

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](mailto: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, CFA**  
**Senior Fund manager - Analyst**

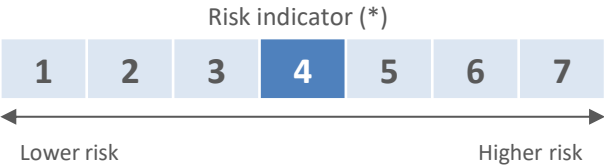
8 years' experience as Fixed income Fund manager.



**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: 9.5%  
Duration: 4.5  
Average rating: BB- (linear)  
Average coupon: 7.5%

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 1<sup>st</sup> NAV: 22/12/2023  
Original NAV: 100  
NAV at 30/05/2025 : 115.2 (Share ID) – 113.43 (Share I)

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 old stock market adage “sell in May and go away” has been challenged this month with a widespread rally in risky assets. The moratorium on tariff hikes in the USA and the announcement of negotiations with key partners boosted risk appetite, despite signs of economic slowdown and continuing uncertainty over the outcome of negotiations.

African risk premiums tightened by 100 bps, wiping out April's 74 bps rise and offsetting the rise in US long rates (+23 bps for the 10-year rate). The benchmark index ended the month up by a strong +4.7%. Despite its defensive stance, the Qantara ASB fund slightly outperformed the index, with an increase of +4.8% over the month. The fund's good performance is due to its active management, which enabled us to strengthen certain positions during the spread widening in April (Rwanda, Angola, Kenya, Gabon).

The primary market remained relatively quiet (a single issue: AFDB social bond for €1 billion), but the easing of financing conditions should enable certain issuers to regain access to the market over the rest of the year after a particularly dynamic Q1 (USD 15.8 billion of issues since the start of the year).

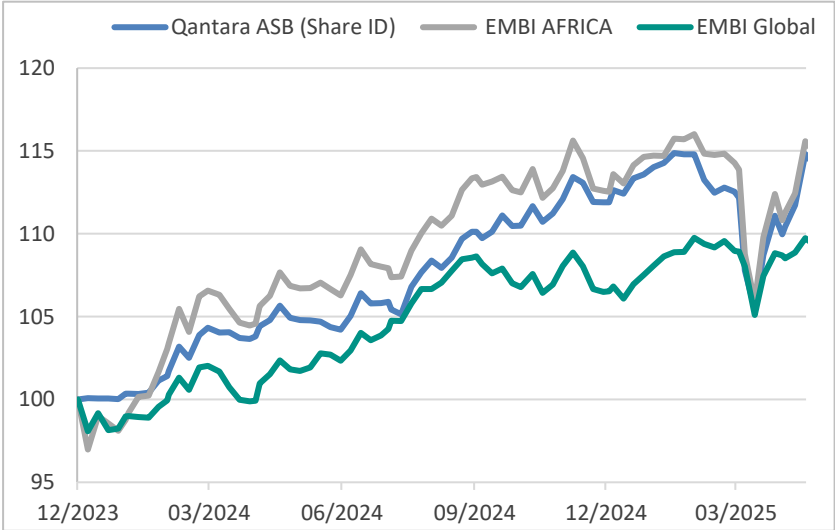
**Ghana** saw the biggest drop in its risk premium (-250 bps), with an accumulation of positive news (rising of both FX reserves and Cedi, falling on both inflation and debt ratio) which should lead the country to achieve certain IMF program targets 2 years ahead of schedule. **Gabon's** spread tightened by 174 bps after an excessive widening last month, pending the new government's orientations and a program with the IMF. **Rwanda** also saw its spread contract sharply (-158 bps) following the mining agreements with the US and progress in the peace process with the DRC. In **South Africa** (-46 bps), the Government of National Unity succeeded in overcoming its internal dissensions and drafting a new budget bill. At the same time, it granted an additional guarantee to Transnet (51 billion ZAR or \$2.8 billion) to support its investment program and enable it to meet its debt obligations.

