# QANTARA AFRICAN SOVEREIGN BONDS
UCITS under French law

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.

# MONTHLY REPORT : JUNE 2026
# SHARE ID – USD

## 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**

10 years' experience as Fixed income Fund manager.

## 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: 7.7%
Duration: 4.5
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: USD 21.4 M
Fund currency: EUR
Nav Calculation : Weekly

Isin codes : FR001400FLD9
Bloomberg codes : QAMABID FP Equity
Income distribution: Capitalization
Date of 1$^{st}$ NAV: 22/12/2023
Original NAV: 100
NAV at 30/06/2026 : 134.77

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

Progress in negotiations between the belligerents, pointing to a possible resolution of the Iran crisis, triggered a sharp drop in oil prices (-20%) and a reversal in inflation expectations. The new Fed Chair nonetheless struck a hawkish tone, leading to a flattening of the US yield curve. In Europe, rates eased, with the ECB unlikely to extend the tightening cycle initiated at its last meeting beyond one additional hike — itself far from a certainty. This environment supported the dollar (+2.3% for the DXY), weighing on emerging market currencies and equities.

The asset class has been resilient, with the benchmark index up +0.58% despite a slight widening in spreads (+10 bps). The Qantara ASB fund ended the month up +0.7%  (Share ID – USD).

The rise in spreads over the month was driven by oil-exporting countries: Gabon (+84 bps), Congo (+74 bps), Cameroon (+58 bps), Angola (+46 bps) and Nigeria (+30 bps). **South Africa** received its first rating upgrade from Fitch in twenty years, to BB, with the agency citing fiscal consolidation that has allowed debt/GDP ratio to stabilize for the first time since 2008 — against a backdrop of better-than-expected growth of +0.5% in Q1. Fitch also affirmed **Côte d'Ivoire**'s BB rating, with growth expected at around +6.5% in 2026, above the average growth rate for BB-rated countries (+3.2%), alongside improving debt metrics (debt/GDP declining from 59.5% in 2024 to 56.4% in 2025, with the deficit at 3% of GDP). On the supranational side, S&P initiated coverage of **Afreximbank** with a BBB+ rating, 3 notches above Fitch before ending its coverage of the bank. **Nigeria** saw fiscal revenues rise by 49%, driven both by the recovery in oil revenues (+21%) and the government's tax reforms (+15%, linked to new taxes). Federal debt service nonetheless remains high, representing 53% of revenues. In a landmark debt-for-development swap, **Zambia** bought back its 2053 Eurobond using a loan from the **AfDB**, with the resulting savings (USD 275m) expected to fund electrification programs in the country. This transaction illustrates the AfDB's ambition to strengthen its role within Africa's financial architecture, with the bank having also become the largest shareholder in ATIDI, reinforcing the sovereign guaranteed framework across the continent. In **Ghana**, economic activity remained robust in Q1, with GDP growth of 6.4%. This performance led authorities to raise their 2026 growth forecast to above 6%, up from 4.8% previously. In **Rwanda**, economic activity also accelerated sharply, with GDP growth of 10% in the first quarter.

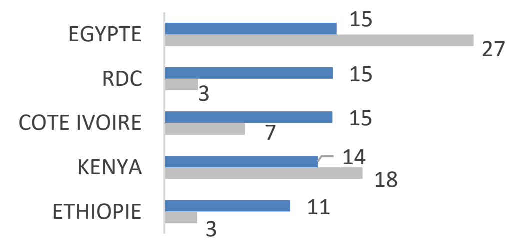
On the primary market, only supranational issuers came to market this month, for a combined total of USD 3.2bn. The **AfDB** issued EUR 1bn at 7 years, followed by **BADEA**, which raised USD 1bn at 5 years at a 4.75% coupon. **AFC**, for its part, issued USD 500m at 5 years (5.375% coupon) and also concluded a record syndicated loan of USD 2bn.

The asset class demonstrated notable resilience over the first half of the year. We remain mindful that spreads near historical lows create, by construction, an asymmetric risk skewed toward widening. While current spread levels remain consistent with the macroeconomic outlook, they call for greater caution and selectivity. Historically attractive yield levels should nonetheless support spreads remaining within a tight range.

