



African Local Currency



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What and When – Not together



African Public Debt

Bond market size and liquidity

Local Currency bonds and bills (\$800 billion in size)

- Focus : Government bonds only (apart from SA, corporate bonds are not liquid enough)
- Markets : 10 key markets (out of 54)
- Local currency debt has grown faster than hard currency bonds over the last 5-10 years, with significant growing focus from DFIs/World Bank
- Settlement : South Africa (Euroclear), Rest all local settle

Country	Bonds		Bid/Offer	ADV	FX daily volume (\$ million)
	Mkt Cap (\$ billion)	Index Yield			
1 South Africa	184.7	9.2%	2-4 bps	\$2.5 bn	\$2.4 bn
2 Morocco	86.3	2.8%	10-20 bps	\$100 - \$150 mn	\$70 - \$100 mn
3 Egypt	50.6	23.6%	50 bps	\$100 - \$150 mn	\$400 - \$500 mn
4 Kenya	23.5	12.3%	20-30 bps	\$50 - \$100 mn	\$70 - \$100 mn
5 Nigeria	19.3	16.3%	10-25 bps	\$200 - \$300 mn	\$300 - \$500 mn
6 Zambia	6.1	17.4%	100+ bps	\$25-50 mn	\$50-75 mn
7 Mauritius	5.5	5.5%	25 bps	\$10 - \$20 mn	\$25 mn*
8 Namibia	4.4	10.2%	5-10 bps	\$50 - \$100 mn	\$70 - \$100 mn
9 Botswana	2.0	9.2%	30 bps	\$25-50 mn	\$70 - \$100 mn
10 Ghana	1.8	16.0%	100+ bps	\$85 - \$ 100 mn*	\$70 - \$100 mn
Total	384	10.3%			

African Local currency bonds at ~\$380 billion, with bills another \$550 billion. More liquid than respective public equity markets, with most having primary dealers/market makers

Source: Bloomberg, MCBIM; as at Sept 2025

Hard Currency bonds (\$120 billion in size)

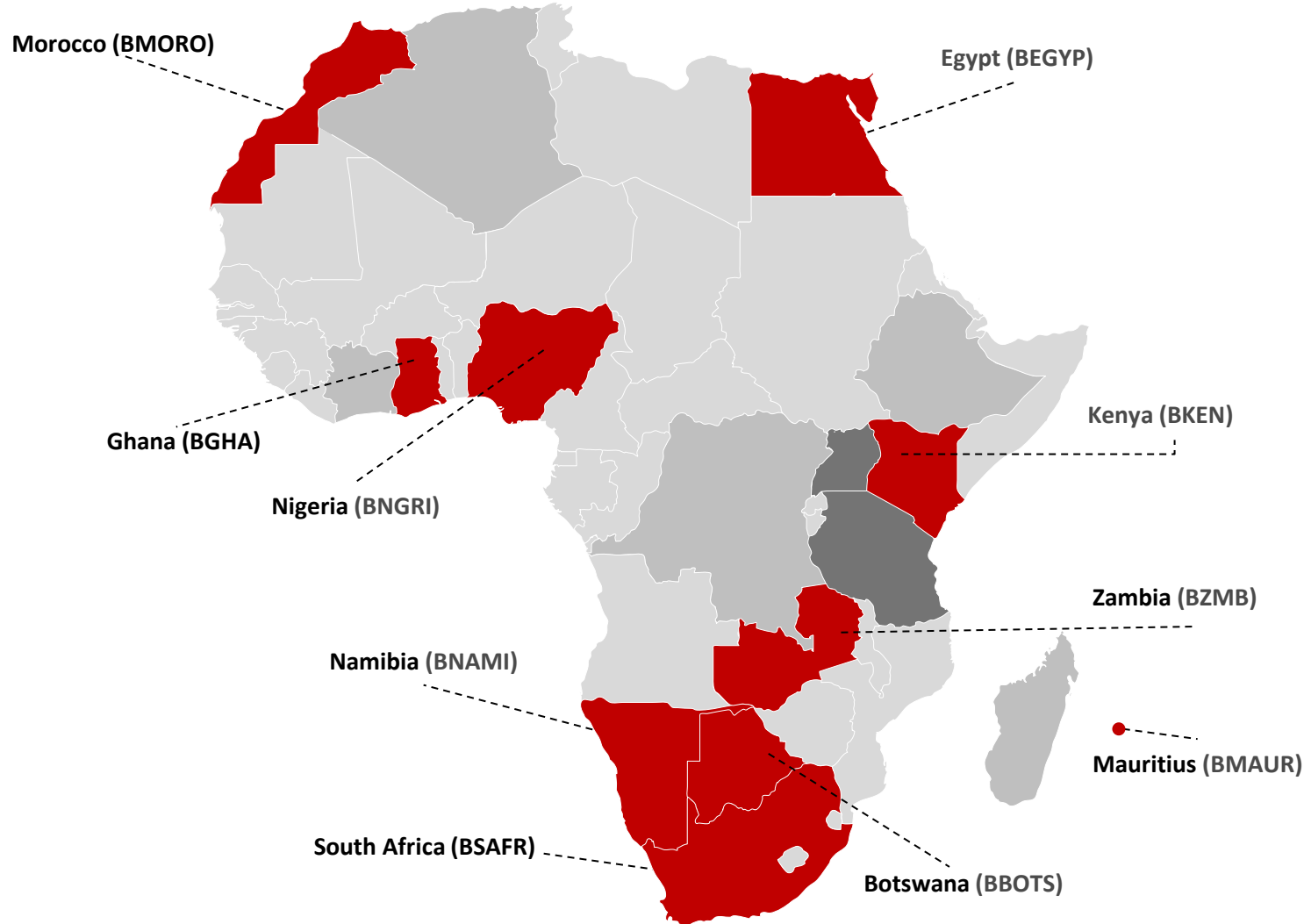
- Focus : Government and Corporate Bonds
- Markets : 10-11 key markets, 6 have Credit Default Swaps (CDS) traded on them
- Settlement: Euroclear

Country	Eurobonds (sovereign)	Index Yield	Eurobonds (Corp)
1 Egypt	21.9	24.3%	
2 S.Africa	18.6	9.5%	14.5
3 Nigeria	15.6	16.6%	3.0
4 Angola	7.3	10.7%	
5 Kenya	6.8	12.4%	
6 Ghana	6.9	16.3%	1.5
7 Ivory Coast	6.0	7.8%	
8 Morocco	5.7	2.8%	4.6
9 Senegal	2.2	12.2%	
10 Rest	5.0		9.0
Total	96		32.6

African Sovereign Eurobonds : ~\$90 billion, ADV of \$100 million
 African Corporate Eurobonds : ~ \$30 billion, ADV of \$25 million

