

**ANNUAL REPORT  
ALLAN GRAY AFRICA  
BOND FUND LIMITED**

31 DECEMBER 2025

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ALLAN GRAY AFRICA BOND FUND LIMITED

SCHEDULE OF NET ASSETS

As at 31 December 2025

Number held	Instrument (grouped by sector)	Market Value US\$	% of Fund
<b>GOVERNMENT</b>		<b>255 187 685</b>	<b>63.7%</b>
21 550 000	Ivory Coast 6.875% 2040 Eurobond	24 791 782	6.2%
20 300 000	Egypt 7.903% 2048 Eurobond	18 862 983	4.7%
13 300 000	Ivory Coast 8.25% 2037 Eurobond	14 457 901	3.6%
14 391 660	Ghana Step-Up (Amortising) Eurobond	13 398 208	3.3%
42 960 000 000	Uganda Government Bond 17% Senior 2031	12 251 076	3.1%
19 100 000 000	OMO Bill Nigeria 07/04/2026	11 874 708	3.0%
13 500 000	Republic of Angola 9.125% 2049 Eurobond	11 658 488	2.9%
514 000 000	Egypt Government Bond 25.318% 2027	11 036 463	2.8%
11 000 000	Egypt 8.5% 2047 Eurobond	10 835 678	2.7%
198 820 000	Zambia Government Bond 21.49% 2029	10 392 049	2.6%
9 500 000	Egypt 8.875% 2050 Eurobond	9 659 144	2.4%
180 000 000	Zambia Government Bond 20.74% 2029	9 250 508	2.3%
14 000 000 000	OMO Bill Nigeria 14/07/2026	8 667 908	2.2%
361 000 000	Egypt Government Bond 22.576% 2028	7 640 124	1.9%
149 800 000	Zambia Government Bond 20.25% 2030	7 626 839	1.9%
11 789 599 000	OMO Bill Nigeria 17/03/2026	7 414 172	1.9%
180 000 000	Zambia Government Bond 13% 2031	7 297 644	1.8%
370 000 000	TBill Egypt 13/01/2026	6 245 981	1.6%
92 500 000	Namibia Government Bond 10.25% 2050	5 392 214	1.3%
17 000 000 000	Uganda Government Bond 14.25% Senior 2029	4 489 315	1.1%
17 127 900 000	Uganda Government Bond 14.25% Senior 2034	4 241 237	1.1%
4 000 000	Nigeria 7.875% 2032 Eurobond	4 188 482	1.0%
6 000 000	Zambia 5.75% 2033 Eurobond	4 180 226	1.0%
7 785 123 198	Holdings less than 1%	29 334 555	7.3%
<b>CORPORATES</b>		<b>109 763 376</b>	<b>27.5%</b>
47 500 000	Seplat 9.125% 2030 Eurobond	49 413 276	12.4%
19 400 000	Panoro Energy 10.25% 2029 Eurobond	19 762 664	4.9%
15 000 000	Sasol 5.5% 2031 Eurobond	12 643 119	3.2%
12 400 000	ABSA AT1 6.375% 2026 Eurobond	12 434 098	3.1%
6 950 000	Kosmos Energy 7.75% 2027 Eurobond	6 395 102	1.6%
10 500 000	Holdings less than 1%	9 115 117	2.3%
<b>CASH AND NET ACCRUALS</b>		<b>35 020 021</b>	<b>8.8%</b>
<b>NET ASSETS</b>		<b>399 971 082</b>	<b>100%</b>

Note: There may be slight discrepancies in the totals due to rounding. The bonds have been disclosed exclusive of interest receivable.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

As at 31 December 2025

The directors of the Fund are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements, which comprise the financial position as at 31 December 2025 and its financial performance and cash flows for the year ended 31 December 2025, are set out on pages 6 to 22 and have been approved by the directors of the Fund and are signed on its behalf by:



John Collis  
Director  
12 March 2026



Craig Bodenstab  
Director  
12 March 2026

ALLAN GRAY AFRICA BOND FUND LIMITED  
INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Allan Gray Africa Bond Fund Limited**

**Opinion**

We have audited the financial statements of Allan Gray Africa Bond Fund Limited (the Fund), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Matter**

The financial statements of the Fund for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on these statements on 24 March 2025.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of financial assets at fair value through profit or loss**

The valuation of the Fund's financial assets at fair value through profit or loss is a key audit matter because it significantly impacts the Fund's performance and net asset value and is quantitatively significant to the Fund. We have therefore assessed the Fund's investments in financial assets as an area of higher risk of material misstatement due to the complexity in determining the fair value, particularly where quoted market prices are not readily available.

As of 31 December 2025, the Fund's financial assets at fair value through profit or loss amounted to US\$364,951,061. Financial assets include money market instruments and bonds. As disclosed in Notes 1.3.6 and 7.2 to the financial statements, the Fund records its investments in financial assets carried at fair value through profit or loss based on a quoted price in an active market. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques.

We evaluated management's valuation methodology applied to determine the fair value of the Fund's financial assets and performed the following procedures, among others.