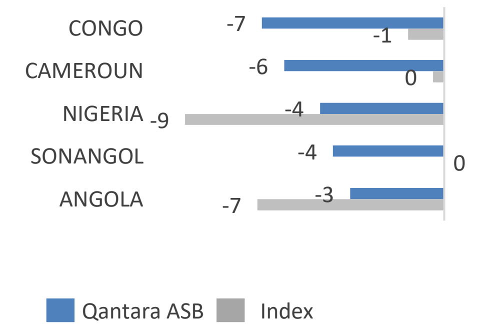
### Performances (net of fees)

| | MTD | YTD |
|---|---|---|
| Qantara ASB-Share ID | 0.7% | 3.9% |
| EMBI GD Africa | 0.6% | 3.9% |
| EMBI GD Global | 0.7% | 3.3% |

### Top 5 contributions (pbs)




### Bottom 5 contributions (pbs)




QANTARA ASSET MANAGEMENT

*Source : Qantara AM, Bloomberg as of 30/06/2026 – Performances Index & share ID in USD – Inception : 29/12/2023*
*Disclaimer: Past performance is not indicative of future performance. All performances are net of management fees.*

## Fund's performance

| | MTD | YTD | 3M | 6M | 1Y | 2025 | 2024 | Since inception (Annualized) | Since inception (Cumul) |
|---|---|---|---|---|---|---|---|---|---|
| Qantara ASB-USD share | 0.7% | 3.9% | 5.5% | 4.1% | 14.4% | 15.9% | 11.9% | 12.6% | 34.8% |

## Fund's performance month by month

| Share ID - USD | Jan | Feb | Mars | Avril | Mai | Juin | Jul | Aout | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | 0.4% | 1.1% | 2.9% | -0.5% | 1.0% | -0.6% | 1.6% | 2.3% | 1.6% | 0.3% | 1.4% | -0.2% | 11.9% |
| **2025** | 1.9% | 0.7% | -2.3% | -2.0% | 4.8% | 2.2% | 2.2% | 1.5% | 2.4% | 1.3% | 0.4% | 1.9% | 15.9% |
| **2026** | 0.4% | 0.8% | -2.9% | 3.7% | 1.2% | 0.7% | | | | | | | 3.9% |

## Ranking

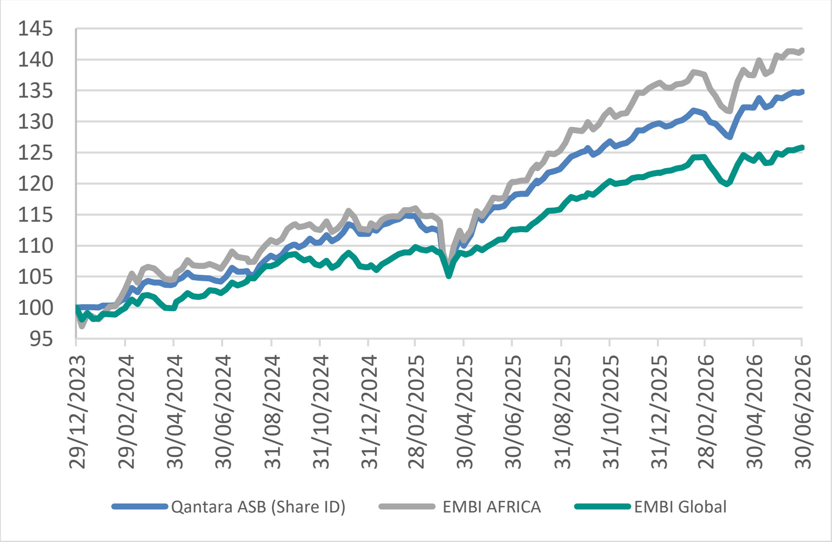
*1st decile* *1st quartile* *1st half*

*Part ID: Bloomberg ranking*
*Part I: Quantalys ranking*

## Risk parameters

| | Volatility | Sharpe ratio | Max drawdown |
|---|---|---|---|
| QANTARA ASB | 6.6% | 1.24 | -8.2 |
| EMBI Africa | 7.9% | 1.37 | -9.0 |
| EMBI Global | 4.6% | 1.10 | -4.3 |