African Public Debt

Africa is not a country

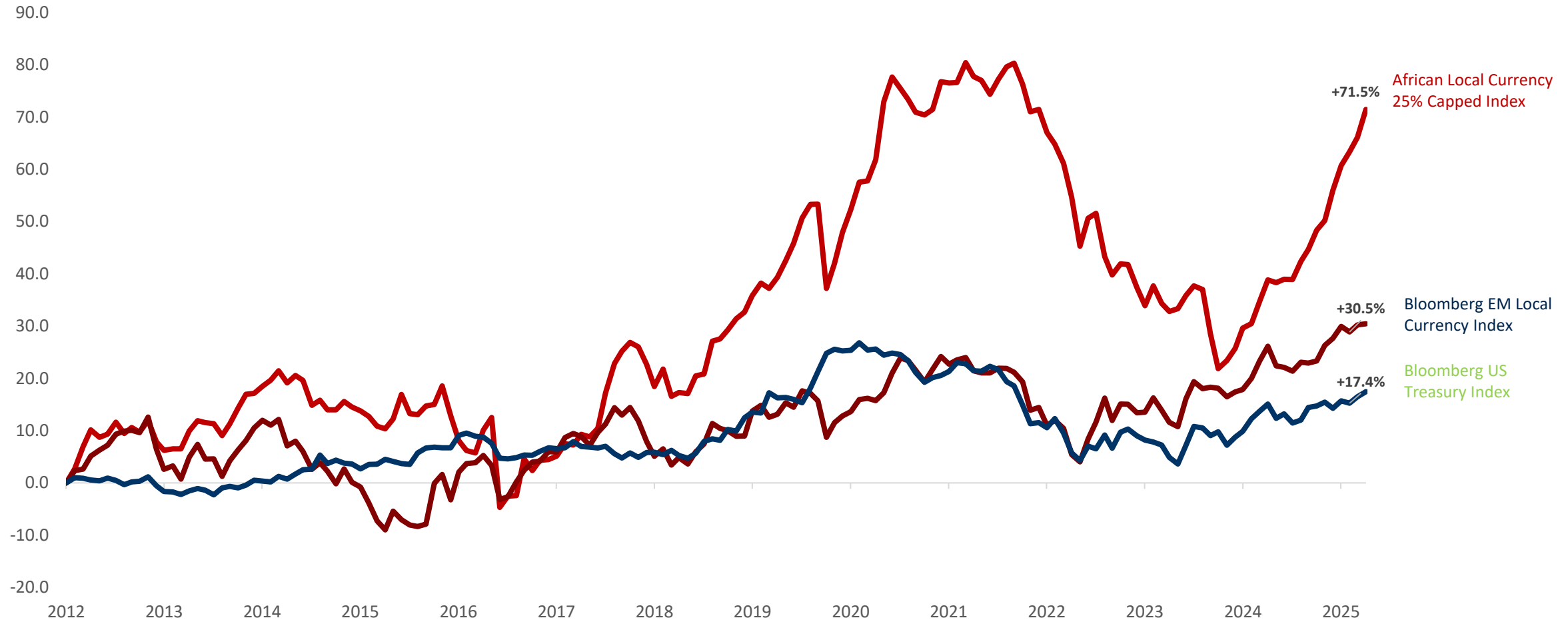


Country	Index	Rating	# of bonds in Index	Highest Maturity Bond	% Foreign Investors*
South Africa	BSAFR	BB-	14	28 yrs	25%
Morocco	BMORO	BB+	61	30 yrs	<10%
Egypt	BEGYP	B-	68	11 yrs	<10%
Kenya	BKEN	B-	36	22 yrs	12%
Nigeria	BNGRI	B-	27	28 yrs	15%
Zambia	BZMB	CCC+	220	15 yrs	25%
Mauritius	BMAUR	BBB-	92	20 yrs	0%
Namibia	BNAMI	BB-	11	25 yrs	<5%
Botswana	BBOTS	BBB	6	18 yrs	<5%
Ghana	BGHA	CCC+	27	14 yrs	<5%

Source: Bloomberg, MCBIM, Various Sources: As at Sept 2025
* estimated

African Public Debt

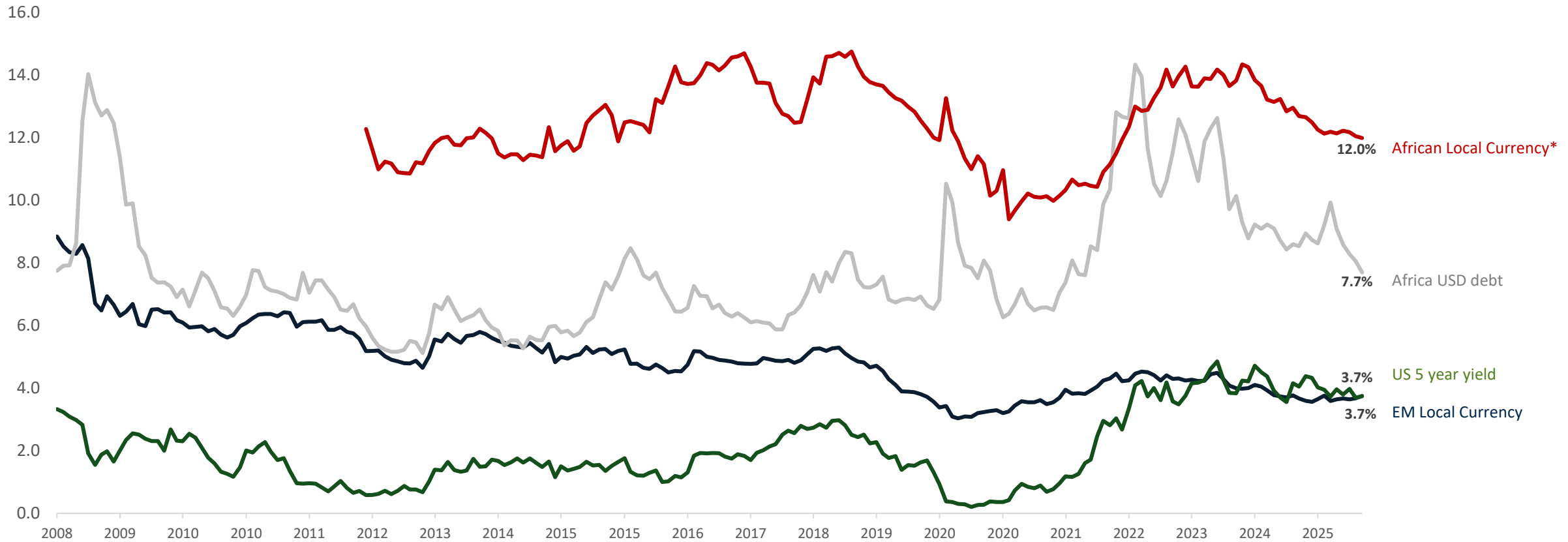
Total Return (in USD) vs global peers



Source: Bloomberg, MCBIM; as at Sept 2025. You cannot invest directly in an Index

