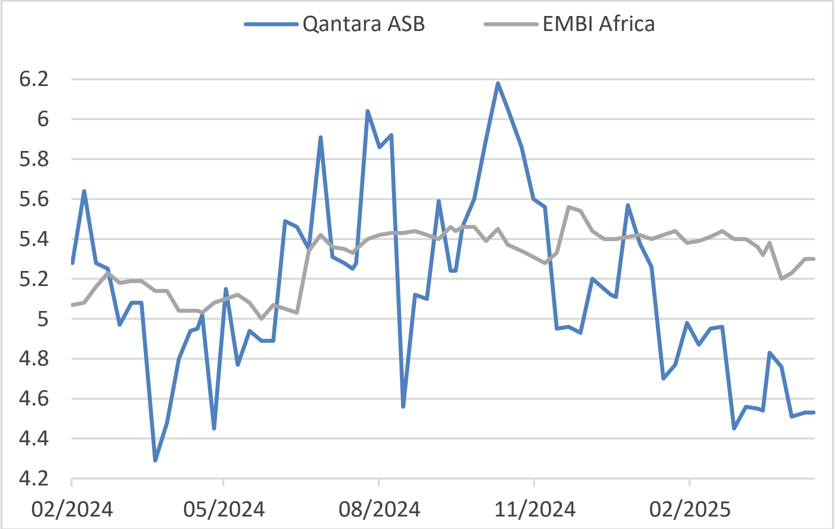
(*) Plus d'informations sur la méthodologie ESG disponible sur www.qantara-am.com



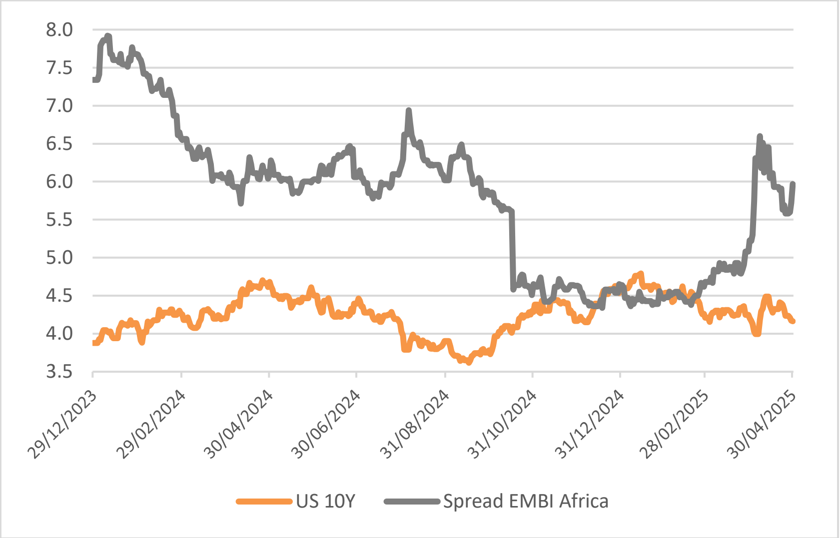
Spreads evolution year to date



Index breakdown by issuers & modify duration



Modified duration



Benchmark'spread and US 10Y

QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg as of 30/04/2025

SUMMARY OF FUND TERMS

Denomination	QANTARA AFRICAN SOVEREIGN BONDS
Domiciliation	France
Juridical form	UCITS FCP under French law
SFDR Category	Article 8
Classification	Emerging markets Bonds
Launch date / Original NAV	22 December 2023 / 100
Last VL	30/04/2025: 109.94 (Part ID) 108.41 (Part I)
Benchmark	JPM EMBI GD Africa
recommended investment period	3 years
ISIN Codes	FR001400FLB3 (Part I, EUR Hedged) FR001400FLD9 (Part ID, USD Hedged) FR001400FLC1 (Part R, EUR Hedged) FR001400FLE7 (Part RD, USD Hedged)
Management fees	1% (Share I) – 1,5% (Share R)
Performance fees	None
Front Load	4% Max
Redemptions fees	None
Nav calculation	Weekly
Income distribution	Capitalization
Custodian	CACEIS BANK
Fund administration	CACEIS BANK
subscriptions / redemptions	Orders centralized before 12 pm on Friday
Fund's auditor	PWC

Risk indicator

Potentially lower yields — Potentially higher yields

1	2	3	**4**	5	6	7

Lower risk — Higher risk

The risk indicator assumes that you keep the product for 3 years.

The real risk may be very different if you opt for an early exit, and you may get less in return. The synthetic risk indicator enables you to assess the level of risk of this product compared with others.