On the supranational side, the question of **Afreximbank's** and **TDB's** preferred creditor status is back on the agenda, as Ghana and Zambia wish to finalize the restructuring of their commercial debt by including the two development banks, which could set a precedent and impact their financing capacity..

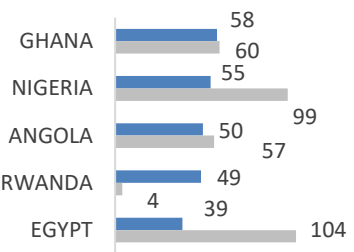
	MTD	YTD	3 M	6 M	2024	1 Y	Since Inception
Qantara ASB-Part IID	4.8%	3.0%	0.4%	2.8%	11.9%	9.8%	15.2%
EMBI GD Africa	4.7%	3.1%	0.0%	2.0%	12.5%	9.0%	16.5%
Excess return	0.1%	-0.2%	0.3%	0.8%	-0.6%	0.8%	-1.3%
Qantara ASB-Part I	4.6%	2.5%	0.3%	2.2%	10.6%	8.4%	13.4%
EMBI GD Global	1.1%	3.2%	0.1%	1.7%	6.5%	8.2%	10.2%

Inception date : 22/12/2023

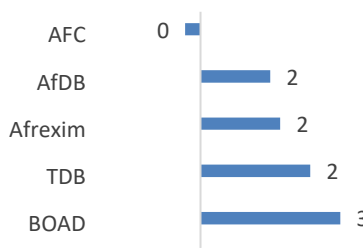
Qantara ASB & Emerging indices



Top 5 contributions (bps)



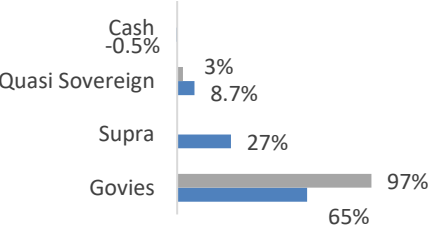
Bottom 5 contributions (bps)



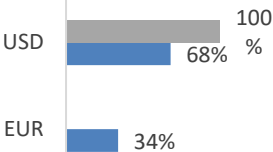
Qantara ASB Index

	Fund	Index
Taux USD	9.5	9.0
Taux EUR	7.5	6.4
Duration	4.5	5.2
Z Spread	580	515
Taux coupon	7.5%	8.0%
Cash	-0.2%	0%
Rating Linéaire	BB-	B
ESG Score interne (*)	48.0	46.1
Volatilité (1Y)	8.1	9.5
Ratio de Sharpe (1Y)	0.5	0.5
Max drawdown	-8.20	-8.96
Tracking error	2.3	N/A