African Public Debt

High Yields vs Peers (and lower duration)



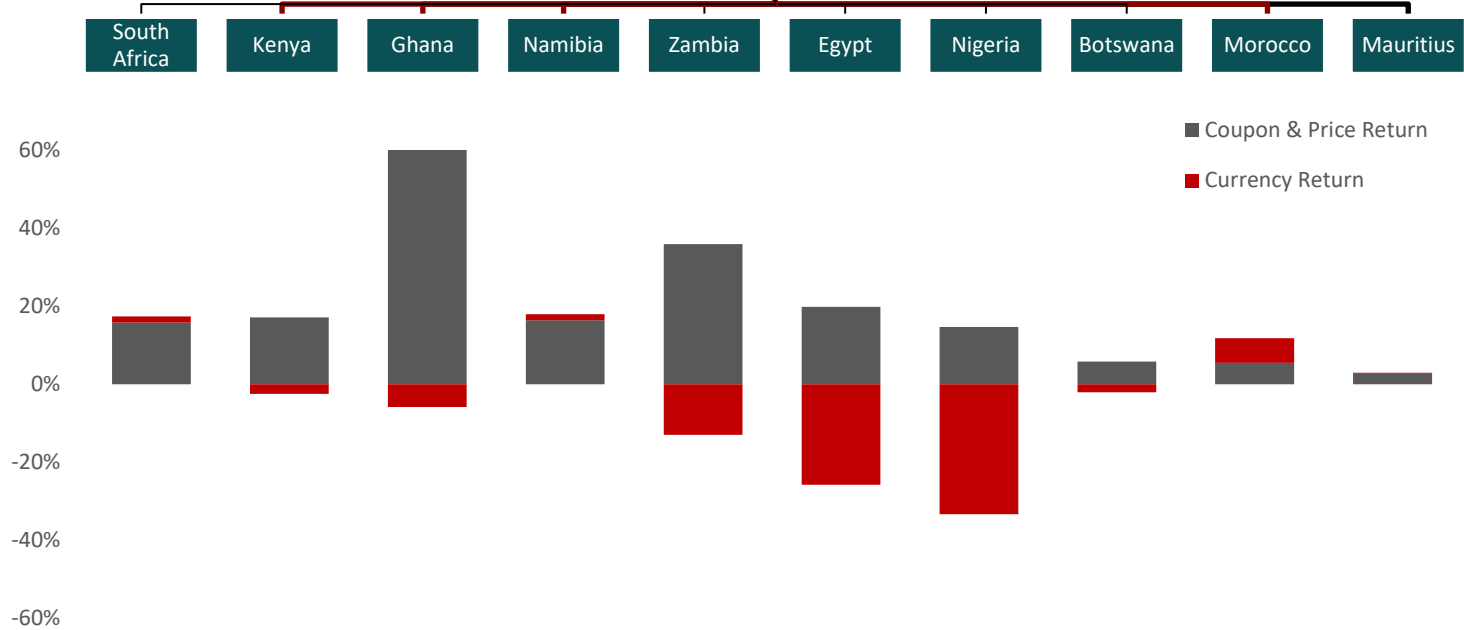
*Inception Date: June 2012

Source: Bloomberg, MCBIM; as at Sept 2025.

African Public Debt

Annualised returns (3 years) by FX and rates

AFMISM Bloomberg[®] African Bond Index



	S. Africa	Kenya	Ghana	Namibia	Zambia	Egypt	Nigeria	Botswana	Morocco	Mauritius
Coupon & Price Return (Ann. %)	15.79%	17.09%	70.35%	16.40%	35.89%	19.78%	14.62%	5.83%	5.43%	2.85%
Currency Return (Ann. %)	1.55%	-2.47%	-5.83%	1.55%	-13.02%	-25.80%	-33.37%	-2.08%	6.37%	0.07%
Total Return (Ann. %)	17.34%	14.62%	64.52%	17.95%	22.87%	-6.02%	-18.75%	3.75%	11.80%	2.92%

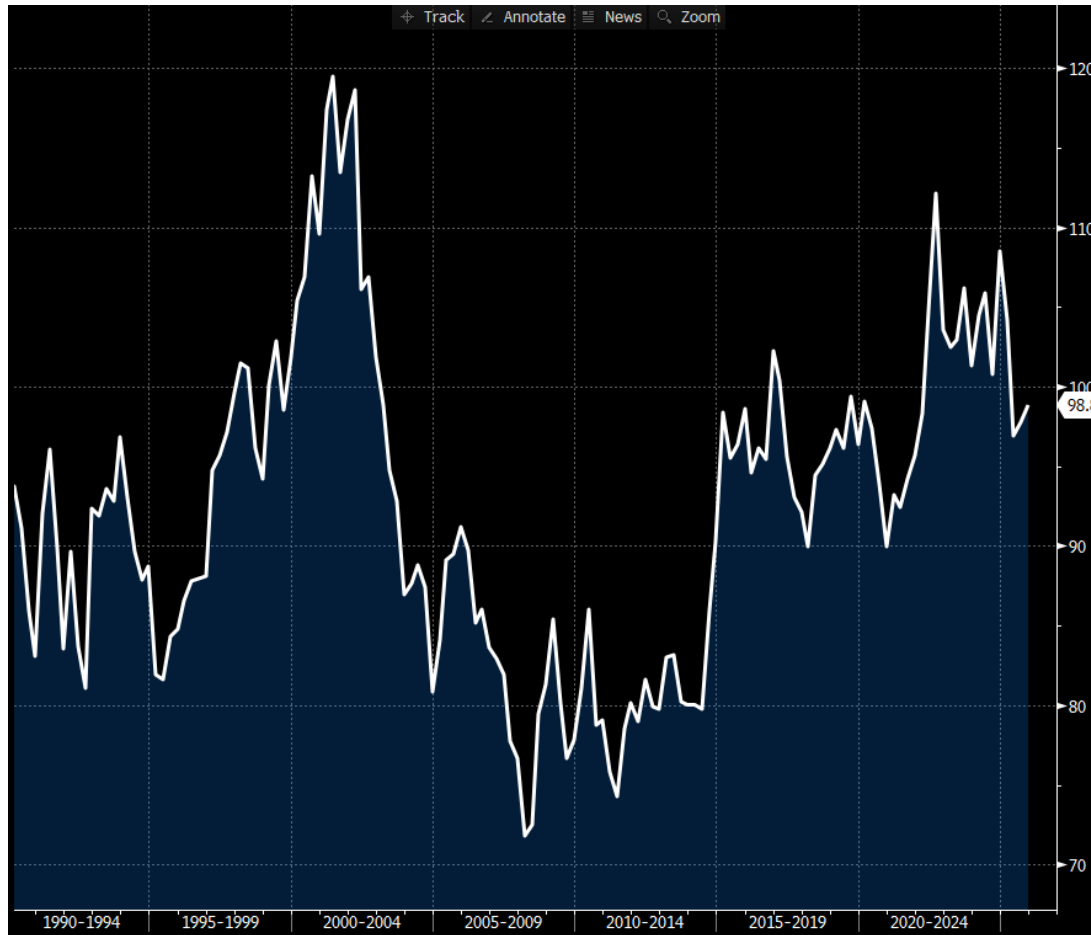
Total return, in USD (unhedged), from the respective country's local currency bond market

