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 : OCTOBER 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: 9.2%
Duration: 4.8
Average rating: BB (linear)
Average coupon: 7.9%

SFDR Classification : Article 8
Domiciliation : France
Legal form: UCITS - FCP
Launch date: 22/12/2023
Assets under management: EUR 31.4 M
Fund currency: EUR
Nav Calculation : Weekly

Isin codes : FR001400FLD9
Bloomberg codes : QAMABID FP Equity
Income distribution: Capitalization
Date of 1st NAV: 22/12/2023
Original NAV: 100
NAV at 30/10/2026 : 132.76

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.

A renewed risk-off sentiment dominated markets in October, reflecting growing geopolitical tensions and the re-emergence of inflation concerns. Higher-than-expected U.S. inflation, combined with a sharp correction in the technology sector and rising oil prices, triggered a broad-based risk-off move. Despite this less supportive environment, the asset class demonstrated resilience. Risk aversion led to a widening of African risk premiums (+34 bps for the JPM EMBI Africa Index). However, the impact on asset class performance remained limited, as the decline in U.S. Treasury yields, which benefited from safe-haven demand, fully offset the spread widening. The U.S. 10-year yield fell by 36 bps, compensating for the widening in spreads and allowing overall financial conditions to remain broadly unchanged.

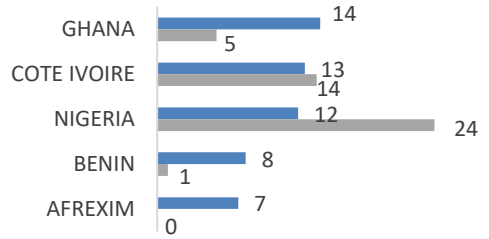
The fund delivered a monthly performance of +0.3%, underperforming its benchmark. This performance gap was driven by a more cautious duration positioning and an underweight exposure to South African bonds, which account for around 20% of the benchmark's interest rate sensitivity.

South Africa was the only issuer to record spread tightening (-4 bps). In its Medium-Term Budget Policy Statement (MTBPS), the government reaffirmed its fiscal consolidation path, highlighting a controlled budget deficit, growing primary surpluses, an ongoing bond buyback program, and a declining public debt trajectory. These developments, reinforced by the recent GDP rebasing, further strengthen the case for a sovereign rating upgrade by rating agencies. The CEMAC region recorded the most significant spread widening during the month. **Cameroon** experienced the largest increase (+200 bps) following Fitch's downgrade of the sovereign rating from B to B-, citing uncertainty surrounding the succession of President Paul Biya and tightening credit conditions in the regional market. The government is also considering issuing up to USD 2.55 Bn over the coming months, putting additional pressure on the sovereign curve. Spreads of neighboring issuers widened significantly as well, notably in **Gabon** (+115 bps) and the **Republic of Congo** (+91 bps).For Congo, market reaction contrasts with improving fundamentals. Oil revenues increased by 133%, the trade surplus more than doubled to XAF 867 billion, and Moody's revised the outlook to positive. In **Gabon**, the IMF has yet to publish the conclusions of the country's public debt audit, while discussions on a new IMF-supported program remain ongoing. Moody's upgraded **Egypt's** sovereign rating from Caa1 to B3, citing the country's improving macroeconomic profile, reflected in lower public debt (82% of GDP versus 95% in 2023), a strong primary surplus (+4.9%), and record foreign exchange reserves of USD 57 Bn. Nevertheless, these positive developments were overshadowed by the deterioration in the Middle-East Spreads widened by 64 bps as capital outflows intensified amid tensions in the Middle East and Egypt's involvement in the Yemen conflict. In response to growing pressure on the currency, the Central Bank unexpectedly increased policy rates by 100 bps. In **Benin**, the first budget of the Wadagni era reflects strong fiscal consolidation, with the deficit expected at -2.8% of GDP and economic growth projected at 7.5%.In **Senegal**, parliamentary deadlock surrounding the finance bill has cast doubt on the fiscal adjustment path presented to international partners. This impasse is expected to delay both the IMF program and the sovereign debt restructuring process, a situation already reflected in tighter financing conditions across the regional market. In the primary market, **Gabon** issued USD 580 million of 2034 bonds at a yield of 12.8%. The market also welcomed a new issuer with the inaugural international transaction by **BDEAC**, which raised USD 222 million through a 3-year bond at a coupon of 9.625%. **Cameroon** and **Egypt** both tapped existing bond lines, raising USD 300 M on the 2033 bond and USD 500 M split between the 2030 and 2033 maturities, respectively.