Specific risks:

The value of investments and the income derived from them may go down as well as up, and the customer may not recover the full amount initially invested. This fund invests in emerging markets, which can be more volatile than more developed markets. This fund invests in bonds whose price is influenced by changes in interest rates, issuer credit ratings and other factors such as inflation and market dynamics. Generally, bond prices fall when interest rates rise. Default risk is a function of the issuer's ability to pay interest and repay the loan at maturity. Consequently, default risk may vary between issuing governments and entities. High-yield bonds are riskier. They present a greater risk of default, which can have a negative impact on the income and capital value of the fund investing in them. Given the greater risk of default, an investment in a corporate bond is generally less secure than an investment in a government bond. The fund may make greater and more complicated use of derivatives, which may result in leverage. In such situations, performance may rise or fall more sharply than in the absence of leverage. The fund may be exposed to a risk of financial loss in the event of subsequent default by a counterparty used for derivative instruments. The fund offers no guarantees or protection regarding performance, capital, net asset stability or volatility. Currency hedging is used to substantially reduce the risk of loss due to adverse movements in exchange rates on positions held in currencies other than the fund's trading currency. Currency hedging also has the effect of limiting the possibility of realizing foreign exchange gains.

Average rating : The average rating aggregates the ratings of issuers in the fund into a single rating by means of a weighted average.
Classification SFDR The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation that requires asset managers to classify their funds as either "Article 8" funds that promote environmental and social characteristics, or "Article 9" funds that engage in sustainable investment with measurable objectives, or "Article 6" funds that do not promote environmental or social characteristics and have no sustainable objectives.
Credit sensitivity The Credit Sensitivity is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in credit spread. The credit sensitivity for the fund is calculated as the weighted average credit sensitivity of all underlying fixed income instruments
Duration The duration of a bond corresponds to the period after which its profitability is not affected by interest rate variations. Duration is defined as the average discounted life of all flows (interest and principal).
ESG : E- Environment, S- Social , G- Governance
ESG methodology: Qantara AM's ESG methodology is based on 3 pillars that represent major challenges for the African continent (Energy transition and adaptation to climate change, Education, Governance). A score is calculated using a proprietary method for each pillar, based on indicators from public sources.
ESG score calculation: Overall fund rating calculated according to Qantara AM's internal methodology: The final score ranges from 0 to 100, with 100 being the best score.
Exposure: The Exposure of a fund is expressed as a percentage of total portfolio holdings, considering the leverage of derivative instruments. It represents the amount an investor can lose from the risks unique to a particular investment.
FCP: "Fonds commun de placement" – Mutual funds
High Yield . An instrument is considered as a high yield instrument if its credit rating is below BBB-., because of its higher default risk. The rate of return on these securities is generally higher.
Investment grade : An instrument is considered as an investment grade instrument if its credit rating is above or equal to BBB- , indicating a generally relatively low risk of default.
Modified duration : The Modified Duration is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in interest rates The Modified Duration for the fund is calculated as the weighted average of all underlying fixed income instruments.
Net asset value (NAV) : Price of one share.
Rating : The rating is the financial rating used to measure the quality of the borrower's (bond issuer's) signature.
Ratio de Sharpe : The Sharpe Ratio measures the level of compensation an investment in the fund offered for the risk taken. It is calculated by subtracting the risk-free rate from the return of the fund and dividing that result by the volatility. The higher the Sharpe ratio the better, a negative ratio has no significance other than that the fund underperformed the risk-free rate.
Tracking error: Tracking error is a statistical measure of the dispersion of a fund's excess returns around the mean, which in effect is the volatility of the difference between the fund's performance and the performance of the benchmark index. A higher tracking error indicates a higher deviation from the benchmark.
UCITS Undertakings for Collective Investments in Transferable Securities is a European directive aimed at harmonizing markets (European passport).
VaR Value at risk (VaR) represents an investor's maximum potential loss on the value of a portfolio of financial assets, given a holding horizon (20 days) and a confidence interval (99%). This potential loss is represented as a percentage of the portfolio's total assets. It is calculated based on a sample of historical data (over a 2-year period).
Volatility : The Volatility is the statistical measure of dispersion of returns for a fund around the mean. A higher volatility means that a fund's value can potentially be spread out over a larger range of values and makes the fund a riskier investment. .
Yield to Maturity : Yield to is the actuarial rate of return. At the time of calculation, it is the estimated rate of return offered by a bond if it were held to maturity by the investor. Note that the indicated yield does not consider the effect of currency carry and the Fund's fees and expenses.

DISCLAIMER

QANTARA ASSET MANAGEMENT – QAM
Registered in Paris RCS number 912 686 672
Headquarters: 44 Bis rue Pasquier 75008 Paris, France
Approved by the autorité des Marchés Financiers on 04/01/2023 as an asset management company under the number GP-20230002

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