## Qantara ASB & indexes





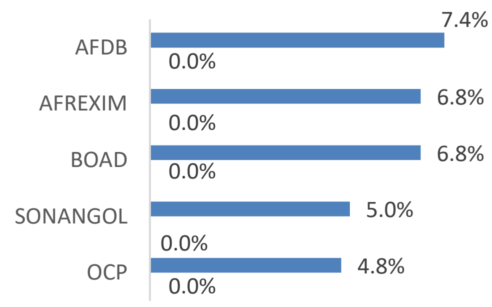

QANTARA ASSET MANAGEMENT

*Source : Qantara AM, Bloomberg as of 30/06/2026 – 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.*

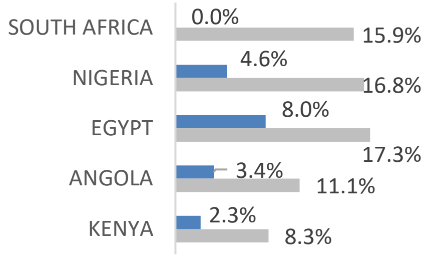
## Main parameters

| Parameters | Fund | Index |
|---|---|---|
| Yield USD | 7.7 | 7.4 |
| Yield EUR | 5.9 | 5.6 |
| Mod Duration | 4.5 | 5.7 |
| Z Spread | 371 | 332 |
| Coupon Yield | 6.7% | 7.4% |
| Cash | 4.8% | 0% |
| Linear rating | BB | B |
| ESG Score internal (*) | 46.1 | 42.9 |

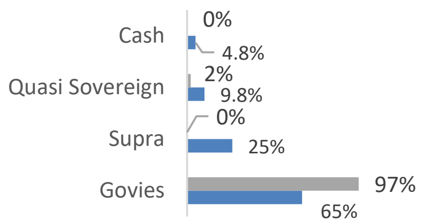
## Main overweight



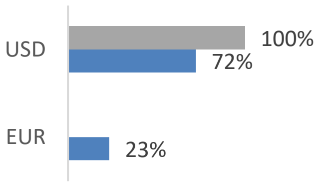

## Main underweight




## Breakdown by issuer



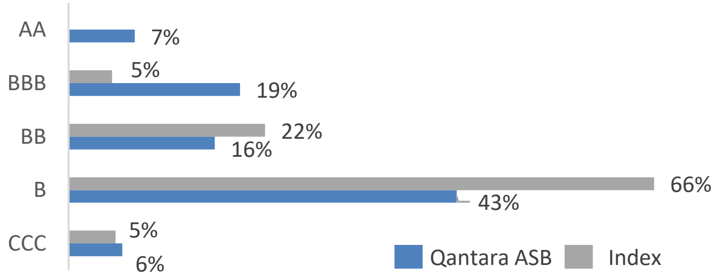

## Breakdown by currency




## Top 5 issuers

| | Fund's weight | Active Weight |
|---|---|---|
| EGYPT | 8.0% | -9.3% |
| AFDB | 7.4% | 7.4% |
| IVORY COAST | 7.0% | 0.8% |
| AFREXIM | 6.8% | 6.8% |
| BOAD | 6.8% | 6.8% |

## Breakdown by rating




## Main movements and positioning

The spread between supranational and sovereign issuers has narrowed, which supports the fund's more defensive positioning (26% allocation to supranational).

