

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.

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

key elements



Minimum recommended investment period : 3 years

Benchmark: JPM EMBI GD Africa
Yield to maturity: 8.7%
Duration: 5.2
Average rating: BB- (linear)
Average coupon: 6.5%

SFDR Classification : Article 8
Domiciliation : France
Legal form: UCITS - FCP
Launch date: 22/12/2023
Assets under management: 3.8 M€
Fund currency: EUR
Nav Calculation : Weekly

Isin code: FR001400FLD9
Bloomberg code : QAMABID FP Equity
Income distribution: Capitalization
Date of 1st NAV: 22/12/2023
Original NAV: 100
NAV at 31/01/2025 : 114.01
Currency: USD

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

(*) 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

The year begins on a positive note for risky assets after last months marked by a rise in US rates and a stronger USD. In spite a few declarations, Trump's arrival in power has so far not given rise to the feared trade war, allowing for a relief rally (stabilization of the USD, benchmark yields, return of risk appetite and lower volatility). Nevertheless, caution remains warranted, as measures likely to fuel renewed risk aversion and volatility will be gradually implemented. US economic growth was solid (+2.5% for the year) and accompanied by a continuation of the disinflation process (CPI: +2.9% y/y). The Fed has decided to pause its rate-cutting cycle.

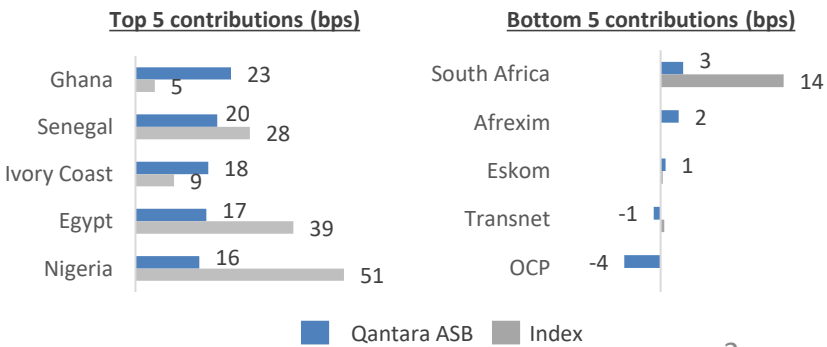
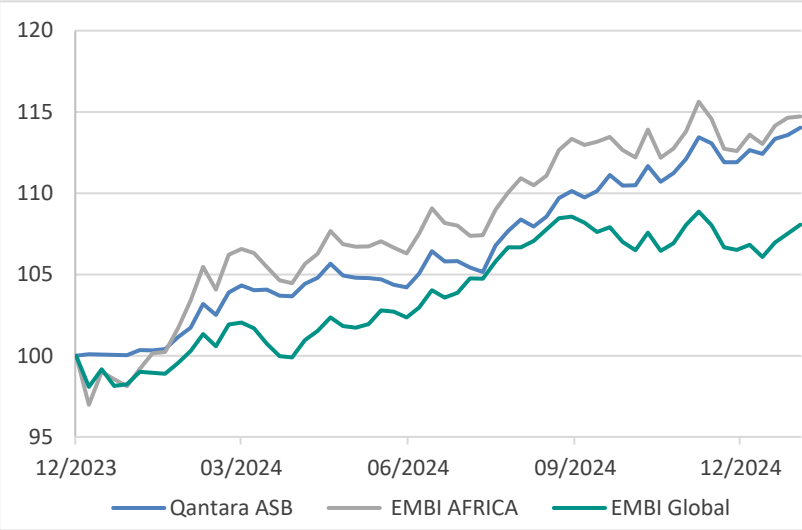
Against this backdrop, Qantara ASB fund posted a solid performance: +1.9%, similar to that of of the benchmark index. Risk premiums have continued to tighten. The sharpest contraction was on **Gabon** (-136 bps), with the announcement of an anticipated date for the presidential elections, and despite the suspension of funding from various international partners (World Bank, ADB) and the downgrade of the country's rating by Fitch (from CCC+ to CCC). In **Mozambique** (-78 bps), the transition of power and the nomination of the new government have been accompanied by a reduction in tensions, but the budget slippage in 2024 and further delays to hydrocarbon megaprojects are keeping the level of credit risk high. **Ghana** saw its risk premium narrow by 69 bps, boosted by better-than-expected growth (6.3% vs. 4% expected by the IMF) and an improved trade balance (\$ 5 Bn surplus) due to a sharp rise in exports. **Nigeria's** external position has also improved, thanks to a recovery in the current account (\$ 16.7 Bn in annualized terms in Q3 2024, or 6.3% of GDP compared with just 2% of GDP in Q3 2023). The new code on the foreign exchange market and the ongoing clearance of arrears (for \$ 7 Bn) confirm the government's commitment to reform. The biggest spread widening was **Rwanda** (+38 bps), following the M23 advance and the capture of Goma.

