QANTARA AFRICAN SOVEREIGN BONDS

UCITS under French law

Reporting August 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.

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, 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

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: 8.0%
Duration: 4.6
Average rating: BB- (linear)
Average coupon: 6.7%

SFDR Classification : Article 8
Domiciliation : France
Legal form: UCITS - FCP
Launch date: 22/12/2023
Assets under management: 5.2 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 30/05/2025 : 122.3 (Share ID) – 119.65 (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

August concluded a particularly favorable summer for African Eurobonds, supported by a constructive macroeconomic environment: Discussions on US tariffs have largely been finalized, inflation in the US remained stable (CPI +2.7% y/y), the dollar has continued to fall (-2.2% for the DXY) as have long-term rates (-15 bps for the 10-year US rate). Signs of a slowdown in the US labor market led to higher market expectations of Fed rate cuts.

In this favorable environment, Qantara ASB fund rose over the month (1.5% for share class I / 1.3% for share class ID). The fund underperformed the benchmark due to its defensive positioning. Carry and falling US interest rates were the main drivers of the asset class' performance, while spreads remained relatively stable, falling by only 5 bps to 417 for the index.

Kenya saw the sharpest contraction in its risk premium (-25 bps). The country has been upgraded by S&P and announced several debt operations both domestically (planned buyback of USD 3.5 billion) and externally (negotiations for a swap on a China EximBank debt, for an extension of repayments on a TDB loan and a buyback plan on the 2028 Eurobond). The government has stated that it is unable to intensify its fiscal consolidation policy. Financing conditions remain tight, despite ongoing monetary easing (25 bps cut by the CBK). In **Egypt**, the CBE resumed monetary easing more aggressively than expected (-200 bps to 22% versus 100 bps expected by consensus) after keeping rates unchanged since May. **Cameroon** also saw its risk premium contract (-12 bps) after the list of presidential candidates was published. The elimination of the main opposition candidate reduced uncertainty about the outcome of the election, but uncertainty surrounding Paul Biya's succession remains high, keeping spreads elevated. At the same time, the government has approved a borrowing plan of XAF 930 billion (USD 1.7 billion) for the coming year, including XAF 330 billion on the international front, which could include a new Eurobond. The largest spread widening came from **Gabon** (+43 bps), where the political agenda (establishment of institutions under the new constitution, upcoming legislative elections) is delaying the prospect of an agreement with the IMF, as the government rightly considered that the adoption of a reform program was a prerequisite for discussions with the Fund. **Zambia** also saw its spreads widen (+31 bps), mainly on the 2053 bond, following the IMF's update of the country's debt capacity (DCC). The index has been revised downwards, reducing the likelihood of the trigger being activated, which would increase the coupon on the 2053 Eurobond while reducing its maturity. Finally, **Senegal** saw its risk premium widen by 23 bps after the IMF visit. Although no major announcements were made, the central scenario remains a waiver on repayment of the suspended program and the adoption of a new program.

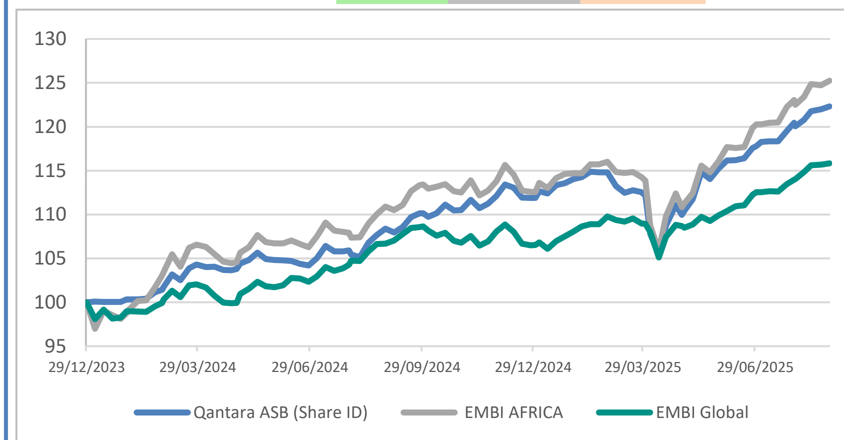
We are maintaining a defensive stance due to the historical low level of spreads. We have strengthened the supranational component and are maintaining a shorter duration than the bechmark (4.6 versus 5.5). However, the fund is still having a similar yield than that of its benchmark (8%) with a much higher average rating (BB versus B).