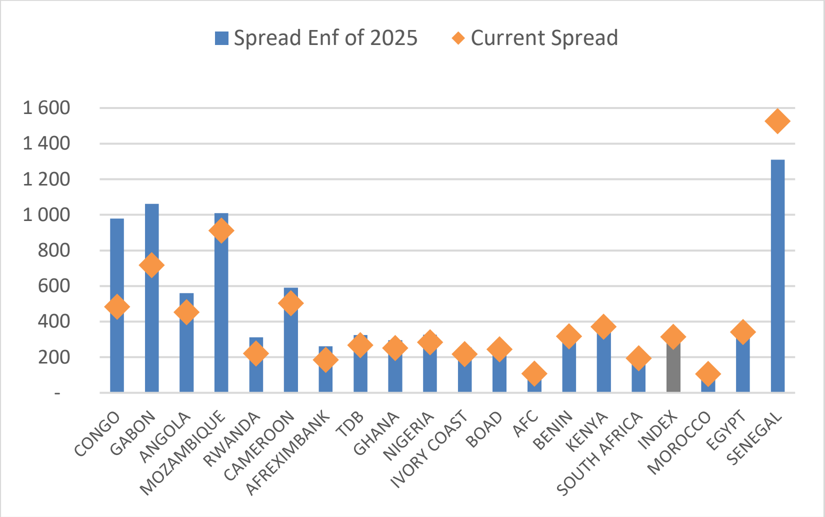
Sold GHANA 5 07/03/29
Bought IVYCST 6 7/8 10/17/40
Bought EGYPT 8 1/2 01/31/47
Bought AFREXI 3.798 05/17/31



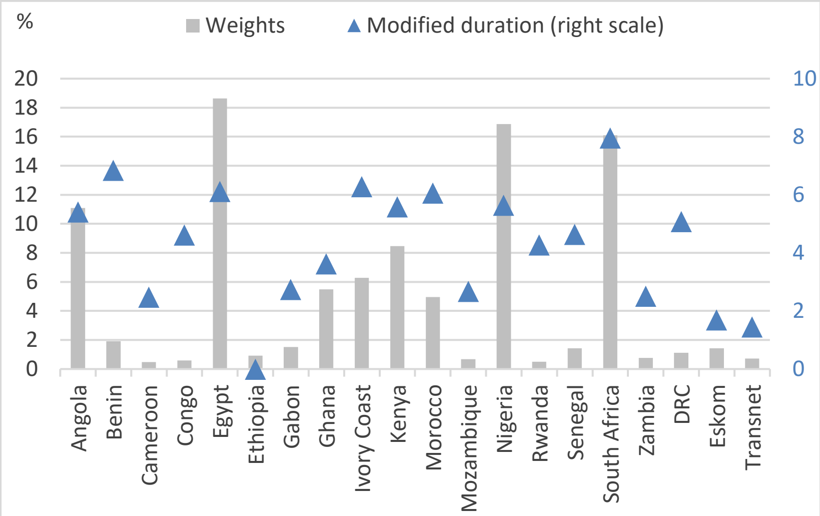
QANTARA ASSET MANAGEMENT

*Source : Qantara AM, Bloomberg as of 30/06/2026*
*(*) More information on the ESG methodology is available at www.qantara-am.com*