Global Macro – for the Tariff Fatigued

USD and US 10 year focus of the current US administration

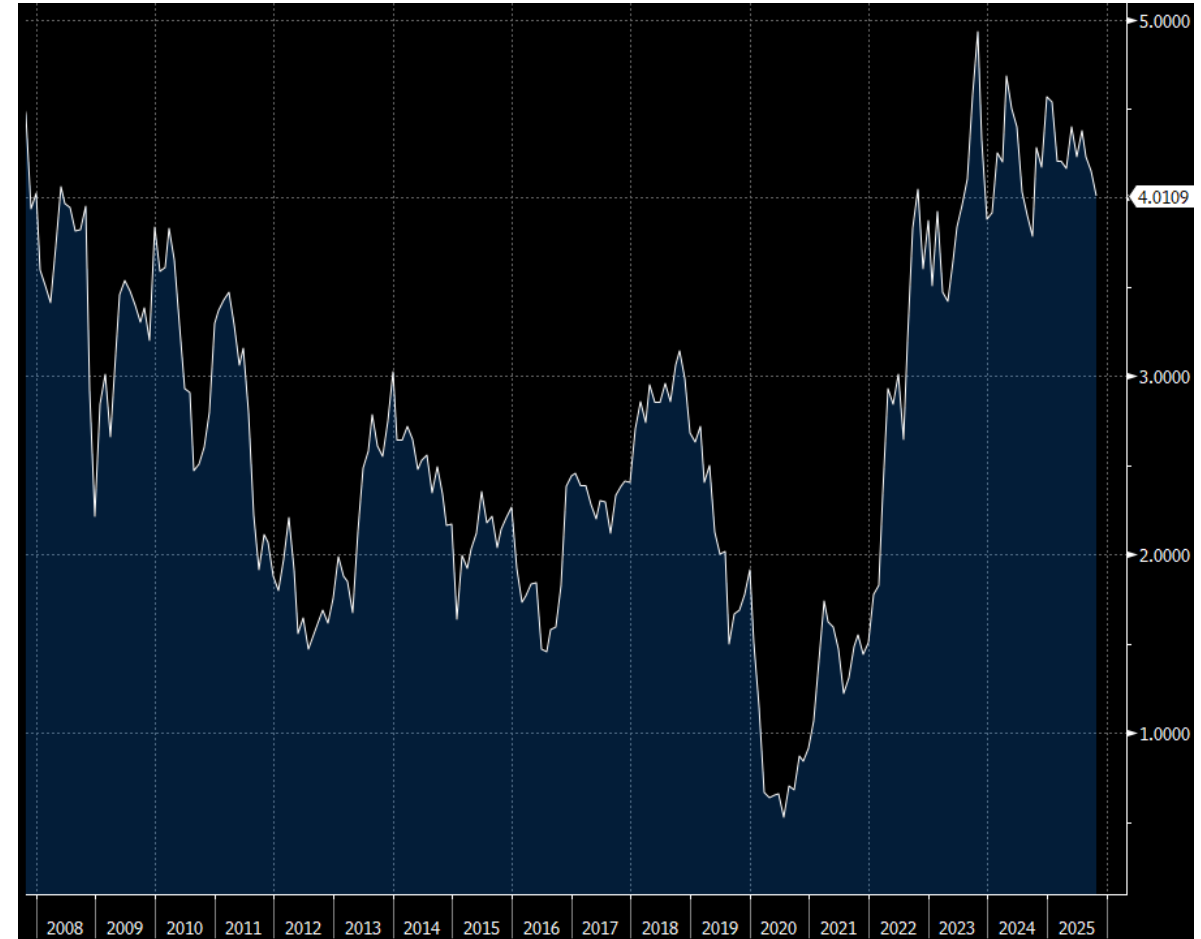
US Dollar (overvalued)

Despite YTD fall, USD still looks overvalued



US 10 year yield

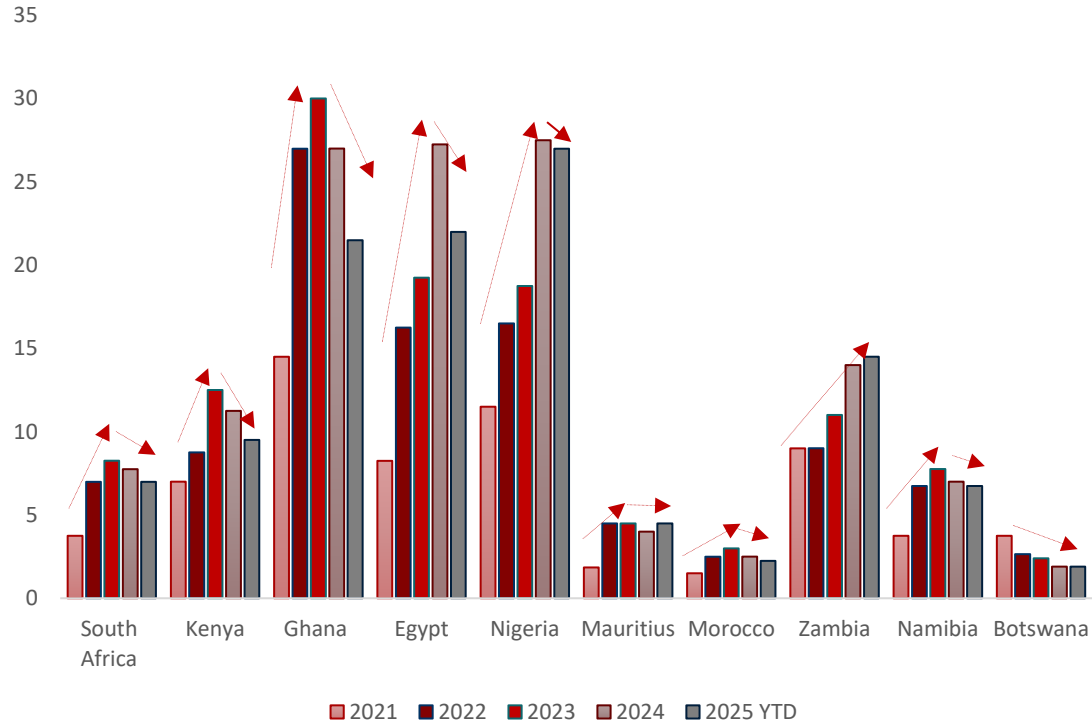
Back to 2007 levels, in the interim debt levels have risen 4.1x