The primary market has reopened in 2025 with 3 issues for a total of \$ 3 bn. **AFC** issued a hybrid subordinated perpetual bond for \$ 500 Mn. On the sovereign front, **Benin** issued a Eurobond for \$ 500 Mn (maturing in 16 years), and at the same time partially redeemed a Eurobond maturing in 2032. The Benin issue was coupled with a \$ 500 Mn syndicated loan from Deutsche Bank, guaranteed up to \$ 200 Mn by the World Bank. **Egypt** followed with a \$ 2 bn issue in 2 tranche of 5 and 8 years. Lastly, **Angola** increased the amount of collateral issued in December 2024 (\$ 1.9 Bn now with JPM) and plans to issue a further \$ 2 Bn Eurobond in the near future. Sovereign issues were 5 times oversubscribed, underlining the continued appetite for African issuers.

Our positioning remains unchanged: more defensive thanks to the supranational pocket (21%). Our favorite sovereign issuers are Nigeria, Ghana and Côte d'Ivoire. We are staying away from Mozambique, Gabon and Rwanda.

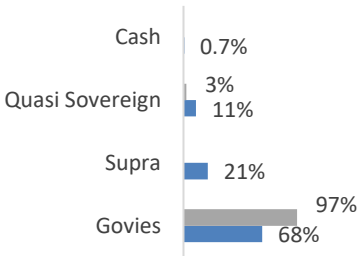
	MTD	YTD	3 M	6 M	1 Y	3 Y	5 Y	10 Y
Qantara ASB	1.9%	1.9%	3.2%	7.7%	11.9%	13.6%	-	-
EMBI Africa	1.9%	1.9%	2.0%	6.3%	12.5%	16.2%	14.5%	17.6%
Excess return	-0.0%	-0.0%	1.2%	1.4%	-0.6%	-2.5%	-	-
EMBI Global	1.4%	1.4%	1.2%	3.7%	6.5%	9.2%	1.6%	0.5%

Qantara ASB & Emerging indices

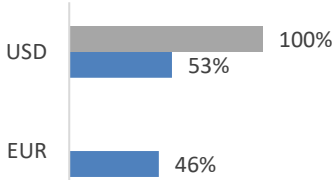


	Fonds	Index
Taux USD	8.7	8.7
Taux EUR	6.6	6.0
Duration	5.2	5.4
Z Spread	466	465
Taux coupon	6.5%	7.8%
Cash	0.7%	0%
Rating Linéaire	BB-	B
ESG Score interne (*)	48.7	46
Volatilité (1Y)	4.58	6.65
Ratio de Sharpe (1Y)	1.92	1.64
Max drawdown	-1.37%	-3.57%
Tracking error	2.9%	