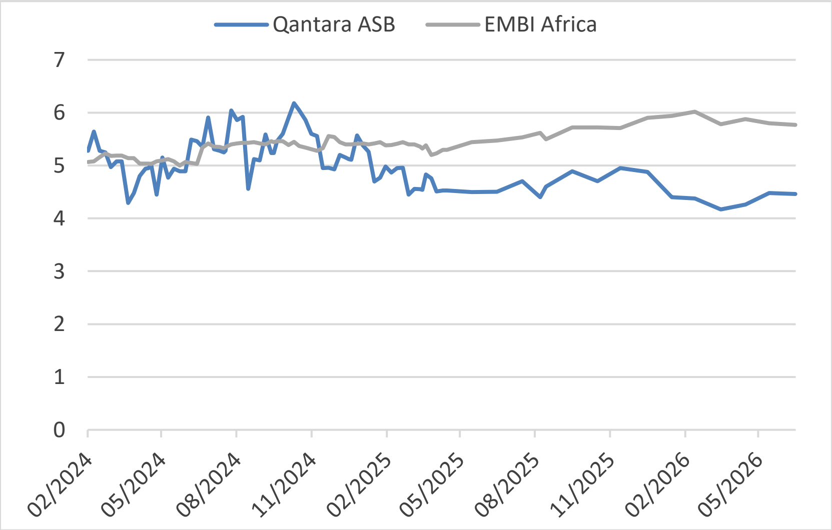
## Spreads evolution year to date



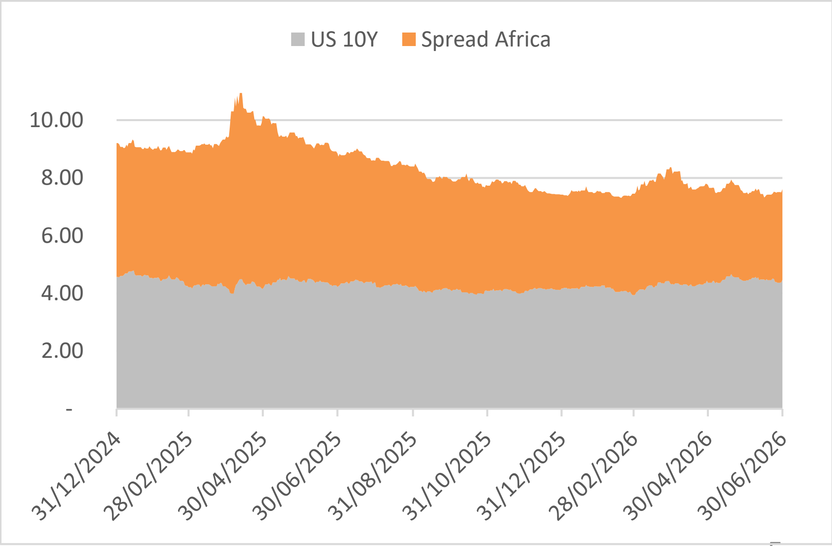

## Index breakdown by issuers & modify duration




## Modified duration




## Africa financing costs




*Source : Qantara AM, Bloomberg au 30/06/2026*

| 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 | 30/06/2026: 134.77 |
| Benchmark | JPM EMBI GD Africa |
| AUM | $ 21.4 M |
| recommended investment period | 3 years |
| ISIN Codes | FR001400FLD9 |
| 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 countercharged 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**

This promotional document issued by QANTARA ASSET MANAGEMENT ("QAM") cannot be considered as a solicitation or an offer, legal or tax advice. It does not constitute a personalized recommendation or an investment advice. Before making any investment decision, it is up to the investor to evaluate the risks and to make sure that this decision corresponds to his objectives, his experience and his financial situation.
The investor's attention is drawn to the fact that the information concerning the products contained in this document is not a substitute for the completeness of the information contained in the legal documentation of the UCITS FUND which was given to you and/or which is available free of charge on request from QAM or on the website www.qantara-am.com
Prior to any investment, it is the investor's responsibility to pay Shareicular attention to the risk factors and to make his own analysis, taking into account the need to diversify his investments. All investors are invited to obtain information on this subject from their usual advisors (legal, tax, financial and/or accounting) before making any investment.

The information and opinions contained herein are for informational purposes only. It has been compiled from sources that QAM believes to be reliable, and QAM does not guarantee its accuracy, reliability, timeliness or completeness. Past performance is not a guide to the future performance of the mutual funds and/or financial instruments and/or the financial strategy presented. The performance data do not take into account any commissions contracted at the time of subscription or redemption in a financial instrument. No assurance can be given that the products presented will achieve their objectives. Investing in financial instruments involves risk and the investor may not get back the full amount invested. When a financial instrument is denominated in a currency other than your own, the exchange rate may affect the amount of your investment. The tax treatment depends on the individual situation of each client. It is therefore strongly recommended that you find out in advance whether the investment is suitable for your own objectives and legal and tax considerations.
It is your responsibility to ensure that the regulations applicable to you, depending on your status and country of residence, do not prohibit you from purchasing the products or services described in this document. Access to products and services may be subject to restrictions for certain persons or countries. For more information, please contact your usual contact person. Any complaint may be addressed free of charge to QAM's customer service deShareement at the following address: service.clients@qantara-am.com or by mail to QANTARA Asset Management 44 bis rue pasquier 75 008 Paris
This document is intended solely for the persons to whom it was originally addressed and may not be used for any purpose other than that for which it was intended. It may not be reproduced or transmitted, in whole or in Share, without the prior written consent of QAM, which shall not be held liable for any use that may be made of the document by a third Sharey. The names, logos or slogans identifying QAM's products or services are the exclusive property of QAM and may not be used in any manner whatsoever without the prior written consent of QAM