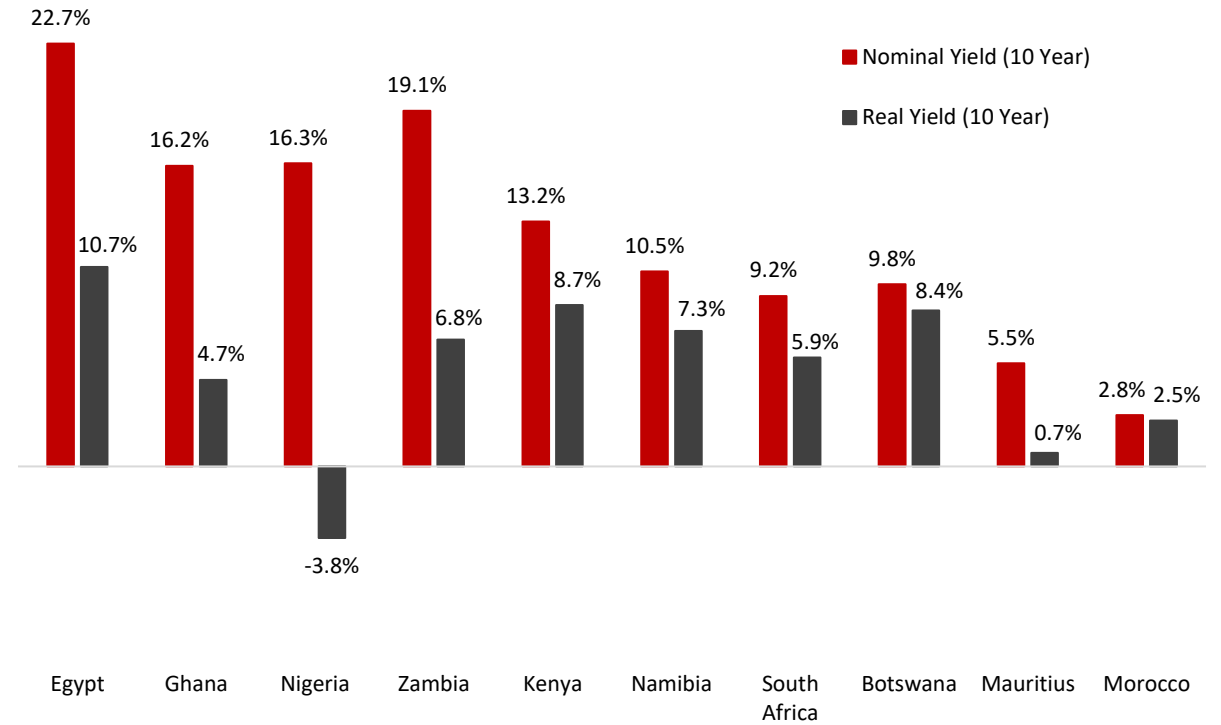
African Public Debt

Slowing inflation, high yields

Policy Rates by country and over time



Attractive yields



Source: Bloomberg, central banks, as at Sep 30th, 2025

African Public Debt

Low beta to global markets

Low correlations to global peers

	AFMI Bloomberg African Bond Index 25% Capped
Bloomberg Global Agg	0.15
US Treasuries	0.11
USD Investment Grade Debt	0.16
USD High Yield Debt	0.20
USD Emerging Market Debt	0.19
EM Local currency	0.24
Hard Currency African Debt	0.18
S&P 500	0.18
Dollar Index (DXY)	-0.21

Inherently diversified

	AFMI Bloomberg African Bond Index 25% Capped
South Africa (BSAFR)	0.51
Egypt (BEGYP)	0.61
Morocco (BMORO)	0.24
Nigeria (BNGRI)	0.51
Kenya (BKEN)	-0.06
Zambia (BZMB)	0.01
Mauritius (BMAUR)	0.08
Namibia (BNAMI)	0.48
Botswana (BBOTS)	0.21

Source: Bloomberg; weekly USD returns from Sept 2022 to Sept 2025

Perspective vs reality:

- African local fixed income has outperformed often times with lower volatility, showing superior returns on a risk-adjusted basis as well.
- Additionally, from a portfolio construction context, African debt offers significant diversification benefits; local currency more than hard currency.



Access: African Domestic Bond Fund

African Domestic Bond Fund (ADBF)

Fund Overview

MCB Investment Management Co. Ltd (Manager), working in partnership with the African Development Bank (AfDB) launched the African Domestic Bond Fund ("ADBF"), an exchange-traded fund (ETF) domiciled in Mauritius, that provides access to local currency African fixed income markets in a cost efficient, liquid and transparent manner. The AfDB acts as an anchor investor and sponsor, in a view to promote local currency finance and contribute to the development of local currency capital markets across the African continent.

Fund Objective

The aim of the fund is twofold:

1. Help **improve local capital markets across Africa**, by channeling investor flows to local bond markets, growing their importance, growing secondary market trading and in the process helping countries reduce their reliance on external debt.

Additionally, via an ETF structure, to democratise access to this asset class (retail participation in the fund has risen from 2% to 7%, and trading fees are 10bps vs the average 70-125bps)

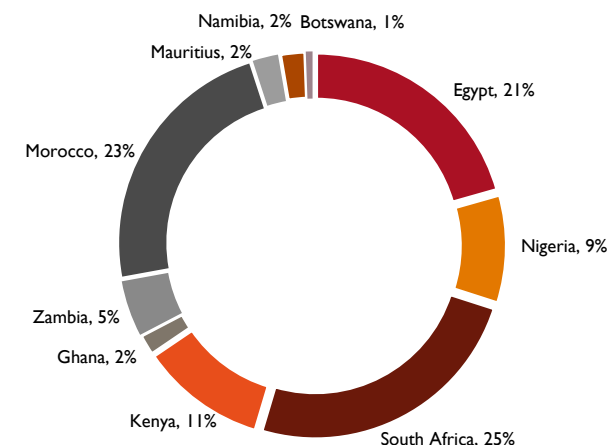
2. Provide **access to an attractive and growing asset class** (local currency African debt) to investors in a liquid, transparent and cost effective manner, with international best in class processes and infrastructure.