For the Fund's investments in money market instruments and bonds, we compared the values recorded by the Fund to independently quoted prices, observable trades and/or third party vendor prices. For those investments not based on quoted market prices, we assessed the reasonableness of management's valuation methodology and compared observable data inputs used by management to independent sources.

We also independently recalculated the fair value of all financial instruments at fair value through profit or loss which we compared to the Fund's recorded fair value.

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the schedule of net assets, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**INDEPENDENT AUDITOR'S REPORT**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

ALLAN GRAY AFRICA BOND FUND LIMITED  
INDEPENDENT AUDITOR'S REPORT

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James George.

**Restriction on Use**

This report has been prepared for and only for Allan Gray Africa Bond Fund Limited and its Board of Directors in accordance with the terms of our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

*BDO Bermuda Ltd.*

**Chartered Professional Accountants**

Hamilton, Bermuda

12 March 2026

ALLAN GRAY AFRICA BOND FUND LIMITED  
STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 US\$	2024 US\$
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	2	364 951 061	303 871 656
Cash and cash equivalents	3	23 331 716	8 876 408
Trade and other receivables	4	11 777 272	8 388 331
<b>TOTAL ASSETS</b>		<b>400 060 049</b>	<b>321 136 395</b>
<b>LIABILITIES</b>			
Trade and other payables	5	88 967	2 465 490
<b>TOTAL LIABILITIES, EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>		<b>88 967</b>	<b>2 465 490</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>		<b>399 971 082</b>	<b>318 670 905</b>

The above Statement of financial position should be read in conjunction with the accompanying notes.

ALLAN GRAY AFRICA BOND FUND LIMITED  
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 US\$	2024 US\$
<b>NET INVESTMENT INCOME</b>		83 146 330	35 658 523
Interest income		39 050 155	30 234 346
Net change in unrealised gains/(losses) on investments		35 228 241	8 404 246
Net realised gains/(losses) on disposal of investments		9 925 692	(3 089 456)
Net foreign exchange gains/(losses)		(1 057 758)	(261 063)
Commitment fee income		-	370 450
<b>OPERATING EXPENSES</b>		(550 735)	(378 799)
Custodian fees		(297 151)	(145 976)
Management fees	1.3.2	(116 497)	(143 236)
Other expenses		(91 049)	(35 442)
Audit fees		(27 689)	(38 018)
Directors' fees		(15 000)	(15 000)
Interest expense		(2 305)	-
Bank charges		(1 044)	(1 127)
<b>PROFIT FOR THE YEAR BEFORE TAXES</b>		82 595 595	35 279 724
Withholding and other taxes		(2 708 184)	(1 024 470)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		79 887 411	34 255 254

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the year ended 31 December 2025

	Note	Net assets attributable to holders of redeemable shares US\$	Number of shares in issue
<b>BALANCE AT 31 DECEMBER 2023</b>		309 475 168	1 771 607
Net capital redemptions	8	(25 059 517)	(138 234)
Total comprehensive income for the year		34 255 254	-
<b>BALANCE AT 31 DECEMBER 2024</b>		318 670 905	1 633 372
Net capital subscriptions	8	1 412 766	6 169
Total comprehensive income for the year		79 887 411	-
<b>BALANCE AT 31 DECEMBER 2025</b>		399 971 082	1 639 541

The above Statement of changes in net assets attributable to holders of redeemable shares should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 US\$	2024 US\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net cash outflow from operations before working capital changes	6.1	(550 735)	(8 349)
Working capital changes	6.2	19 815	(17 148)
Interest received, net of withholding tax		32 957 738	29 413 920*
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>32 426 818</b>	<b>29 388 423</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of investments		(173 964 021)	(167 187 517)
Proceeds from sale and maturity of investments		155 637 503	160 639 845
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(18 326 518)</b>	<b>(6 547 672)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of redeemable shares		20 793 124	2 300 093
Redemption of redeemable shares		(19 380 358)	(27 359 610)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	8	<b>1 412 766</b>	<b>(25 059 517)</b>
Net increase/(decrease) in cash and cash equivalents		15 513 066	(2 218 766)
Cash and cash equivalents at the beginning of the year		8 876 408	11 356 237
Effect of exchange rate changes on cash and cash equivalents		(1 057 758)	(261 063)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	3	<b>23 331 716</b>	<b>8 876 408</b>

The above Statement of cash flows should be read in conjunction with the accompanying notes.

\*Interest received in 2024 is presented net of non-cash transactions amounting to US\$121 080 as a result of corporate actions within the Fund.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

## Corporate information

Allan Gray Africa Bond Fund Limited (the 'Fund') was incorporated on 16 November 2012 and is a limited liability company of unlimited duration under the laws of Bermuda. The Fund was launched to the public on 27 March 2013 and is a Bermuda exempted Mutual Fund Company. The investment manager of the Fund is Allan Gray Bermuda Limited (the 'Investment Manager'). Allan Gray Proprietary Limited, a fellow subsidiary within the Allan Gray group, is the Investment Adviser to the Fund.

The financial statements of the Fund were authorised for issue by the directors of the Fund on 12 March 2026.

