

**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**

10 years' experience as Fixed income Fund manager.



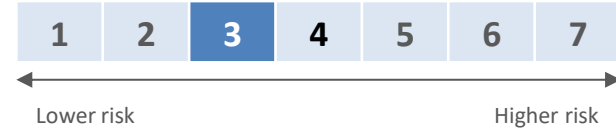
**Lydia Rangapanaiken**

**Chief Economist- Strategist**

8 years' experience as country risk economist on Emerging Markets & Africa

**key elements**

Risk indicator (\*)



**Minimum recommended investment period : 3 years**

Benchmark: JPM EMBI GD Africa

Yield to maturity: 7.9%

Duration: 4.7

Average rating: BB (linear)

Average coupon: 7.1%

SFDR Classification : Article 8

Domiciliation : France

Legal form: UCITS - FCP

Launch date: 22/12/2023

Assets under management: 17.7 M€

Fund currency: EUR

Nav Calculation : Weekly

Isin codes : FR001400FLD9 (Share ID) / FR001400FLB3 (Share I)

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 29/05/2026 : 133.87 (Share ID- USD) – 129.14 (Share I- EUR)

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.

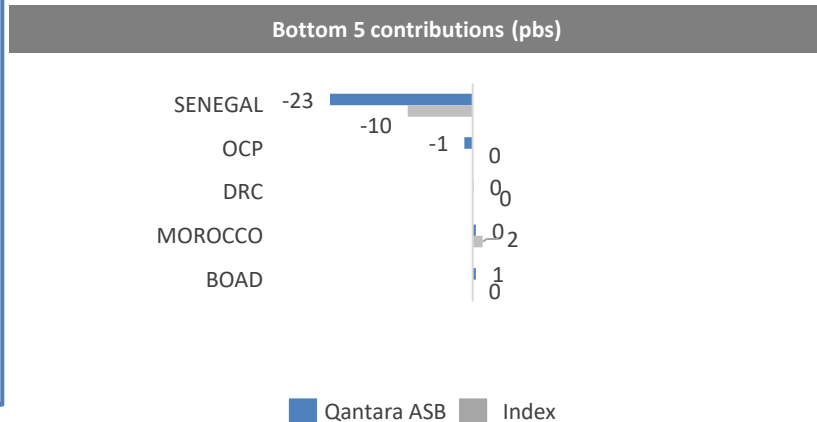
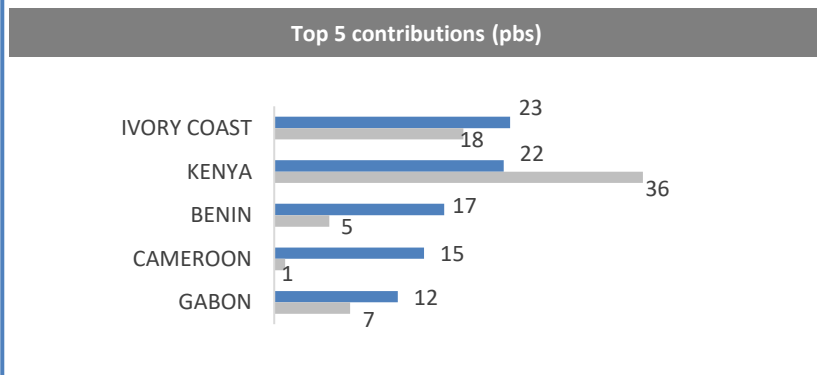
Management comments

May saw a broad-based tightening in African sovereign spreads (-34 bps for the benchmark index), supported by hopes of a resolution to the Iranian crisis, despite continued challenges in reaching an agreement between the parties involved. While oil prices declined sharply over the month (-20%), leading to a modest compression in spreads for importing countries (Kenya, Egypt, South Africa), exporting countries continued to benefit from the most pronounced reductions in risk premiums, against a backdrop of still relatively high crude prices. The Qantara ASB fund posted a return of +1.2% over the month (+1.1% for the USD share class and +1.1% for the EUR share class).