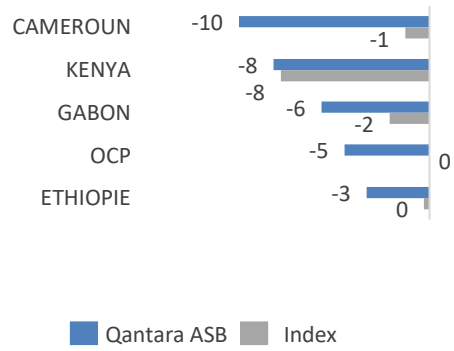
Performances (net of fees)

	MTD	YTD
Qantara ASB-Share ID	0.3%	2.4%
EMBI GD Africa	1.0%	2.3%
EMBI GD Global	1.4%	0.7%

Top 5 contributions (pbs)



Bottom 5 contributions (pbs)



QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg as of 30/10/2026 – 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- share ID	0.3%	2.4%	-0.8%	0.4%	5.3%	15.9%	11.9%	10.4%	32.8%

Fund's performance month by month

Share ID - USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	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%	-0.5%	1.3%	-2.6%	0.3%			2.4%

Ranking

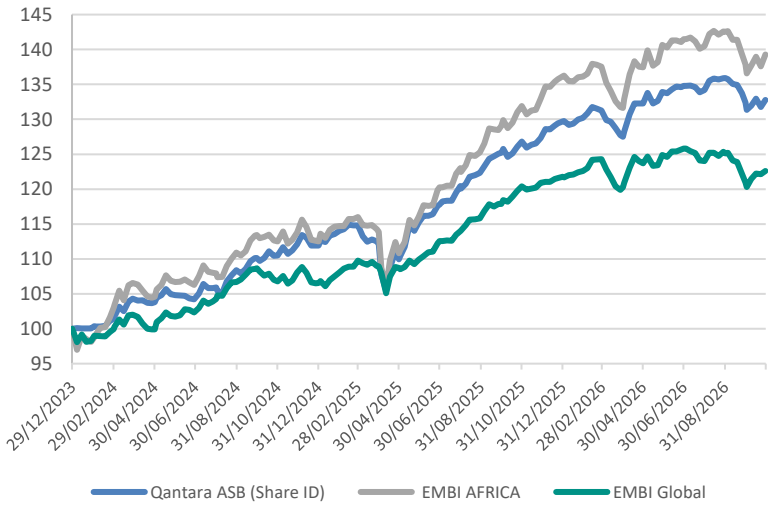
1st decile *1st quartile* *1st half*

Part ID: Bloomberg ranking
Part I: Quantalys ranking

Risk parameters

	Volatility	Sharpe ratio	Max drawdown
QANTARA ASB	6.4%	0.99	-8.20
EMBI Africa	7.7%	1.07	-8.95
EMBI Global	4.5%	0.66	-4.56

Qantara ASB & indexes



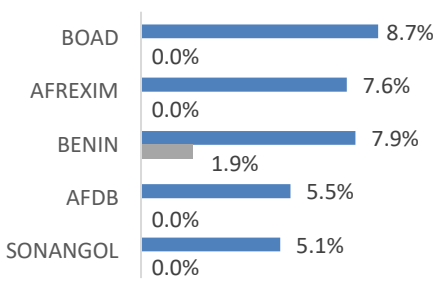
QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg as of 30/10/2026 – Performances Index & share ID in USD – Share I in EUR, Inception : 29/12/2023
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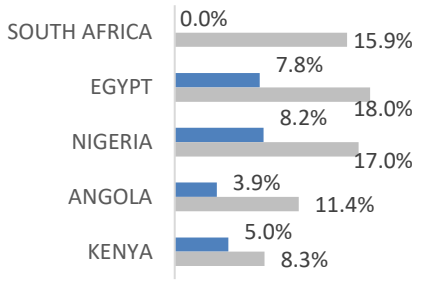
Main parameters

Parameters	Fund	Index
Yield USD	9.2	8.2
Yield EUR	7.4	6.3
Mod Duration	4.8	5.5
Z Spread	462	365
Coupon Yield	7.9%	7.8%
Cash	0.2%	0%
Linear rating	BB	B
ESG Score internal (*)	44.1	42.9
Tracking error	2.4	