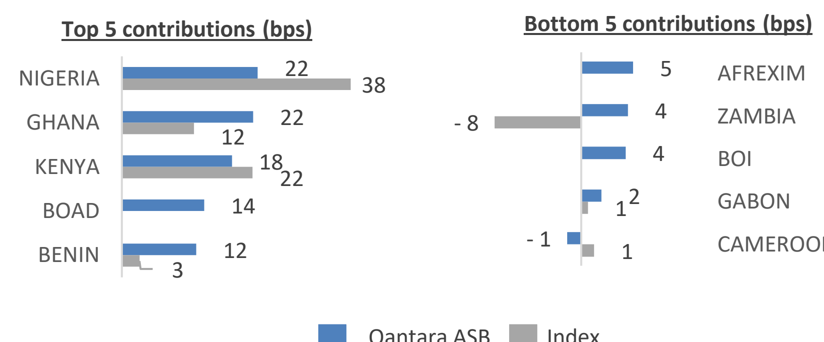
	MTD	YTD	3 M	6 M	2024	1 Y	Since Inception
Qantara ASB-Share ID	1.5%	9.3%	7.3%	6.5%	11.9%	13.6%	22.3%
EMBI GD Africa	1.8%	11.3%	7.8%	8.0%	12.5%	13.1%	25.7%
Excess return	-0.3%	-2.0%	-0.6%	-1.4%	-0.6%	0.5%	-3.4%
Qantara ASB-Share I	1.3%	8.2%	6.5%	5.8%	10.6%	12.0%	19.7%
EMBI GD Global	1.6%	8.7%	5.4%	5.5%	6.5%	8.6%	16.1%

Performances & Ranking category Emerging Fixed income

Share ID (Bloomberg) — 1st decile — 1st quartile — 1st half

Share I (Quantalys)



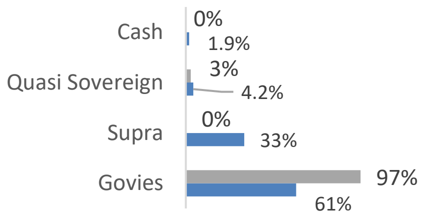


QANTARA ASSET MANAGEMENT

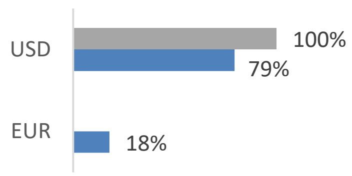
Source : Qantara AM, Bloomberg as of 29/08/2025 – Performances Index & share ID in USD – Share I in EUR, Inception : 29/12/2023
Disclaimer: Past performance is not indicative of future performance. All performances are net of management fees.

	Fund	Index
Taux USD	8.0	8.1
Taux EUR	6.5	6.2
Duration	4.6	5.5
Z Spread	454	440
Taux coupon	6.7%	7.6%
Cash	1.9%	0%
Rating Linéaire	BB	B
ESG Score interne (*)	49.2	46.2
Volatilité (1Y)	7.9	9.6
Ratio de Sharpe (1Y)	1.2	0.9
Max drawdown	-8.20	-8.96
Tracking error	2.5	N/A