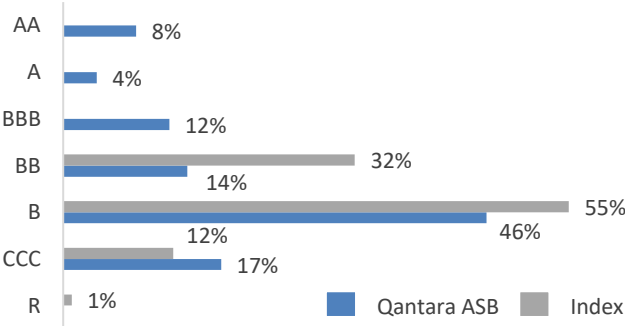
Breakdown by issuer



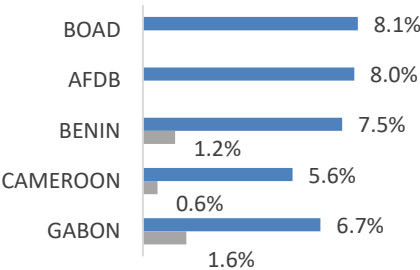
Breakdown by currency



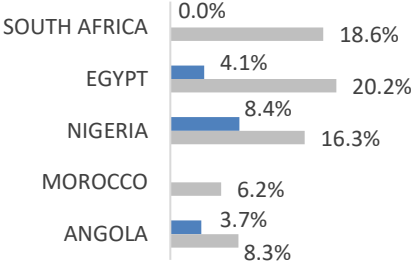
Breakdown by rating



Main overweight



Main underweight



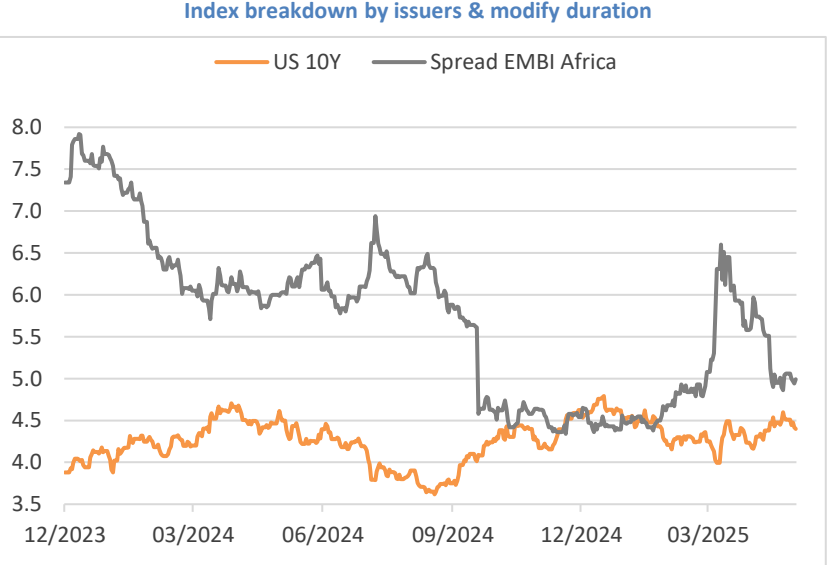
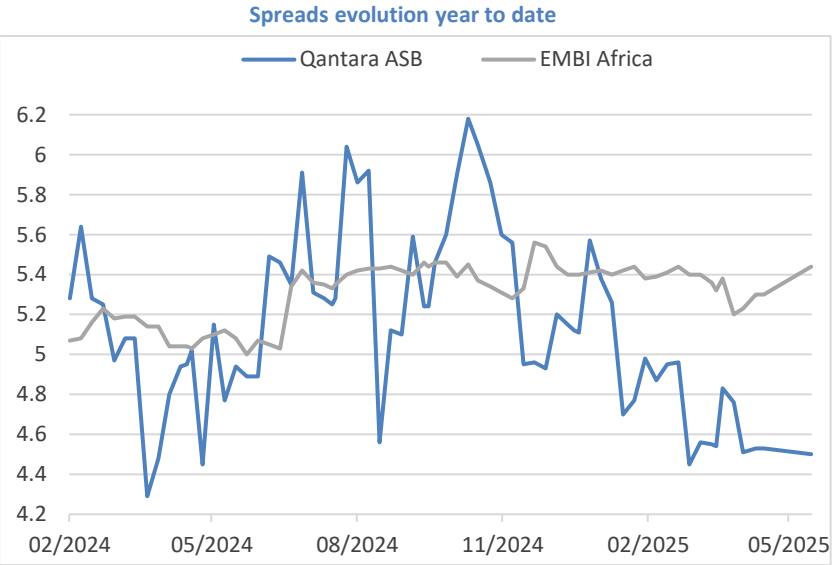
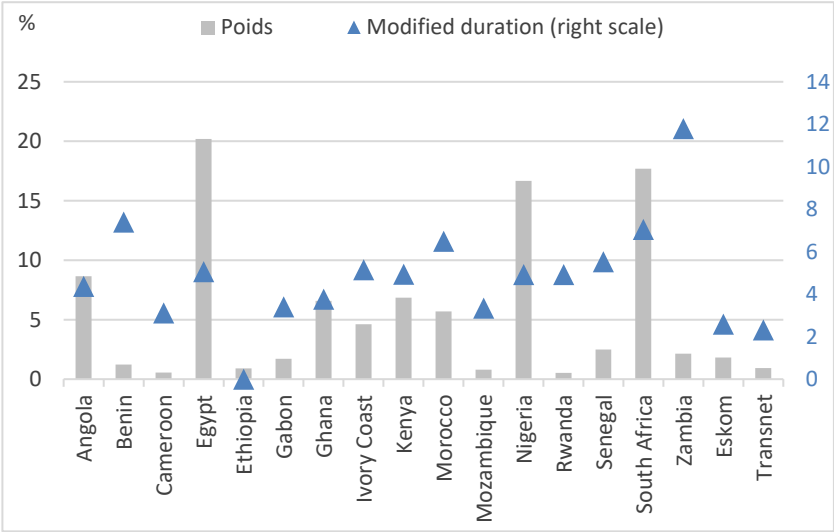
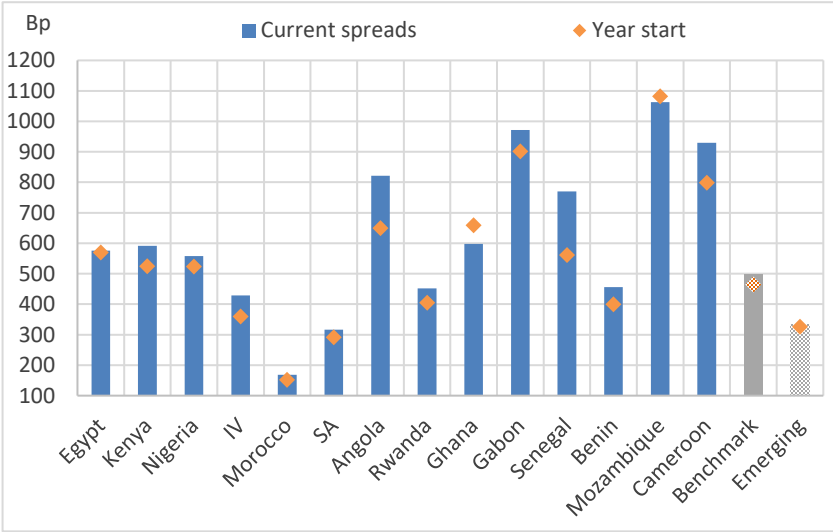
Top 5 issuers