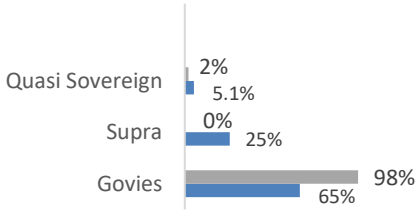
Main overweight



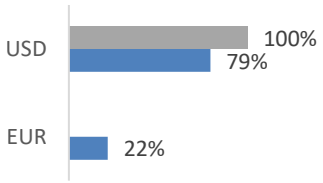
Main underweight



Breakdown by issuer



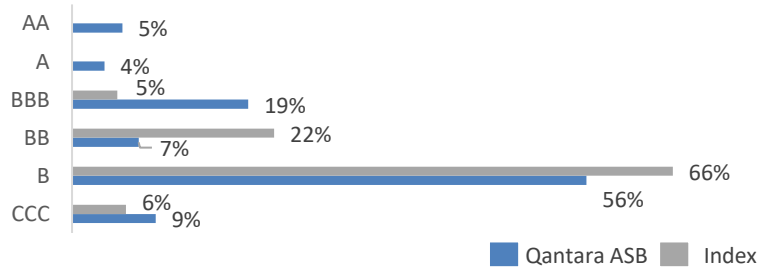
Breakdown by currency



Top 5 issuers

	Fund's weight	Active Weight
BOAD	8.7%	8.7%
NIGERIA	8.2%	-8.8%
BENIN	7.9%	6.0%
EGYPT	7.8%	-10.2%
AFREXIM	7.6%	7.6%

Breakdown by rating



Main movements and positioning

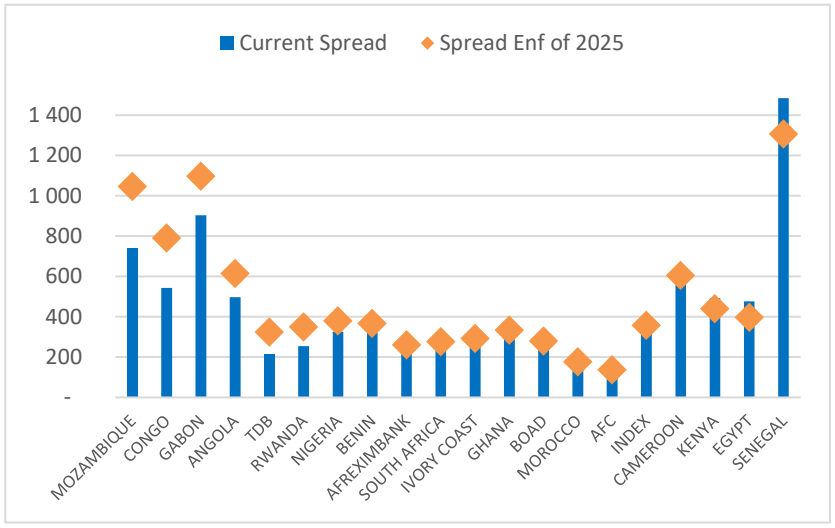
We fully exited our position in Ethiopia, took advantage of the widening in AFC spreads to build a position, increased our exposure to the Republic of Congo, and finally exited our TDB holding following the issuer's tender offer.7

Bought AFRFIN 3 3/4 10/30/29
Bought DRCONG 8 ¾ 04/16/32
Sold ETHOPI 6 ⅝ 12/11/24
Sold OCPMR 7.3682 PERP
Sold TDBBNK 4 1/8 06/30/28