Source: Bloomberg, MCBIM; as at Sept 2025

African Domestic Bond Fund

Type	Exchange Traded Fund (Ticker: ADBF MP Equity)
Benchmark	AFMI Bloomberg African Bond Index 25% capped (Ticker: BADBC Index)
Number of countries	10
Investment Universe	Local currency sovereign and quasi-sovereign bonds
Base currency	USD
Duration	4.62
Yield to worst	11.57% (net of withholding tax)
Domicile	Mauritius
Primary listing	Stock Exchange of Mauritius
Secondary Listing(s)	Botswana Stock Exchange (with local asset status)
AUM	\$44.4 million
Minimum investment	1 share (approx. \$7.26)
Holding period	None (trades daily)
TER	65bps (on AUM of \$100mm)

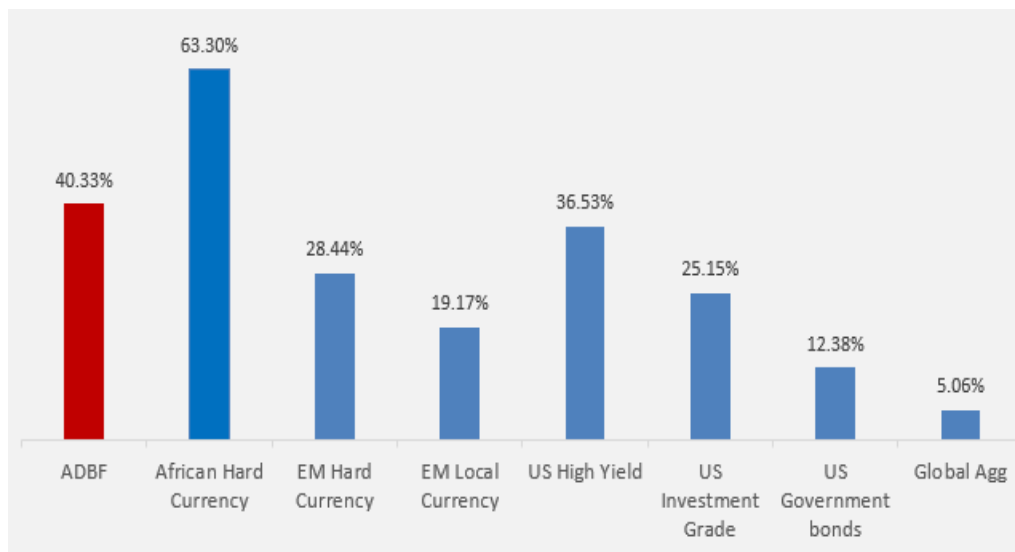
Index Country Weights



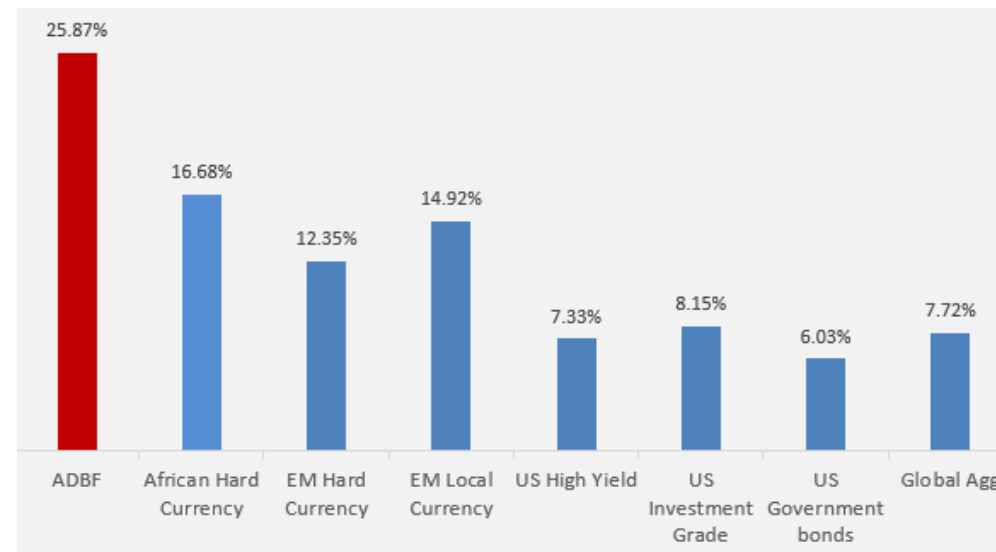
ADBF Performance

Outperforming peers, often with lower volatility

Total Returns (USD)
Since inception of ADBF (Sep 18, 2018)



Total returns (USD)
2025 YTD



Sharpe Ratio (1 year)	African Local Currency	EM local Currency	EM Hard Currency	African Hard Currency	US High Yield	US Investment Grade
	2.67	1.54	1.36	N/A	0.81	0.43

