



LAURIUM LIMPOPO AFRICA FUND

Quarterly Commentary | December 2025

2025 will be remembered as a noteworthy and challenging year in global equity markets where investors were faced with substantial uncertainty on shifting geopolitical narratives, US trade policy weaponisation and rapidly evolving AI technology progress. Notwithstanding, the listed African equity universe quietly enjoyed a very strong year and was a relative safe haven as economic reforms were continued, fiscal improvements were realised and strong earnings momentum delivered by companies amidst a backdrop of extremely cheap valuations.

The materially weaker US dollar and declining global interest rates saw gold and other supply-constrained commodities gain support (the “debasement trade”) with macro tailwinds evident in both narrowing African credit spreads and relative foreign exchange stability. But, to only focus on these macro factors, does the broader universe an injustice with many of the bottom-up growth theatics including financial inclusion, technology advancement, infrastructure roll out and emerging consumer trends being more evident in 2025. It remains a stock pickers universe, and we see significant upside in our portfolio companies, who are best positioned to navigate the changing macro landscapes and can access the growth available in their markets.

Fund Performance in 4Q 2025

The fund performed ahead of the Riscura Africa Real View Total Return Index over the year, including a strong final quarter where the portfolio produced a (gross) return of 8.2% against the benchmark return of 5.9%

Notable contributors to performance in the final quarter came from an overweight in Egypt and exposures to commodity producers, whilst the underweight in Morocco provided a +0.3% attribution to the fund versus the benchmark. The Laurium Limpopo fund is however not managed on a top-down country basis, but rather from individually selected bottom-up companies constructed into a risk mitigated portfolio.

Pleasingly our Egyptian companies benefited from a strong local economy recovery with broad-based strength across Telecom Egypt, financials and a number of our consumer facing companies. Fawry, a leading fintech company at the forefront of financial inclusion in the region, also continued its strong performance in the quarter.

The fund's exposure to gold and copper miners, too were notable contributors to performance in the quarter, with good stock selection being additive to strong returns generated from the broader sector. Nigeria rebounded in the quarter as economic reforms started delivering a more stable FX and domestic rate outlook. Our telco stock in Ghana and banks in Kenya rounded out the diversified contributors to the fund's overall returns for the quarter.

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Two large corporate deals in December 2025 highlight how cheap African stocks still are: 1. Diageo sold its 65% stake in Kenya-listed East African Breweries to the Japanese company Asahi Group, at double the prevailing market price, and 2. One of Seplat Oil and Gas's founding shareholders, Maurel and Prom, sold its 20% stake to a local company at a 20% premium to the prevailing price.

2026 Outlook

Headline equity valuations are still very undemanding, with dividend yields and strong earnings outlook a solid underpin to the the Africa (ex SA) investment case. Global macro risks are however heightened, and the region isn't always immune from themes playing out in the rest of the world. As a result, selecting high quality growth equities underpinned by resilient cashflows remains an appealing investment proposition, and we believe patient investors with appropriate longer-term investment horizons will be rewarded by maintaining exposure, even through inevitable drawdowns.

Our portfolio is constructed to retain diversification across sectors and demand-drivers, and our research remains focused on identifying well-managed, financially healthy companies with tail-winds for growth. We are optimistic for the return outlook of our portfolio in 2026 and beyond.

Performance declaration for Laurium Limpopo Africa Fund (Class A) Net of Fees

	FUND (USD)	BENCHMARK
Annualised return since inception	+6.8%	+1.1%
Cumulative return since inception	+120.8%	+13.5%
1 Year	+57.6%	+55.1%
3 Years (annualised)	+27.6%	+18.3%
Fund inception date	1 January 2014	

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