There was significant activity on issuers side, especially in **Senegal**, where the risk premium widened significantly (+199 bps) following the dismissal of Prime Minister O. Sonko, highlighting persistent tensions within the executive branch. The appointment of former BCEAO governor, alongside the retention of the Finance Minister, reflects a willingness to re-engage with the IMF and may lead to a debt restructuring. However, the election of O. Sonko as President of the National Assembly could complicate the implementation of this strategy. While market pricing already reflects a restructuring scenario, the likely exclusion of domestic debt, aimed at containing regional contagion risks, creates uncertainty around recovery values on Eurobonds. In this context, we fully exited our position in the name. **Mozambique** recorded the most significant spread tightening (-227 bps), supported by ongoing negotiations with China regarding a USD/CNY debt swap that could reduce debt servicing costs by USD 1.4 Bn. At the same time, authorities are exploring a reprofiling of their debt with Eurobond holders. **Gabon** (-158 bps) demonstrated a commitment to addressing its fiscal imbalances, with the reactivation of its public debt committee, a revised budget down by 13.6%, and a 45% reduction in capital expenditure, strengthening the likelihood of an agreement with the IMF. **Nigeria** (-16 bps) benefited from an upgrade of its sovereign rating to B by S&P, the first since 2012, with the agency citing three years of structural reforms. In addition, the central bank (CBN) kept its policy rate unchanged at 26.5%, adopting a cautious stance amid rising inflation, which reached 15.7%. Oil production rose to 1.85 million barrels per day, approaching the target set by OPEC. A similar trend was observed in **Ghana** (-58 bps), whose rating was upgraded to B by Fitch, reflecting significant progress in fiscal consolidation under the IMF program. The budget deficit narrowed to 1% of GDP in 2025 (from 7.9% in 2024), while public debt declined to 42.2% of GDP. The central bank (BoG) maintained its policy rate at 14.0%, adopting also a cautious stance. **South Africa** (-36 bps), whose outlook was revised to Ba2 positive by Moody's, raised its policy rate to 7.0%, adopting a more restrictive stance in response to renewed inflationary pressures. Conversely, **Angola** (BNA) cut its policy rate by 50 bps to 17% (inflation stood at 11.6% in April).

The primary market remained very active, with nearly USD 6 Bn in issuance. **Congo** (-101 bps) raised USD 850 M due 2036 at a yield of 9.99%, alongside a buyback of the 2032 bond issued last year. **Egypt** issued a USD 1 Bn 8-year social bond. **Angola** also tapped the market for USD 1.5 Bn across two tranches under more favorable conditions than in March, combined with a buyback offer on the 2028 and 2029 bonds. Finally, **Morocco** completed its first issuance since obtaining Investment Grade status, raising EUR 2.25 billion across two tranches (4.84% due 2034 and 5.29% due 2036).

Performances (net of fees)		
	MTD	YTD
Qantara ASB-USD share	1.2%	3.2%
Qantara ASB-EUR share	1.1%	2.6%
EMBI GD Africa	2.3%	3.3%
EMBI GD Global	1.0%	2.6%



■ Qantara ASB ■ Index

Fund's performance									
	MTD	YTD	3M	6M	1Y	2025	2024	Since inception (Annualized)	Since inception (Cumul)
Qantara ASB-USD share	1.2%	3.2%	2.0%	5.2%	17.4%	15.9%	11.9%	12.7%	33.9%
Qantara ASB-EUR share	1.1%	2.6%	1.6%	4.3%	15.0%	13.8%	10.6%	11.1%	29.1%

Fund's performance month by month													
Share ID - USD	Year	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	11.9%	0.4%	1.1%	2.9%	-0.5%	1.0%	-0.6%	1.6%	2.3%	1.6%	0.3%	1.4%	-0.2%
2025	15.9%	1.9%	0.7%	-2.3%	-2.0%	4.8%	2.2%	2.2%	1.5%	2.4%	1.3%	0.4%	1.9%
2026	3.2%	0.4%	0.8%	-2.9%	3.7%	1.2%							