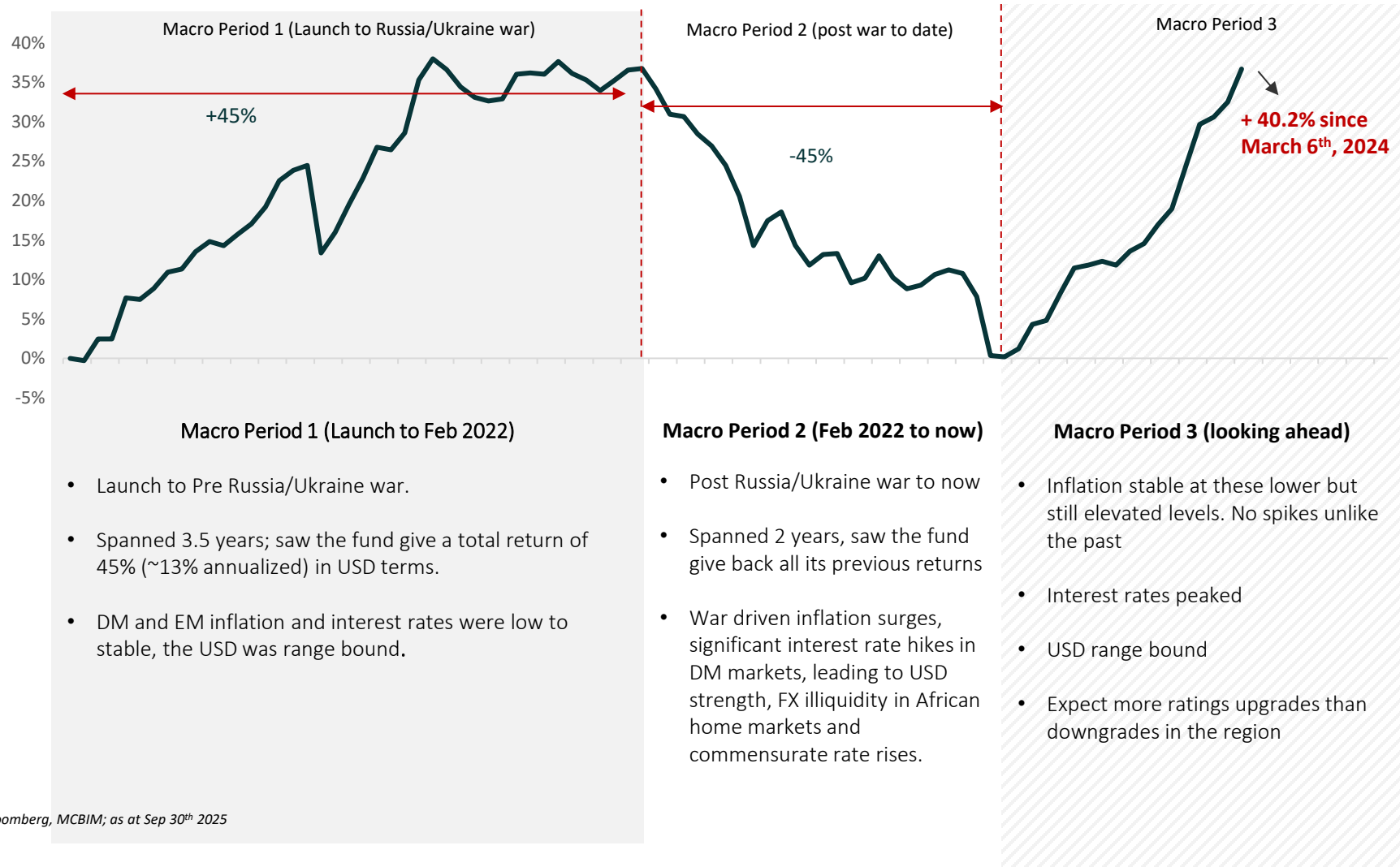
Source: Bloomberg, MCBIM; as at Oct 30th 2025

Returns are on ETFs tracking each respective index, except for African Hard Currency where no ETF exists; not index analytics

ADBF - outlook

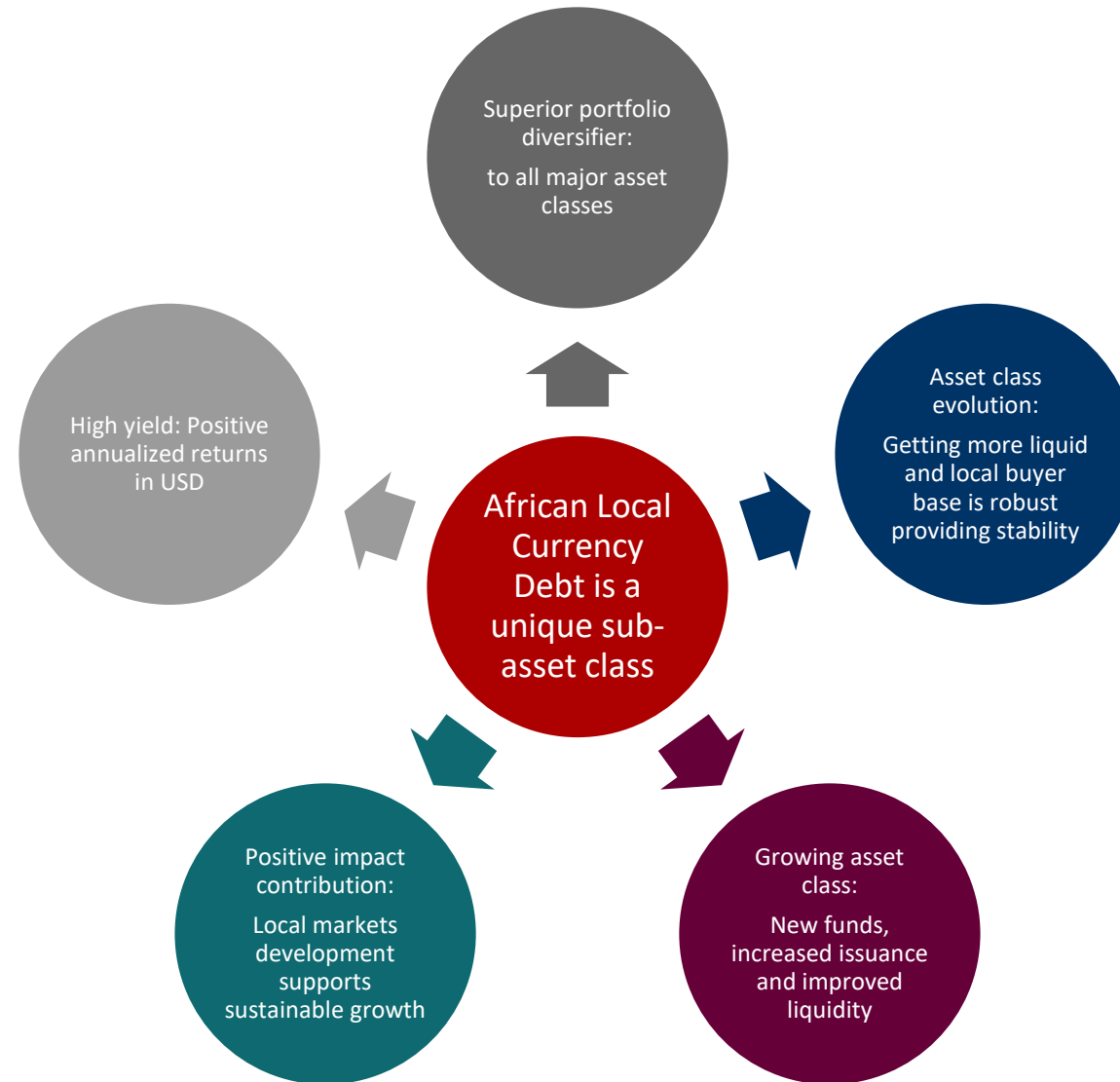
Mapping over different macro regimes

African Domestic Bond Fund (USD; Mapping over different macro regimes)



Source: Bloomberg, MCBIM; as at Sep 30th 2025

African Domestic Bond Fund



Africa Focused

MCB Investment Management

2014

MCB Africa Bond Fund (ABF)

We are one of the first asset managers to launch and manage an Africa only bond fund.