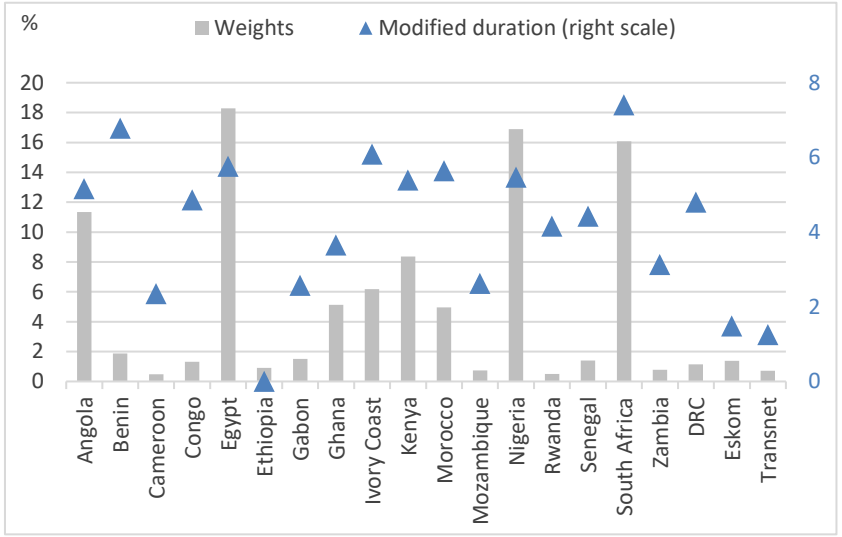
QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg as of 30/10/2026
(*) More information on the ESG methodology is available at www.qantara-am.com

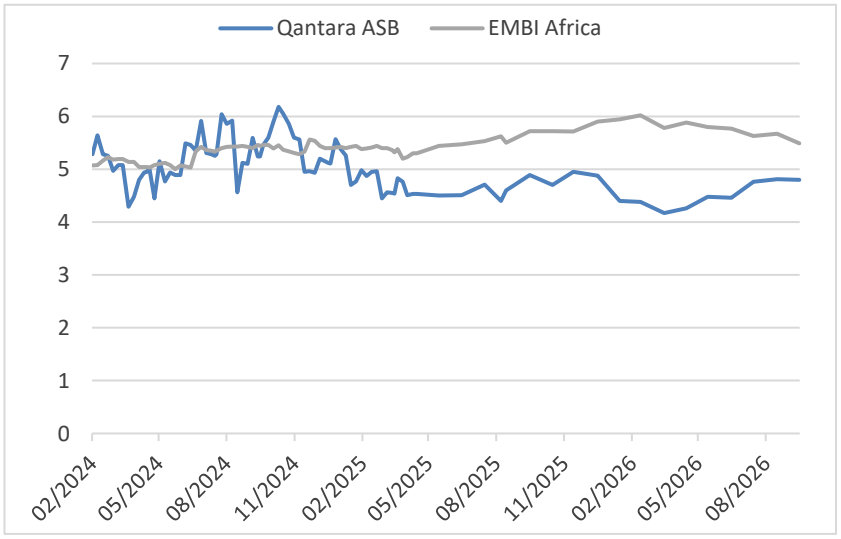
Spreads evolution year to date



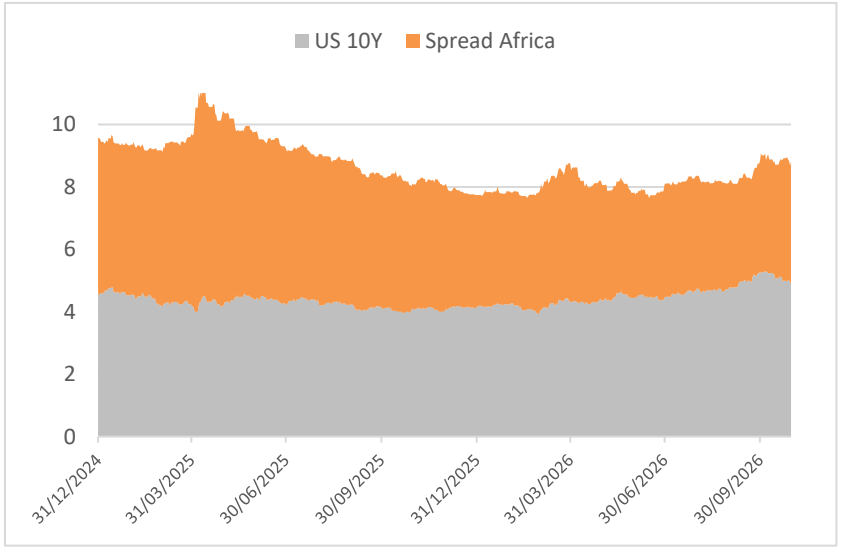
Index breakdown by issuers & modify duration



Modified duration



Africa financing costs



QANTARA ASSET MANAGEMENT

Source : Qantara AM, Bloomberg au 30/10/2026

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	30/10/26 : 132.76
Benchmark	JPM EMBI GD Africa
AUM	31.4 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.

GLOSSARY

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.

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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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.
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