Ranking

1st decile    1st quartile    1st half

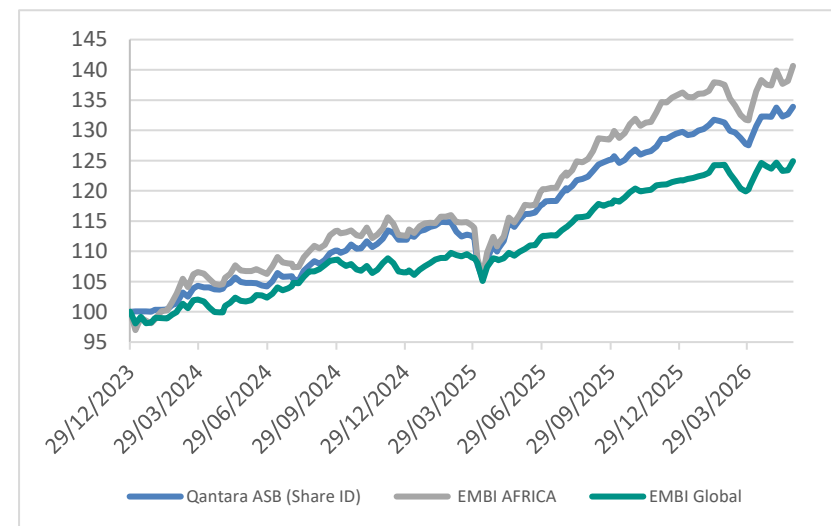


Part ID: Bloomberg ranking  
Part I: Quantalys ranking

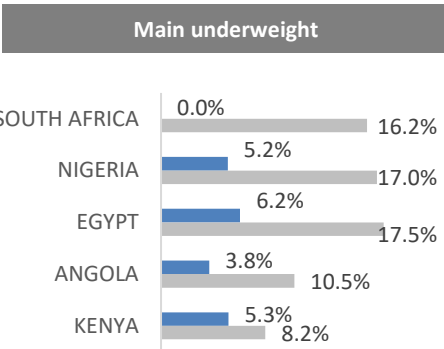
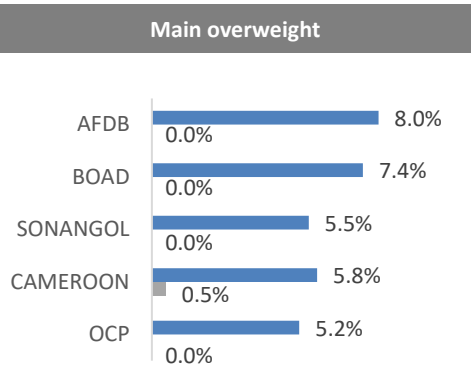
Risk parameters

	Volatility	Sharpe ratio	Max drawdown
QANTARA ASB	6.8%	1.23	-8.2
EMBI Africa	8.0%	1.38	-9.0
EMBI Global	4.6%	1.09	-4.3

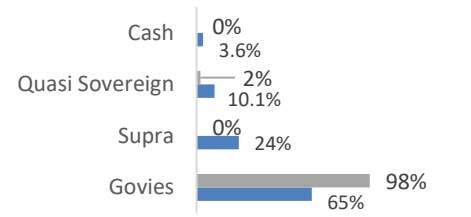
Qantara ASB & indexes



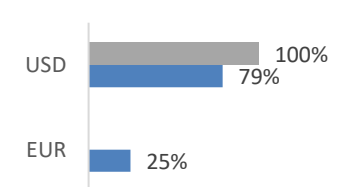
Main parameters		
Parameters	Fund	Index
Yield USD	7.9	7.2
Yield EUR	6.5	5.6
Mod Duration	4.7	5.8
Z Spread	346	319
Coupon Yield	7.1%	7.3%
Cash	3.6%	0%
Linear rating	BB	B
ESG Score internal (*)	48.3	43.5