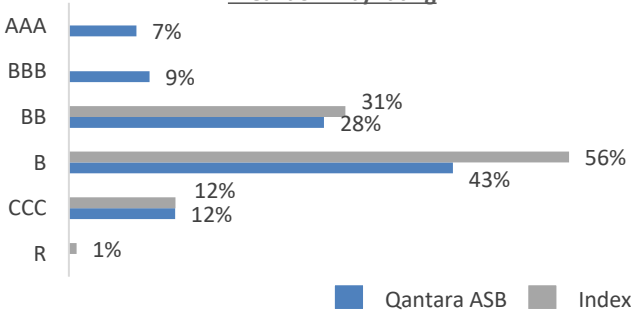
Breakdown by issuer



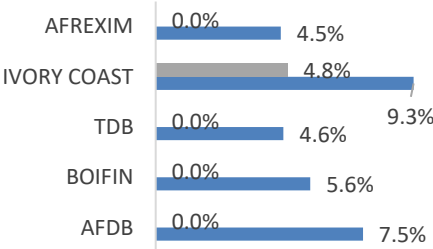
Breakdown by currency



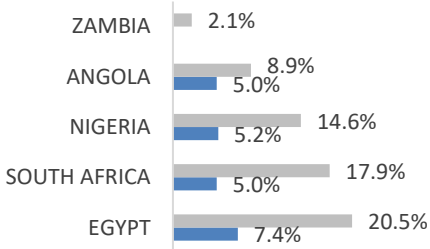
Breakdown by rating



Main overweight



Main underweight

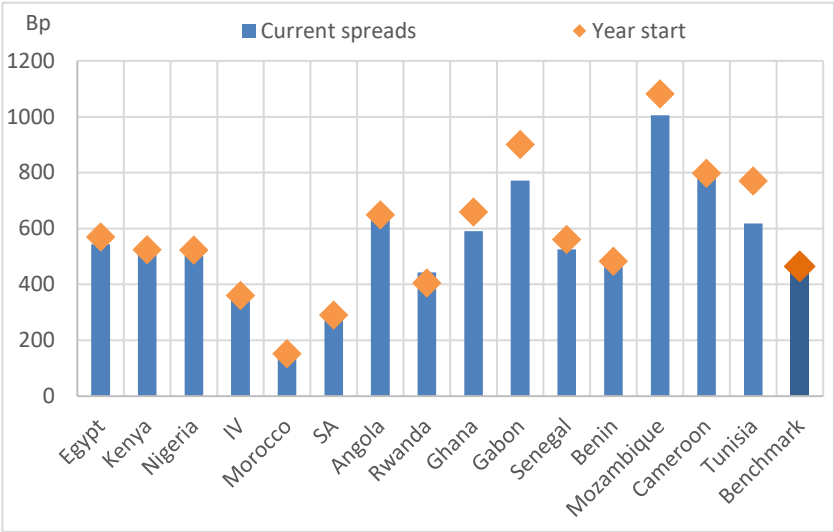


Top 5 issuers

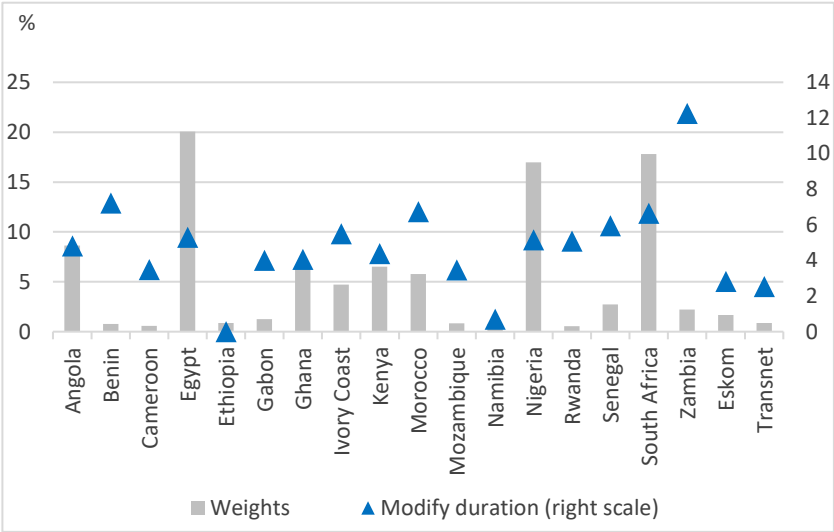
	Fund's weight	Active Weight
Nigeria	10.2%	-6.7%
Ivory Coast	9.3%	4.6%
AfDB	7.5%	7.5%
Egypt	7.5%	-12.6%
Ghana	6.2%	-0.1%