### 1. Accounting standards and policies

#### 1.1 Basis of preparation

The financial statements have been prepared on a going concern basis, using the historical cost basis, except for financial instruments that have been measured at either fair value or amortised cost, in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'). These financial statements are presented in US dollars, being the functional currency of the Fund.

#### 1.2 IFRS Accounting Standards

The Fund has adopted all new and revised standards, interpretations and amendments issued by the International Accounting Standards Board (the 'IASB') and the International Financial Reporting Interpretations Committee ('IFRIC<sup>®</sup>') of the IASB that are relevant to its operations and effective for the annual accounting period ended 31 December 2025.

The material accounting policies adopted in the preparation of the financial statements are set out below and are in accordance with and comply with IFRS Accounting Standards.

The following new or revised IFRS Accounting Standards, interpretations and amendments applicable to the Fund have been issued but are not yet effective:

	Standards	Effective date: Years beginning on/after	Expected impact
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026	No material impact
IFRS 18	Presentation and Disclosure in Financial Statements - New standard	1 January 2027	Refer to Note 1

The Fund intends to adopt these new and amended standards and interpretations, as applicable, when they become effective.

#### Note 1

The Fund has elected not to early adopt IFRS 18. The assessment of the Standard's impact on the Fund's annual financial statements is ongoing and is expected to be completed by 30 June 2027.

### 1.3 Accounting policies

The Fund has identified the accounting policies that are most significant to its operations and the understanding of its results. These accounting policies are set out below and have been consistently applied.

#### 1.3.1 Net investment income

Net investment income comprises interest income, net foreign currency gains and losses, net realised gains and losses and net change in unrealised gains and losses on investments.

##### Interest income

Interest is recognised in the Statement of comprehensive income using the effective interest method.

##### Investment gains and losses

The net change in the fair value of financial assets held at fair value through profit or loss, and net realised gains or losses made on the disposal of these financial assets, calculated using the average cost method, are recognised in the Statement of comprehensive income.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**1.3.2 Management fee**

The management fee is the fee accrued by the Fund to the Investment Manager for the management of the Fund. Management fees are calculated and accrued based on the weekly net asset value of the share class and recognised on an accrual basis in the Statement of comprehensive income. Further details relating to the management fee calculation are disclosed in Note 9.

**1.3.3 Expenses**

Any interest expense is recognised on an accrual basis using the effective interest method. All other expenses are recognised in the Statement of comprehensive income on an accrual basis.

**1.3.4 Distributions to holders of redeemable shares**

Distributions from the Fund that may be declared will automatically be reinvested in additional redeemable shares, unless a holder of redeemable shares requests in writing that any income distributions be paid to them. Distributions to holders of redeemable shares are recognised in the Statement of comprehensive income as finance costs.

**1.3.5 Taxation**

There is no income tax, corporation tax, profits tax, withholding tax, capital gains tax, capital transfer tax, estate or stamp duty or inheritance tax in Bermuda payable by the Fund or its members in respect of shares in the Fund. The government of Bermuda has undertaken that in the event that any income, profit, capital, capital gains, estate or inheritance taxes are levied in Bermuda in the future, the Fund and its shares will be exempt from such taxes until 31 March 2035.

Income and capital gains on the Fund's investments, however, may be subject to taxes in certain countries.

The Fund evaluates tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities. If it is probable that the Fund's tax positions will be accepted, the taxable profit/tax loss should be consistent with the Fund's tax filings.

If it is not probable, the Fund must reflect the effect of the uncertainty in determining its taxable profit/tax loss. The effect of the uncertain tax treatment is determined by applying either the expected value method or the most likely method.

The Fund has analysed its tax positions at and for the year ended 31 December 2025 and 31 December 2024, and has concluded that no asset/liability relating to tax positions that are certain, should be recorded. There are no uncertain tax positions. Additionally, the Fund has recorded withholding and other taxes applicable to certain income types.

**1.3.6 Financial instruments: Financial assets and liabilities**

**Classification**

**Financial assets**

The Fund determines the classification of its financial assets on initial recognition, when it becomes a party to the contract governing the instrument. The classification depends on both the Fund's business model for managing financial assets as well as the contractual cash flow characteristics of the financial asset.

*Financial assets at fair value through profit or loss*

The Fund classifies its investments in bonds and money market instruments as financial assets at fair value through profit or loss. The Fund's investments in debt instruments are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Fund, as set out in the Fund's offering document.

*Financial assets at amortised cost*

The Fund classifies its investments in cash and cash equivalents and trade and other receivables at amortised cost where the instruments give rise to fixed or determinable cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**Financial liabilities**

The Fund's financial liabilities at fair value through profit or loss comprise net assets attributable to holders of redeemable shares (refer to Note 1.3.10). All other financial liabilities are measured at amortised cost.

**Recognition and measurement**

A 'regular way' contract is one that requires the delivery of an asset within the time frame established, generally by regulation or convention within the marketplace concerned. Regular way purchases and sales of financial assets are recognised using trade date accounting. Trade date accounting refers to (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date. The trade date is the date that an entity commits itself to purchase or to sell an asset.

Financial instruments are recognised on the trade date at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Gains and losses are recognised in the Statement of comprehensive income when financial assets and financial liabilities at amortised cost are derecognised or impaired, and through the amortisation process.