Breakdown by issuer



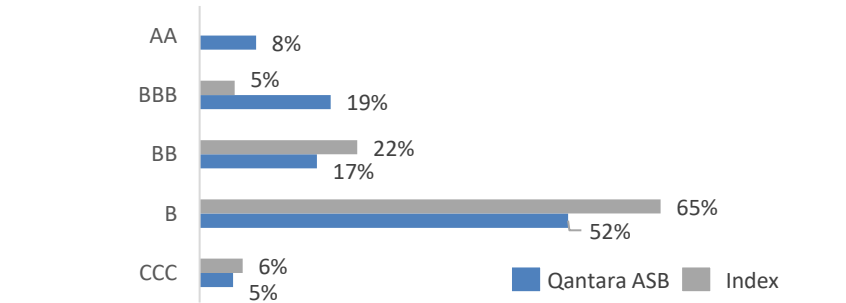
Breakdown by currency



Top 5 issuers

	Fund's weight	Active Weight
AFDB	8.0%	8.0%
IVORY COAST	7.4%	7.4%
BOAD	6.4%	0.2%
SONANGOL	6.2%	-11.3%
BENIN	6.1%	1.2%

Breakdown by rating

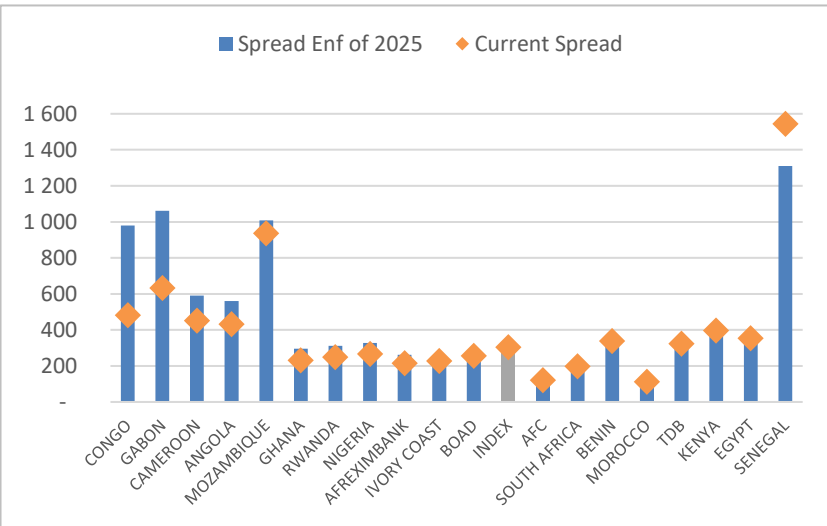


Main movements and positioning

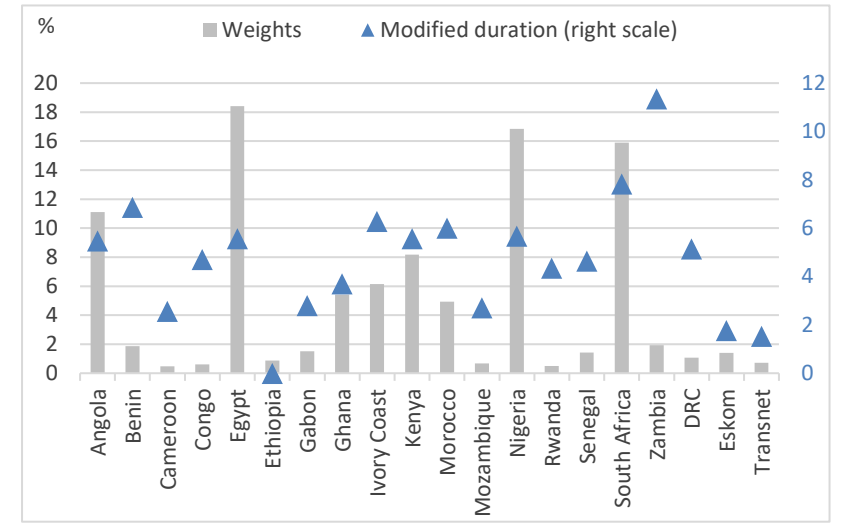
We have not significantly changed the overall positioning of the portfolio. We have slightly increased our exposure to oil-related issuers (Congo, Nigeria). We have strengthened the EUR bucket, notably through a USD/EUR switch on Cameroon, capturing a yield pick-up. We have also increased our exposure to Morocco (EUR-denominated issuance and OCP). Finally, we have fully exited our position in Senegal.