Main movements over the month

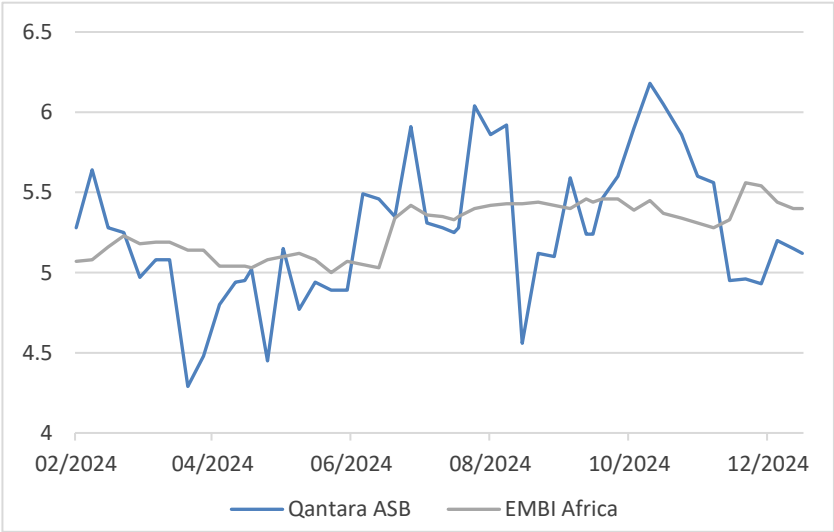
- Bought AFREXI 3.798 05/17/31
- Sold SAFTRA 8 ¼ 02/06/28
- Bought IVYCST 6 ¾ 10/17/40
- Sold SOAF 7.3 04/20/52



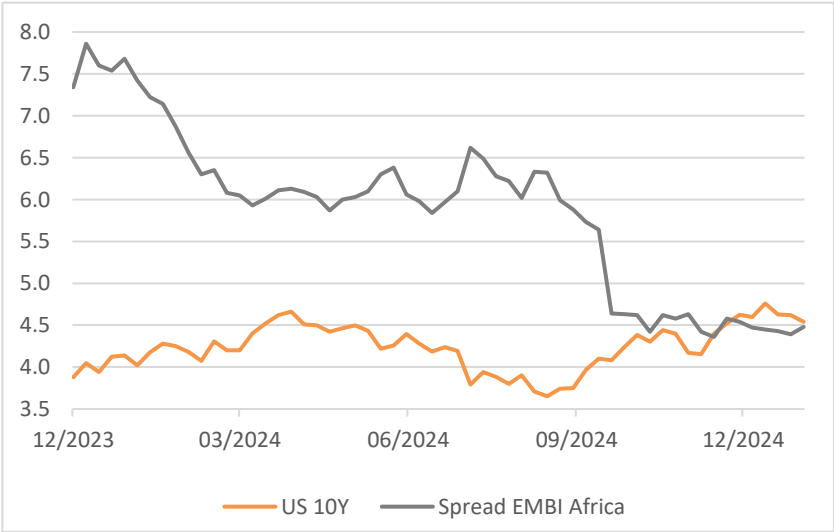
Spreads evolution year to date



Index breakdown by issuers & modify duration



Modified duration

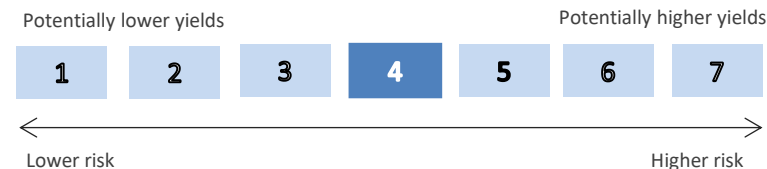


Benchmark's spread and US 10Y

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	31 st Janvier 2025 : 114.01
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



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.

QANTARA ASSET MANAGEMENT – QAM
Registered in Paris RCS number 912 686 672
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under the number GP-20230002

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