**Subsequent measurement**

Financial assets and financial liabilities designated at fair value through profit or loss are measured at fair value. Fair value is calculated using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**Impairment of financial assets**

The Fund assesses at each reporting date, whether there is any evidence that a financial asset, or group of financial assets, carried at amortised cost is impaired. All financial assets at amortised cost are held for collection. At each reporting date, the Fund measures the 'loss allowance' at an amount equal to the lifetime expected credit loss ('ECL') if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to the 12-month ECL.

Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

All trade and other receivables except for interest receivable are expected to be received within 30 days.

**Offsetting financial instruments**

A financial asset and a financial liability are offset, and the net amount is presented in the Statement of financial position, only when the Fund currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expense items are only offset to the extent that their related instruments have been offset in the Statement of financial position.

**1.3.7 Cash and cash equivalents**

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. These balances are held for the purposes of meeting short-term cash commitments.

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**1.3.8 Amounts due from and to brokers**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased (in a regular way transaction) that have been contracted for but not yet settled or delivered on the Statement of financial position date. These are included in trade and other receivables, and in trade and other payables, respectively.

A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker.

**1.3.9 Foreign currencies**

The Fund's functional currency is the US dollar, which is the currency in which the performance of the Fund is evaluated and its liquidity is managed. Foreign currency items are recorded at the exchange rate ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at rates of exchange ruling at the earlier of the Statement of financial position date or when settled. Gains and losses arising from the translation of these monetary assets and liabilities are recognised in the Statement of comprehensive income.

The net realised and unrealised foreign currency gains and losses on investments measured at fair value through profit or loss are included in the Statement of comprehensive income in net realised gains or losses on disposal of investments and net change in unrealised gains or losses on investments, respectively. The net realised and unrealised foreign currency gains and losses on all other financial instruments denominated in foreign currencies are included in the Statement of comprehensive income in net foreign exchange gains or losses.

**1.3.10 Net assets attributable to holders of redeemable shares**

Shares issued by the Fund are classified as financial liabilities and disclosed as net assets attributable to holders of redeemable shares. The value of net assets attributable to holders of redeemable shares is what is commonly known as the capital value of the Fund. This financial liability (as defined by IAS 32) represents the holders' right to a residual interest in the Fund's net assets.

**1.3.11 Significant estimates in applying the Fund's accounting policies**

The preparation of the Fund's financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

*Fair value*

When the fair value of financial assets and liabilities recorded in the Statement of financial position cannot be derived from quoted market prices, they are determined using a variety of valuation techniques. Refer to Note 7.2.

**1.3.12 Events subsequent to year end**

There were no significant events subsequent to year end up to the date of approval of these financial statements.

**1.3.13 Comparative information**

Where necessary, comparative figures are adjusted to comply with changes in presentation in the current year.

ALLAN GRAY AFRICA BOND FUND LIMITED  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2025

	2025 US\$	2024 US\$
<b>2. Financial assets at fair value through profit or loss</b>		
Bonds	326 887 871	291 531 817
Money market instruments	38 063 190	12 339 839
<b>TOTAL</b>	<b>364 951 061</b>	<b>303 871 656</b>

**3. Cash and cash equivalents**

Cash held for investment purposes	22 047 861	-
Cash held at bank	1 283 855	8 876 408
<b>TOTAL</b>	<b>23 331 716</b>	<b>8 876 408</b>

**4. Trade and other receivables**

Interest receivable, net of withholding tax	11 755 719	8 371 486
Other receivables	21 553	16 845
<b>TOTAL</b>	<b>11 777 272</b>	<b>8 388 331</b>

**5. Trade and other payables**

Other payables	88 967	64 444
Amounts due to brokers	-	2 401 046
<b>TOTAL</b>	<b>88 967</b>	<b>2 465 490</b>

**6. Notes to the Statement of Cash Flows**

**6.1 Net cash outflow from operations before working capital changes**

	2025 US\$	2024 US\$
Total comprehensive income for the year	79 887 411	34 255 254
<b>ADJUSTMENTS:</b>		
Interest income, net of withholding tax	(36 341 971)	(29 209 876)
Net change in unrealised (gains)/losses on investments	(35 228 241)	(8 404 246)
Net realised (gains)/losses on disposal of investments	(9 925 692)	3 089 456
Net foreign exchange (gains)/losses	1 057 758	261 063
<b>TOTAL</b>	<b>(550 735)</b>	<b>(8 349)</b>

**6.2 Working capital changes**

Increase/(decrease) in other payables	24 523	(18 757)
(Increase)/decrease in other receivables	(4 708)	1 609
<b>TOTAL</b>	<b>19 815</b>	<b>(17 148)</b>

ALLAN GRAY AFRICA BOND FUND LIMITED  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7. Financial instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 1 to the financial statements.

