LAURIUM CAPITAL

LAURIUM AFRICA USD BOND FUND
Quarterly Commentary | June 2026

The fund returned a net 6.6% in USD in an eventful quarter. The key driver of this strong return was the April bounce-back in 'risk-on" and global asset prices following quarter one's March sell off on the back of the Iran war. Africa ex-SA eurobonds' spread over US treasuries tightened significantly, from 480 basis points over US treasuries at the end of March to 380 basis points by the end of June.

Whilst this was a stellar quarter for the fund on an absolute return basis, we were guilty of remaining somewhat defensibly positioned through April, and as such missed a bit of the rally. The index outperformed the fund by 1.0%, returning 7.6% for the quarter.

Key contributors to the quarter's return were Cote d'Ivoire, Nigeria, Angola, Egypt and Kenya. Interestingly oil importer and oil exporters had equally strong positive returns.

Oil exporters (primarily Angola and Nigeria) were buoyed by the sustained high oil price seen in April and May, with June's fall not enough to do too much damage to the bonds as the countries have bolstered their foreign exchange reserves to a significant degree – something that will take a long time to reverse.

Oil importers recovered strongly in April and kept some positive momentum thereafter as the "risk-off" panic subsided and it became clear there would not be a long, drawn-out ground war and oil supply quickly reacted from non-Gulf regions.

Local currency T-bill and bonds also performed well during the quarter, supported by Nigeria T-bills and the Egyptian currency which strengthened by around 9% (but remains around 5% weaker than pre-war levels).

Our Senegal eurobond was a key underperformer, returning just 1% for the quarter. We went into the year slightly overweight Senegal, taking the view that the country's eurobonds were offering value, despite increasing talk of a potential restructuring, after falling from 75c on the dollar in October last year to around 60c in January this year. The bond price fell further during the March volatility, ending the month at 53c and has remained at these levels. At this price we are still confident that we will make money even if there is a restructuring, much like in the case of Ghana – but are reviewing the position.

With falling oil prices, stabilising inflation and local interest rates, and attractive spreads over US treasuries we remain extremely positive on Africa fixed income.

Performance declaration for Laurium Africa USD Bond Fund (UCITS)(Class A1)	FUND (USD)	BENCHMARK Standard Bank Africa Soverign Eurobond (excl. SA) Total Return Index in USD
Annualised return since inception	+6.2%	+7.0%
Cumulative return since inception	+36.3%	+41.8%
1 Year	+15.9%	+18.3%
3 Year (annualised)	+14.6%	+16.6%
Highest rolling 1-year return (since inception)	+23.2%	
Lowest rolling 1-year return (since inception)	-25.4%	
Fund inception date	1 April 2021	