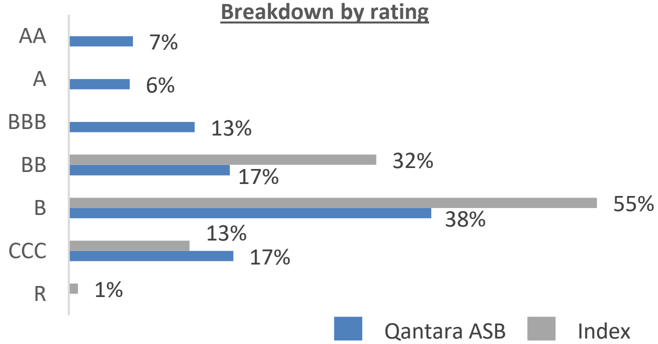
Breakdown by issuer



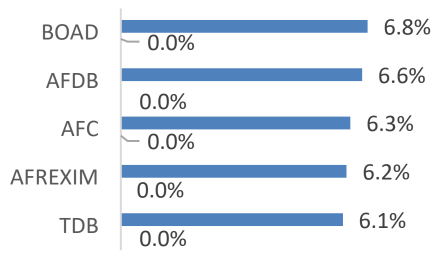
Breakdown by currency



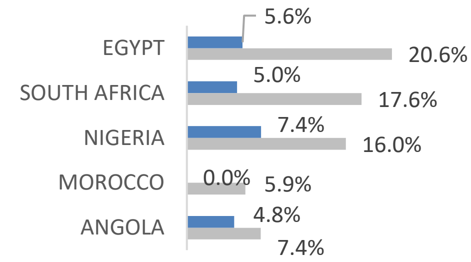
Breakdown by rating



Main overweight



Main underweight



Top 5 issuers

	Fund's weight	Active Weight
GHANA	8.1%	1.6%
NIGERIA	7.4%	-8.5%
BOAD	6.8%	6.8%
AFDB	6.6%	6.6%
AFC	6.3%	6.3%

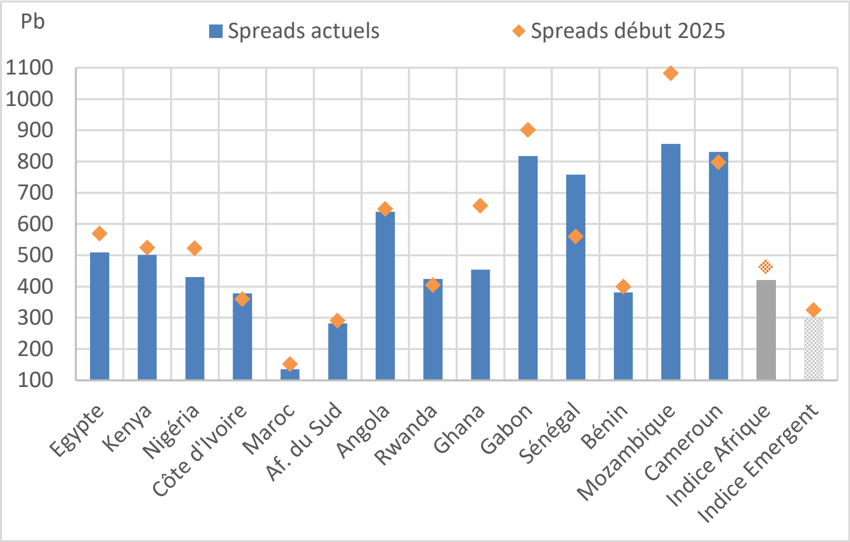
Main movements and positioning

- Switch: Sold SENEGL 7 ¾ 06/10/31 / Bought SENEGL 5 ⅜ 06/08/37
- Bought ZAMBIN 5 3/4 06/30/33
- Sold REPCAM 5.95 07/07/32

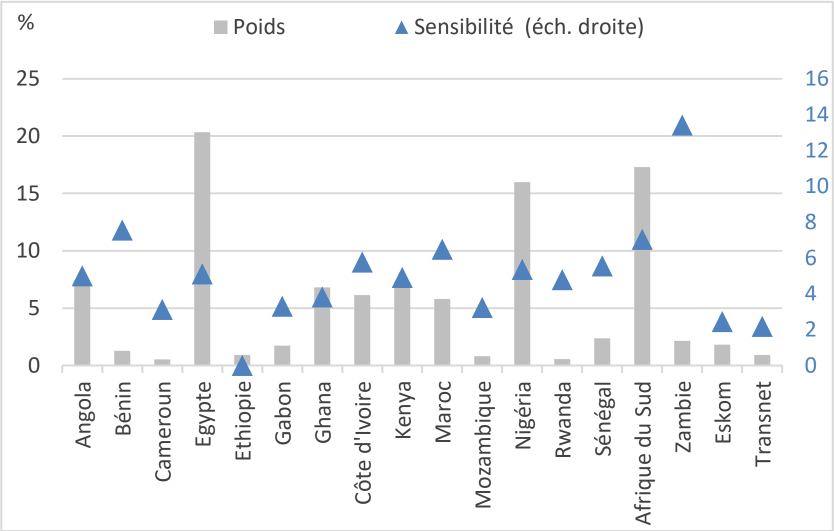
The fund's positioning remains defensive due to historical low level of spreads (33% supranationals, linear BB rating). We have strengthened our position in Ghana, which has been upgraded by our internal model.
The switch to Senegal is justified by the strong performance of the 2031 issue and the low risk on the 2037 issue in the event of restructuring.
We closed our position on Cameroon ahead of the October elections.