	Fund's weight	Active Weight
NIGERIA	8.4%	-7.9%
BOAD	8.1%	8.1%
AFDB	8.0%	8.0%
BENIN	7.5%	6.3%
GHANA	6.9%	0.7%

Main movements and positioning

- Bought AFDB 5 ¼ PERP
- Bought BOAD 8.2 02/13/2055
- Bought AFRFIN 2 ¼ 04/28/28
- Sold ANGOL 8 11/26/29
- Sold EGYPT 6 3/8 04/11/31

We took profits on some of the names we bought when spreads widened last month, such as Kenya, Angola and Egypt. On the other hand, we strengthened the Supranational pocket (27% of the fund) by reinforcing our positions in AFDB and BOAD hybrids, making the fund more defensive than its benchmark. Our favorite issuers are Ghana, Nigeria, Benin and Gabon.



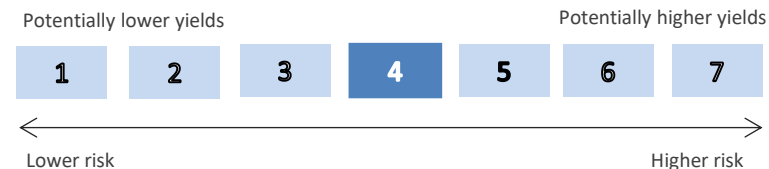
Modified duration

Benchmark'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	30/05/2025: 115.2 (Part ID) 113.43 (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



*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**  
**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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