



African eurobonds, like equities, largely shrugged off the tumultuous events of the past quarter, which included the by now almost forgotten “Liberation Day” trade tariffs and friction in the Middle East. The fund had a net USD return of +6.5% for the quarter vs +5.6% for the benchmark index. Year to date the fund has returned net +8.1% in USD vs +6.7% for the index.

Towards the end of Q1 we increased local currency exposure to the high teens because of the attractive opportunities across four countries. A significant portion of this last quarters return came from these local currency opportunities. Like many frontier and EM assets “risk-off periods” create great opportunities as many global investors dump anything they perceive as remotely risky.

The largest single contributor came from a Zambian Kwacha government bond which has a mid-20’s coupon and rerated strongly as the regional drought ended, leading to increased power supply and falling inflation when food imports reduced significantly.

Egyptian and Nigerian treasury bill yields to maturity remain in the low to mid 20’s but are expected to fall further going forward as inflation rolls over and drops towards the low teens in the coming few quarters. Currency repatriation is no problem and is expected to remain so.

The Ugandan UGX long bond has a yield to maturity of +17.5%, and whilst there may be some short-term currency volatility we believe that investors are being handsomely compensated for any additional volatility and risk .

As a reminder, the fund’s mandate ensures that at least 75% must be invested in USD sovereign Africa ex-SA eurobonds or USD cash. On an extremely select and opportunistic basis the fund can also invest in locally currency sovereign treasury instruments and corporate bonds.

Hard currency sovereign eurobonds also did well, particularly Nigeria, Egypt, Cote d’Ivoire and Kenya. Senegal was the sole detractor for the quarter amidst ongoing uncertainty around the country’s true debt situation. The previous administration hid a significant amount of government debt, but the results of a new IMF-supported audit are hopefully imminent, and an IMF programme should commence shortly thereafter. With a spread of almost 10% over US treasuries we continue to hold the bonds and expect to see decent return from here.

The fund currently has a yield to maturity of 11.2% and modified duration of 4.1 years.

# LAURIUM AFRICA USD BOND FUND

## Quarterly Commentary | June 2025

### Performance declaration for Laurium Africa USD Bond Fund (UCITS)(Class A1)

	FUND (USD)	BENCHMARK Standard Bank Africa Sovereign Eurobond (excl. SA) Total Return Index in USD
Annualised return since inception	+4.0%	+4.4%
Cumulative return since inception	+17.8%	+19.8%
1 Year	+15.3%	+13.4%
3 Year (annualised)	+12.6%	+14.8%
Highest rolling 1-year return (since inception)	+21.1%	
Lowest rolling 1-year return (since inception)	-25.4%	
Fund inception date	1 April 2021	

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. Laurium Capital (Pty) Ltd is an authorized FSP (FSP34142). Prescient Management Company (RF) (Pty) Ltd is registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). For any additional information such as fund prices, fees, brochures, minimum disclosure documents and application forms please go to [www.laurium.com](http://www.laurium.com). Annualised performance: Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request. Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown. NAV: The net asset value represents the assets of a Fund less its liabilities.

The forecasts are based on reasonable assumptions, are not guaranteed to occur and are provided for illustrative purposes only.