### Categorisation of financial instruments at 31 December 2025

	Financial assets measured at amortised cost US\$	Financial assets measured at fair value US\$	Financial liabilities measured at amortised cost US\$	Total US\$
<b>ASSETS</b>				
Financial assets at fair value through profit or loss	-	364 951 061	-	364 951 061
Cash and cash equivalents	23 331 716	-	-	23 331 716
Trade and other receivables	11 755 719	-	-	11 755 719
<b>TOTAL ASSETS</b>	<b>35 087 435</b>	<b>364 951 061</b>	<b>-</b>	<b>400 038 496</b>
<b>LIABILITIES</b>				
Trade and other payables	-	-	88 967	88 967
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>88 967</b>	<b>88 967</b>

Trade and other receivables are disclosed excluding non-financial instruments amounting to US\$21 553.

### Categorisation of financial instruments at 31 December 2024

	Financial assets measured at amortised cost US\$	Financial assets measured at fair value US\$	Financial liabilities measured at amortised cost US\$	Total US\$
<b>ASSETS</b>				
Financial assets at fair value through profit or loss	-	303 871 656	-	303 871 656
Cash and cash equivalents	8 876 408	-	-	8 876 408
Trade and other receivables	8 371 486	-	-	8 371 486
<b>TOTAL ASSETS</b>	<b>17 247 894</b>	<b>303 871 656</b>	<b>-</b>	<b>321 119 550</b>
<b>LIABILITIES</b>				
Trade and other payables	-	-	2 465 490	2 465 490
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>2 465 490</b>	<b>2 465 490</b>

Trade and other receivables are disclosed excluding non-financial instruments amounting to US\$16 845.

### 7.1 Financial risk management policies and objectives

The Fund's investment portfolio comprises cash and cash equivalents, government and corporate debt, and money market instruments where the underlying asset is a debt security. The Fund may invest in listed and unlisted securities as well as unrated securities and these securities may be denominated in local or foreign currency.

The Fund invests in a focused portfolio of assets that are selected for their perceived superior fundamental value and expected risk and return profile. The Fund seeks to take advantage of opportunities that arise and may invest a substantial portion of the assets in a single country or region rather than a diversified portfolio of assets with exposure to a basket of African countries.

The Fund aims to be invested in 'African Securities'. The Fund defines 'African Securities' as debt securities issued by African governments, African public entities, African local authorities, African development agencies and non-African development institutions and corporate issuers, where the funds raised are earmarked for use in Africa. Corporate issuers include companies domiciled or geographically located in Africa and/or companies domiciled outside Africa with significant business interests in Africa.

The Fund's investing activities expose holders of redeemable shares to various types of risk that are associated with the financial instruments and markets in which the Fund invests.

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**Market risk**

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate, foreign currency and other price risks.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to interest rate risk through its holdings in bonds, money market instruments and cash and cash equivalents.

The Fund does not hedge interest rate risk. Instead the Investment Manager tries to mitigate interest rate risk by monitoring the duration and term of the Fund compared to its benchmark, and relative to the long-term outlook on interest rate levels. Interest rate risk is linked to foreign currency risk, as currency weakness typically results in inflationary pressure which, in turn, poses significant upside risk to the outlook for interest rates. Where the Investment Manager believes there is an outlook for higher interest rates, the Investment Manager would look to manage this through lowering the duration in the portfolio.

The Fund has cash balances that attract variable interest rates. Fluctuations in prevailing interest rates would therefore have no material effect on the value of those cash balances. However, there would be changes to the interest income of the Fund. Any such changes would be immaterial due to the temporary nature of these cash balances.

The following tables illustrate the effect of reasonably possible changes in prevailing interest rates, with all other variables held constant. Modified duration is used to estimate the change in the net assets attributable to holders of redeemable shares as a result of a change in interest rates. The actual results may differ from the sensitivity analysis and the difference could be material. The disclosure provides information on the risks to which holders of redeemable shares are exposed and is not indicative of future performance.

2025	Sensitivity to changes in interest rates US\$		
	Investment value	+ or - 0.50%	+ or - 1.00%
<b>INVESTMENTS SUBJECT TO INTEREST RATE RISK</b>			
<b>MONEY MARKET INSTRUMENTS</b>	38 063 190	45 842	91 683
Denominated in Egyptian pound	10 106 403	12 172	24 343
Denominated in Nigerian naira	27 956 787	33 670	67 340
<b>BONDS</b>	326 887 871	7 824 688	15 649 373
Denominated in United States dollar	208 677 048	4 995 084	9 990 169
Denominated in Egyptian pound	21 555 641	515 976	1 031 951
Denominated in Euro	24 791 782	593 439	1 186 877
Denominated in Namibian dollar	10 520 134	251 820	503 639
Denominated in Ugandan shilling	22 824 617	546 351	1 092 702
Denominated in Zambian kwacha	38 518 649	922 018	1 844 035

Coupon rates on bonds and money market instruments range between 5% and 25.318%.