Sold REPCAM 9 ½ 07/31/31 / Bought REPCAM 5.95 07/07/32  
 Bought MOROC 4 ¾ 05/26/34  
 Sold SENEGL 6 3/4 03/13/48  
 Bought REPCON 9 ½ 05/26/36

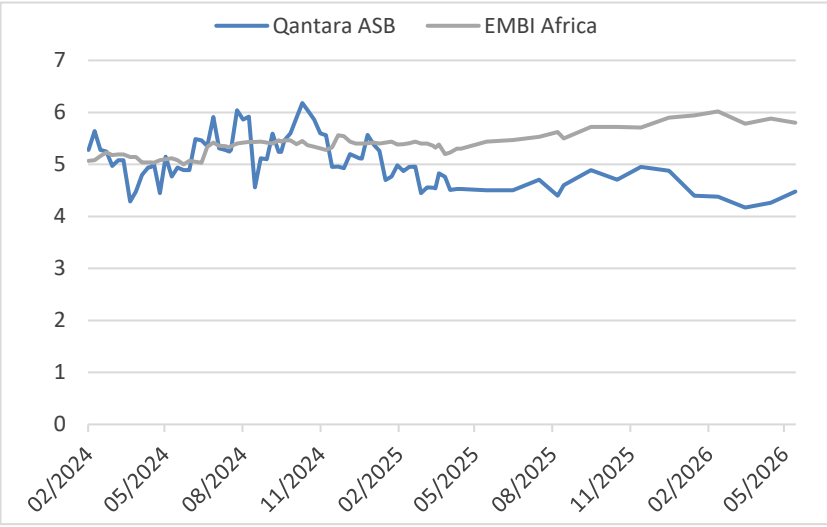
Spreads evolution year to date



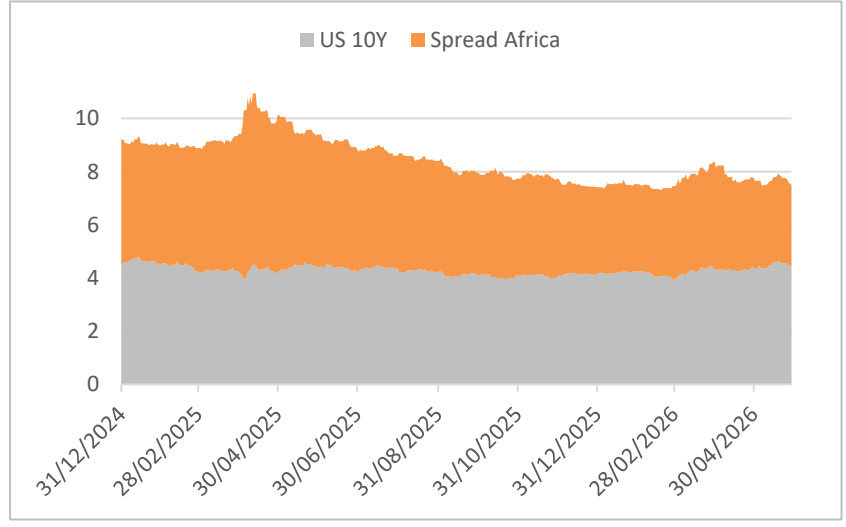
Index breakdown by issuers & modify duration



Modified duration

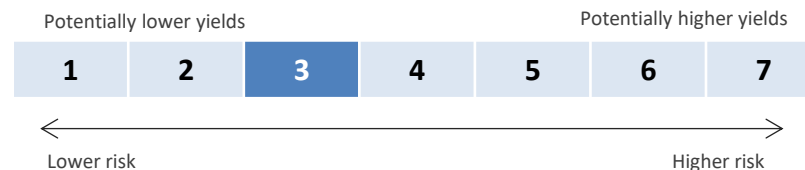


Africa financing costs



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	29/05/2026: 133.87 (Share ID) 129.14 (Share I)
Benchmark	JPM EMBI GD Africa
AUM	17.7 M€
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



*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 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**  
**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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