LAURIUM LIMPOPO CAYMAN FEEDER SEGREGATED PORTFOLIO

Quarterly Commentary | June 2026

The Laurium Limpopo Cayman Feeder Segregated Portfolio returned 10.9% over the three months to 30 June 2026, inline with the RisCura RealView Africa ex-SA Total Return Index. The quarter's returns reflected both supportive market conditions and the benefits of active country and stock selection in Egypt, Nigeria and Ghana, partially offset by weakness across the portfolio's resource-related exposures.

A key theme during the quarter was the re-emergence of inflation concerns following Middle East tensions and the associated rise in oil prices. While this complicated the outlook for monetary easing in several African economies, the impact was far from uniform. For oil-importing countries such as Egypt, higher energy prices represent a headwind to disinflation, whereas producers such as Nigeria stand to benefit through improved external balances and fiscal revenues. Notwithstanding, markets that entered the year with improving macroeconomic fundamentals and credible reform momentum continued to attract capital, while more cyclical and commodity-sensitive exposures lagged.

Beyond the macro backdrop, African equities offer an unusually attractive combination of growth and valuation. Despite generating some of the strongest corporate earnings growth across emerging and frontier markets, the portfolio currently trades on a forward price-to-earnings ratio of just under 7.4x, with a dividend yield of approximately 4.5%. In our view, this reflects the persistent discount applied to African equities rather than the underlying fundamentals of the businesses themselves.

Egypt is one of the portfolio's largest country exposures. While the economy continues to adjust to the significant currency devaluation of 2024, we are increasingly encouraged by the recovery in corporate earnings. Businesses have largely adapted to the new operating environment, external financing pressures have eased materially, and a number of high-quality companies are delivering earnings growth well ahead of market expectations. Holdings such as Telecom Egypt and Fawry were among the fund's strongest contributors during the quarter.

Nigeria was a major focus of our research efforts during the period. During an extensive on-the-ground research trip in May we assessed both the progress of the country's reform agenda and the implications of recent developments in global energy markets. Nigeria's transformation from a major importer of refined fuel products to a net exporter following the commissioning of the Dangote Refinery remains one of the most significant structural developments on the continent. Alongside ambitious plans to increase crude oil production from approximately 1.6 million barrels per day today to 3 million barrels per day by 2030, the country appears materially better positioned than in previous commodity cycles.

Perhaps the most striking observation from our trip was the contrast between Nigeria's macro improvements and (still) lagging consumer demand. An interesting fact is that since 2011, the country has added approximately 60 million people—equivalent to another South Africa—yet total beer market volume and value remain smaller than it was a decade ago. This highlights the extent to which household purchasing power remains under pressure and possibly also structural changes in consumption patterns. Conversely, It does also illustrate to us the scale of latent demand should real incomes begin to recover.

In contrast, the banking sector appears particularly well positioned. Credit penetration remains low by global standards, bank balance sheets are exceptionally clean following recent recapitalisation efforts, and loan growth is increasingly being directed towards infrastructure, energy and corporate investment projects. Combined with a more stable Naira and improving liquidity conditions, we see attractive opportunities within high-quality Nigerian financials. We are also encouraged by a noticeable acceleration in capital market activity, with several large IPOs expected in the coming months, creating an expanding opportunity set for bottom-up investors.

Over this quarter, stock selection in Egypt, Nigeria and Ghana added meaningfully to performance while “other resources” lost approximately 0.3% from returns. Gold-related holdings also disappointed, detracting 0.8%, and did not provide the defensive characteristics that we had anticipated given the uncertain geopolitical backdrop.

The largest contributors to performance were Telecom Egypt, Grindrod, Safaricom and Fawry, reinforcing a portfolio characteristic over the last several years; durable returns continue to be generated by companies benefiting from structural rather than cyclical growth drivers, or relate to unique and hard-to-replicate industrial asset bases earning good returns on capital. Telecommunications, financial inclusion, digitisation and formalisation remain powerful themes across the continent.

Looking ahead, we remain cautious on making broad macroeconomic predictions but increasingly constructive on company-specific opportunities across Africa. We favour businesses with strong balance sheets, pricing power and identifiable structural growth drivers, and believe this remains the most effective way to capture Africa’s improving opportunity set while managing the risks that come with still-fragile macro recoveries and uneven liquidity conditions. Finally, while still early in the cycle, flows from both local pension funds and offshore allocators are becoming increasingly visible and have the potential to support both valuations and capital market development over the coming years.

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Performance declaration for Laurium Limpopo Cayman Feeder Segregated Portfolio (Class A) Net of Fees	FUND (USD)	BENCHMARK Riscura RealView Africa ex SA TR Index
Annualised return since inception	+7.9%	+2.3%
Cumulative return since inception	+158.9%	+33.2%
1 Year	+50.4%	+40.9%
3 Years (annualised)	+32.3%	+25.2%
Highest rolling 1-year return (since inception)	+78.3%	
Lowest rolling 1-year return (since inception)	-24.9%	
Fund inception date	1 January 2014	