The fund remains one of the longest running African funds, with an impressive track record.

Strategy: Active/Absolute Return
Universe: Local currency and Hard Currency African Sovereign and corporate bonds, derivatives allowed
Tracking error: unconstrained
Duration/credit limits: limit on tier 2, limits on off-benchmark bets
Countries in benchmark : 12

2015

MCB Africa Equity Fund

Launched MCB Africa Equity Fund

2015

Africa focused infrastructure

Enhanced our African focused infrastructure:

- 1.Lines opened with at least 3 local banks and/or brokers in each country.
2. Engaged multiple custodians

2018

African Domestic Bond Fund (ADBF)

Won a mandate from the AfDB to launch and manage an ETF, investing in local currency African Bonds.

Working with Bloomberg (index provider) to capture data and map the asset class better.

Strategy: Enhanced Index
Universe: Local currency Sovereign bonds, derivatives allowed
Tracking error: minimized
Country limit: +/- 5%
Countries in benchmark :8

2019-2022

Trainings/ADBF

Ongoing participation in annual trainings/knowledge transfer organized by the AfDB for African Central Bank officers, especially DMOs.

2023-2025

ADBF Secondary listing on the BSE in BWP

In line with AfDB and MCBIM's aim to enhance African capital markets, ADBF has started the process to have additional listings on other African Exchanges.

Specialist knowledge, resources and experience, which gives us depth, understanding and focus



Appendix

African Public Debt

Returns by country by year

	2020	2021	2022	2023	2024	2025 YTD
South Africa	3.76%	-0.28%	-2.22%	2.09%	13.41%	24.90%
Egypt	16.18%	13.53%	-33.16%	-10.89%	-22.35%	25.49%
Morocco		-0.81%	-17.26%	11.41%	5.18%	17.81%
Nigeria	29.41%	-21.02%	-0.28%	-44.75%	-39.57%	34.68%
Kenya	5.07%	7.11%	-1.19%	-18.38%	55.80%	17.64%
Mauritius		-14.80%	-8.18%	10.55%	-0.21%	4.00%
Zambia	-14.57%	131.35%	-3.22%	-3.07%	23.37%	49.36%
Namibia	8.22%	-3.53%	1.04%	11.96%	10.72%	19.27%
Botswana	4.17%	-18.19%	-2.81%	2.94%	2.95%	-0.72%
Ghana	23.80%	10.24%	-50.02%	45.94%	43.74%	79.28%

Source: Bloomberg, as at Sep 30th, 2025

Index

BADBC Index
Security Description

6) Download
7) Functions ▾

1) Profile
2) Characteristics
3) Return
4) Membership

AFMI Bloomberg African Bond Index 25% Capped

AFMI Bloomberg African Bond Index 25% Capped is a rules-based market value weighted composite index of the Bloomberg South Africa, Egypt, Nigeria, Kenya, Namibia, Botswana, Ghana, Zambia, Morocco and Mauritius Local Sovereign Indices. Country percentage contribution to the index is capped at 25%. To be included in the index a security must have at least 1 year remaining to maturity and have a minimum par amount outstanding of ZAR 2 billion, EGP 1

5) Total Return Chart (GP)

Return	Date	Level	% Chg
Month to Date	09/30/25	171.45	+0.78
Year to Date	12/31/24	138.95	+24.35
1 Year	10/08/24	137.58	+25.58
3 Years (Ann)	10/07/22	154.89	+3.71
52 Weeks Low	10/23/24	136.45	--
52 Weeks High	10/08/25	172.78	--

Index Information

Inception Date	12/31/2009	Index Type	Government
Base Currency	USD	Market Type	Emerging Market
Rebal Frequency	Monthly	Next Rebal Date	10/31/2025
Weighting	Market Value		

Forward Characteristics (10/8/2025)

Yield To Worst	11.66	Market Cap.	384.71B
Mod Duration	5.06	Average Life	8.56 Yrs
Mod Convexity	0.57	Quality	B+
Par Wgt Cpn	11.66		
Members	567		

Top Weighted Constituents

Name	Wgt(%)	Name	Wgt(%)
11) EGYGB 24.144 12/03/2	3.72	16) SAGB 8 1/2 01/31/37 #	2.57
12) SAGB 8 3/4 02/28/48 #	3.10	17) SAGB 10 1/2 12/21/26	2.53
13) SAGB 8 7/8 02/28/35 #	2.87	18) MORGB 4 1/4 07/18/39	2.47
14) SAGB 8 1/4 03/31/32 #	2.70	19) SAGB 9 01/31/40 #20:	2.29
15) SAGB 8 01/31/30 #20:	2.70	20) SAGB 8 3/4 01/31/44 #	2.12

ADBF – Bloomberg page

ADBF MP Equity
Export ▾
Page 1/5 Security Description: ETF

Profile
Performance
Holdings
Allocations
Organizational

AFRICAN DOMESTIC BOND FUND FIGI BBG00MOVFMW2

Category Global Government Bond

African Domestic Bond Fund is an exchange-traded fund established in Mauritius. The Fund's objective is to provide investment results that correspond closely to the total return of the AFMI Bloomberg African Bond Index 25% Capped, before fees and expenses. The Fund invests in debt obligations of various African governments and quasi-governments

6) Comparative Returns | COMP »

1 yr Total Return vs Index

- BADBC Index 25.6745
- ADBF MP Equity 25.3435

Bloomberg Classification

- Fund Type ETF
- Asset Group Global Fixed Income
- Category Gro... Global Government Bo...
- Geo. Focus. African Region

Appropriations

- Leverage No
- Actively Managed Yes
- Swap Based No
- Derivatives Based No
- Currency Hedged No
- Replication Strategy Actively ...
- Securities Lending Unknown

7) Price USD 7.18

8) NAV 10/08/25 USD 7.34

INAV N.A.

Fund Percent Premium -2.18%

52 Wk H 01/21/25 USD 7.50

52 Wk L 10/18/24 USD 6.02

Options No

Trading Data

- Bid Ask Spread** 0.100
- 90D Avg Agg Vol** 19.8k
- Implied Liquidity** N.A.
- Market Cap** N.A.
- Shares Out** N.A.
- Total Assets** USD 43.89M

Characteristics

- Und. Index** N.A.
- Index Weight** Market Cap
- 1Y Px Track. Error** 8.586
- 1Y NAV Track. Error** 1.937
- Inception Date** 09/18/18
- Expense Ratio** .600%

ADBF MP Equity
All Quotes

AFRICAN DOMESTIC BOND FUND

Abbr	Firm Name	Time	Last Trade	Bid / Ask	Bid Size x Ask Size
1)	SEM	10/08/2025	7.18	7.29 / 7.39	100 x 100