QANTARA ASSET MANAGEMENT

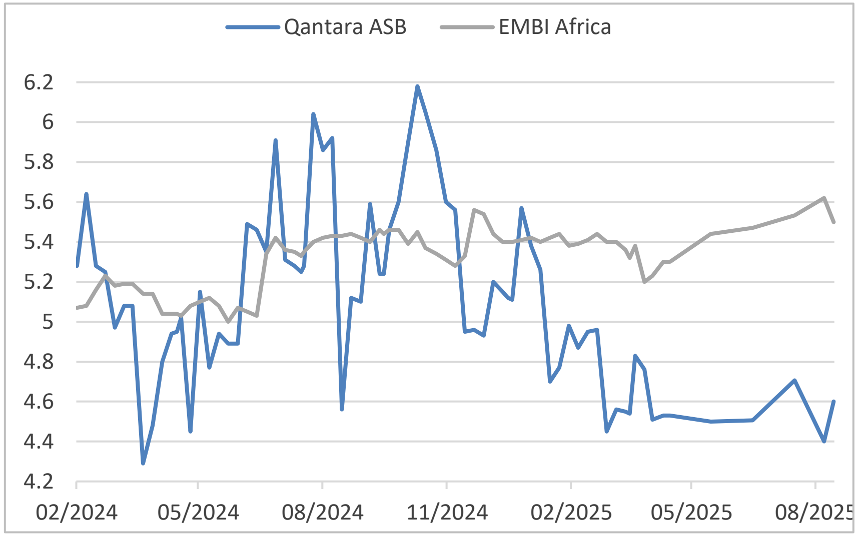
Source : Qantara AM, Bloomberg as of 29/08/2025
(*) Plus d'informations sur la méthodologie ESG disponible sur www.qantara-am.com



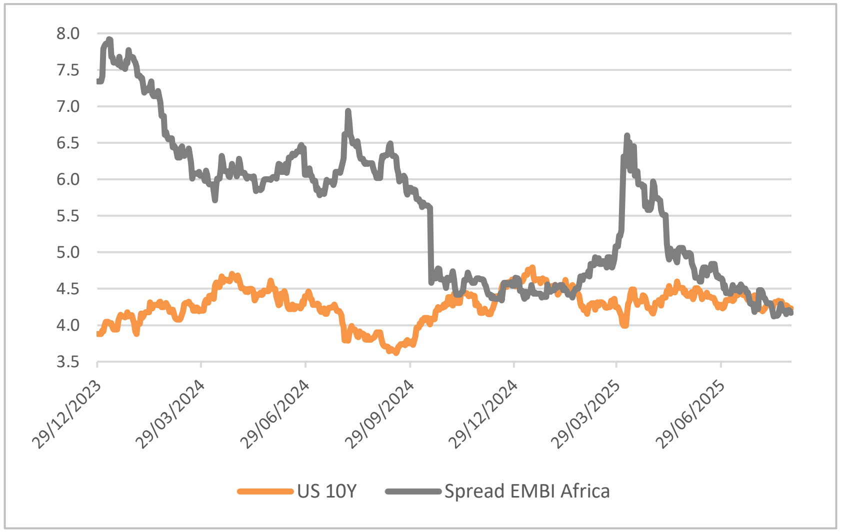
Spreads evolution year to date



Index breakdown by issuers & modify duration



Modified duration



Benchmark'spread and US 10Y

Source : Qantara AM, Bloomberg as of 29/08/2025

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	30/06/2025: 122.3 (Share ID) 119.65 (Share I)
Benchmark	JPM EMBI GD Africa
recommended investment period	3 years
ISIN Codes	FR001400FLB3 (Share I, EUR Hedged) FR001400FLD9 (Share ID, USD Hedged) FR001400FLC1 (Share R, EUR Hedged) FR001400FLE7 (Share 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 counterSharey 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 Shareicular 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
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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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