2024	Sensitivity to changes in interest rates US\$		
	Investment value	+ or - 0.50%	+ or - 1.00%
<b>INVESTMENTS SUBJECT TO INTEREST RATE RISK</b>			
<b>MONEY MARKET INSTRUMENTS</b>	12 339 839	12 372	24 743
Denominated in Egyptian pound	12 339 839	12 372	24 743
<b>BONDS</b>	291 531 817	6 641 826	13 283 653
Denominated in Egyptian pound	5 378 819	122 543	245 086
Denominated in Euro	49 523 461	1 128 269	2 256 537
Denominated in Ghanaian cedi	5 558 363	126 633	253 267
Denominated in Namibian dollar	8 685 479	197 877	395 754
Denominated in Ugandan shilling	15 434 879	351 645	703 291
Denominated in US dollar	194 218 485	4 424 785	8 849 569
Denominated in Zambian kwacha	12 732 331	290 074	580 149

Coupon rates on bonds and money market instruments range between 4.625% and 25.318%.

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**Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund holds financial instruments denominated in foreign currencies and hence is exposed to the effects of exchange rate fluctuations.

The Investment Manager's primary concern in managing the Fund is the risk of permanent capital loss. As such the Investment Manager is cognisant of all relevant macro and political risks, including any currency devaluation risk. This risk is incorporated in the assessment of the attractiveness of the securities the Fund invests in. As part of the investment research, the Investment Manager also determines what is believed to be the long-term fair value of each currency in which the Fund invests. As part of this analysis, the Investment Manager looks at which markets are in a period of currency weakness or strength alongside what level of currency risk the markets are pricing in relative to history. For long-term investors, the ability to find cheap assets in discounted macro-weak environments can help to mitigate the currency risk.

The following tables indicate the currencies to which the Fund had exposure at 31 December 2025 and 31 December 2024 and the effect of fluctuations on financial assets and liabilities.

A positive number indicates an increase in net assets attributable to holders of redeemable shares where the US dollar weakens against the relevant currency. For a strengthening of the US dollar against the relevant currency, there would be an equal and opposite impact on the net assets attributable to holders of redeemable shares, and the balances below would be negative.

<b>Currency impact US\$</b>					
<b>EFFECT ON NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES AS AT 31 DECEMBER 2025</b>					
<b>Currency</b>		<b>Financial asset</b>	<b>+/-5%</b>	<b>+/-10%</b>	<b>+/-20%</b>
Botswanan pula	BWP	871	44	87	174
Canadian dollar	CAD	34	2	3	7
Egyptian pound	EGP	35 150 125	1 757 506	3 515 013	7 030 025
Euro	EUR	41 024 864	2 051 243	4 102 486	8 204 973
Ghanaian cedi	GHS	99 041	4 952	9 904	19 808
Kenyan shilling	KES	24 798	1 240	2 480	4 960
Malawian kwacha	MWK	2 817	141	282	563
Namibian dollar	NAD	10 972 300	548 615	1 097 230	2 194 460
Nigerian naira	NGN	29 303 211	1 465 161	2 930 321	5 860 642
Ugandan shilling	UGX	23 958 610	1 197 931	2 395 861	4 791 722
South African rand	ZAR	305 045	15 252	30 505	61 009
Zambian kwacha	ZMW	39 820 992	1 991 050	3 982 099	7 964 198
			9 033 137	18 066 271	36 132 541

<b>Currency impact US\$</b>					
<b>EFFECT ON NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES AS AT 31 DECEMBER 2024</b>					
<b>Currency</b>		<b>Financial asset</b>	<b>+/-5%</b>	<b>+/-10%</b>	<b>+/-20%</b>
Botswanan pula	BWP	215	11	22	43
Canadian dollar	CAD	32	2	3	6
Egyptian pound	EGP	19 669 784	983 489	1 966 978	3 933 957
Euro	EUR	51 396 228	2 569 811	5 139 623	10 279 246
Ghanaian cedi	GHS	5 896 023	294 801	589 602	1 179 205
Kenyan shilling	KES	24 750	1 238	2 475	4 950
Malawian kwacha	MWK	2 817	141	282	563
Namibian dollar	NAD	9 194 033	459 702	919 403	1 838 807
Nigerian naira	NGN	112 877	5 644	11 288	22 575
Ugandan shilling	UGX	15 908 311	795 416	1 590 831	3 181 662
South African rand	ZAR	266 392	13 320	26 639	53 278
Zambian kwacha	ZMW	13 107 371	655 369	1 310 737	2 621 474
			5 778 944	11 557 883	23 115 766

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Fund. The Fund is exposed to credit risk as a result of transacting with various institutions. Risk is mitigated by transacting on recognised exchanges where it is possible and practical.

The Investment Manager through its investment committee monitors the creditworthiness of the Fund's counterparties (e.g. brokers, custodians and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis. In accordance with the investment restrictions as described in the Fund's Prospectus, no more than 10% of the Fund may be invested in any one corporate's debt securities. This limit does not apply to cash held in a bank. The Fund may own no more than 25% of any one corporate's outstanding debt. The sum of individual corporate credit exposures exceeding 5% may not exceed 60% of the Fund. The Fund may not enter into uncovered derivative positions. The Fund's Investment Adviser's investment compliance department monitor compliance with applicable regulations and the investment mandate on a daily basis.

At year end, financial assets exposed to credit risk comprised bonds, money market instruments and cash and cash equivalents. The following table provides an analysis of the credit quality of the Fund's financial assets at the reporting date by rating agency category. The credit quality has been assessed by reference to independent credit rating agencies. Ratings are presented in ascending order of credit risk.

	2025	2024
CREDIT RATING	% OF FUND	% OF FUND
AA+	-	7.8
AA-	0.4	-
BBB-	9.4	-
BB+	4.0	2.8
BB	10.4	-
BB-	0.7	15.4
B+	2.7	14.6
B	37.4	21.1
B-	27.6	21.4
CCC	2.4	10.4
Unrated	5.0	6.5
	100.0	100.0

**Concentration of credit risk**

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk is managed by counterparty and geographical region.

The following table contains an analysis of the concentration of credit risk in the Fund's debt portfolio by geographical distribution (based on counterparties' country of domicile):

Country of issuer on 31 December	2025 % of Fund	2024 % of Fund
Nigeria	21.0	14.3
Egypt	18.8	12.2
South Africa	13.4	14.7
Zambia	11.0	1.3
Ivory Coast	10.4	14.7
Uganda	6.0	9.4
Norway	5.0	-
Angola	4.4	-

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Country of issuer on 31 December	2025 % of Fund	2024 % of Fund
Ghana	3.9	9.8
Namibia	2.7	-
United States of America	2.4	3.6
Benin	0.7	4.7
Cash and accruals	0.3	2.9
Senegal	-	12.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

**Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund invests in markets that are considered emerging markets. Such markets are generally less mature and developed than those in advanced countries. Liquidity risk management rests with the Investment Manager, which has built an appropriate liquidity risk management framework for the management of the Fund's short-, medium- and long-term funding and liquidity management requirements.

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

Trade and other payables are expected to be settled within 30 days. Net assets attributable to holders of redeemable shares and distributions payable are generally settled within 30 days.

The Fund's redeemable shares are redeemable for cash or in specie (in kind) equal to the proportionate share of the Fund's net asset value. The Fund is therefore potentially exposed to weekly redemptions by the holders of redeemable shares.

The Fund may not borrow other than to meet redemptions and such borrowing is limited to 10% of the Fund's net asset value and must be repaid as soon as practically possible. The Investment Adviser's investment compliance department monitors compliance with the applicable requirements.

The Fund manages its obligation to repurchase shares when required to do so and its overall liquidity risk in the following ways:

Where total members' redemptions on any dealing day are more than US\$5 000 000 or 2.5% of the total net asset value of the Fund (whichever is less), the Investment Manager may, at its discretion, redeem only 2.5% of the total net asset value of the Fund or US\$5 000 000 (whichever is less), on a pro rata basis among the members of the Fund, per dealing day. If any redemption requests are not satisfied in full, the balance will be carried forward to the following dealing day, subject to the same 2.5% restriction. The Investment Manager retains the right to distribute all or part of the redemption proceeds in specie.

The following table analyses the contractual maturities of the Fund's financial assets and financial liabilities as at 31 December 2025. Bonds, money market instruments and cash and cash equivalents have been disclosed exclusive of accrued interest to date for the purpose of the liquidity analysis.

Maturities	US\$					Total
	On demand	Less than 1 year	1 to 3 years	3 to 7 years	Greater than 7 years	
<b>FINANCIAL ASSETS</b>						<b>400 038 496</b>
Cash and cash equivalents	23 331 716	-	-	-	-	23 331 716
Money market instruments	-	38 063 190	-	-	-	38 063 190
Bonds	-	13 021 895	34 940 992	147 557 119	131 367 865	326 887 871
Trade and other receivables	-	11 755 719	-	-	-	11 755 719
<b>FINANCIAL LIABILITIES</b>						<b>400 060 049</b>
Net assets attributable to holders of redeemable shares	399 971 082	-	-	-	-	399 971 082
Trade and other payables	-	88 967	-	-	-	88 967

Note that the remaining balance of the total financial assets US\$21 553 comprise non-financial instruments which have been excluded from the table above.

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The following table analyses the contractual maturities of the Fund's financial assets and financial liabilities as at 31 December 2024. Bonds, money market instruments and cash and cash equivalents have been disclosed exclusive of accrued interest to date for the purpose of the liquidity analysis.

Maturities	US\$					Total
	On demand	Less than 1 year	1 to 3 years	3 to 7 years	Greater than 7 years	
<b>FINANCIAL ASSETS</b>						321 119 550
Cash and cash equivalents	8 876 408	-	-	-	-	8 876 408
Money market instruments	-	12 339 839	-	-	-	12 339 839
Bonds	-	2 907 745	88 131 141	88 765 871	111 727 060	291 531 817
Trade and other receivables	-	8 371 486	-	-	-	8 371 486
<b>FINANCIAL LIABILITIES</b>						321 136 395
Net assets attributable to holders of redeemable shares	318 670 905	-	-	-	-	318 670 905
Trade and other payables	-	2 465 490	-	-	-	2 465 490

Note that the remaining balance of the total financial assets US\$16 845 comprise non-financial instruments which have been excluded from the table above.

## 7.2 Fair value

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. Financial assets at amortised cost are usually held for the instrument's entire life, being periods not exceeding a year. The carrying amount of these instruments closely approximates the fair value. For financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques.

- **Level 1** - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - those involving inputs that are directly or indirectly observable
- **Level 3** - those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Fund holds investments in listed debt instruments. Debt instruments which are listed on an active exchange are classified as level 1. Listed debt instruments assessed as thinly traded due to their low trading volumes on their relative exchanges are classified as level 2.

In the event that the Fund's debt instruments are not measured at the quoted price in an active market, they are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves, the Fund classifies the fair value of these instruments as level 2.

Transfers between levels of the fair value hierarchy, if any, are deemed to have occurred at the beginning of the reporting period.

The following table analyses financial instruments, measured at fair value at 31 December 2025, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	US\$		Total
	Quoted market prices (Level 1)	Observable inputs (Level 2)	
<b>FINANCIAL ASSETS</b>			
Money market instruments	-	38 063 190	38 063 190
Bonds	285 941 639	40 946 231	326 887 871
	285 941 639	79 009 422	364 951 061

ALLAN GRAY AFRICA BOND FUND LIMITED  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2025

**Transfers between level 1 and level 2**

During the year ended 31 December 2025, certain bonds held by the Fund which were previously assessed to have sufficient trading volume, were thinly traded on their relevant listed stock exchanges. This resulted in a transfer out of level 1 into level 2 at the beginning of the reporting period. The amount transferred from level 1 into level 2 is US\$19 396 954 for the 2025 financial year.

The following table analyses financial instruments, measured at fair value at 31 December 2024, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	US\$		
	Quoted market prices (Level 1)	Observable inputs (Level 2)	Total
<b>FINANCIAL ASSETS</b>			
Money market instruments	12 339 839	-	12 339 839
Bonds	277 152 043	14 379 774	291 531 817
	289 491 882	14 379 774	303 871 656

There were no transfers between levels during the year ended 31 December 2024.

**8. Share capital**

Notwithstanding that the net assets attributable to holders of redeemable shares are classified as financial liabilities, the directors of the Fund consider these to represent the Fund's capital. The number of shares issued and redeemed during the years is reported below. The Fund's authorised share capital as at 31 December 2025 and 31 December 2024 is detailed below. Fund shares are divided into three share classes (Class A, Class B or Class C) which participate pro rata in the Fund's net assets and income distributions, and are redeemable and non-voting. Founder shares do not participate in the Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If the Fund is wound up or dissolved, the Founder shares will participate only to the extent of their par value. All of the authorised Founder shares of the Fund have been issued as fully paid and are held by the Investment Manager. The Founder shares are classified as a trade and other payable in the Statement of financial position. As at 31 December 2025 and 31 December 2024, only Class A, Class B and Class C shares had been issued.

	Allan Gray Africa Bond Fund Limited
Fund shares par value (per share)	US\$ 0.0001
Authorised Fund shares	99 990 000
Founder shares par value (per share)	US\$ 0.01
Authorised and issued Founder shares	100

Fund share transactions (shares)	Class A	Class B	Class C	Total
<b>BALANCE AT 31 DECEMBER 2023</b>	89 148	1 675 618	6 841	1 771 607
Subscriptions	4 051	6 928	1 724	12 703
Redemptions	(26 449)	(123 515)	(974)	(150 938)
<b>BALANCE AT 31 DECEMBER 2024</b>	66 750	1 559 031	7 591	1 633 372
Subscriptions	5 035	95 412	1 268	101 715
Redemptions	(21 788)	(72 279)	(1 479)	(95 546)
Net switches in/(out) between classes	303	-	(303)	-
<b>BALANCE AT 31 DECEMBER 2025</b>	50 300	1 582 164	7 077	1 639 541

ALLAN GRAY AFRICA BOND FUND LIMITED  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 December 2025

Fund share transactions (US\$)	2025	2024
Subscriptions	20 793 124	2 300 093
Redemptions	(19 380 358)	(27 359 610)
<b>NET CAPITAL SUBSCRIPTIONS/(REDEMPTIONS)</b>	<b>1 412 766</b>	<b>(25 059 517)</b>

Net asset value per share (US\$)	Class A	Class B	Class C
On 31 December 2025	231.03	244.41	233.80
On 31 December 2024	184.27	195.61	186.44

No income distributions were declared by the Fund for the year ended 31 December 2025 and 31 December 2024.

The Fund is not subject to any externally imposed capital requirements.

## 9. Related party transactions

No rights, contingent or otherwise, to subscribe for shares have been granted to the Investment Manager, its directors and the directors of the Fund.

As at 31 December 2025 and 31 December 2024, the directors of the Fund did not hold any shares directly and indirectly in the Fund. The directors of the Investment Manager did not hold shares directly and indirectly in the Fund (2024: 384).

The Allan Gray Unit Trust Funds and the Allan Gray Namibia Funds collectively held 1 241 816 (2024: 1 225 091) shares in the Fund. Allan Gray Life Limited, a subsidiary of the Investment Adviser, held 206 375 (2024: 193 499) shares in the Fund. The Allan Gray Orbis Foundation (RF) NPC held 4 779 (2024: 5 613) shares.

The directors of the Fund received total fees of US\$15 000 from the Fund (2024: US\$15 000).

The Investment Manager's fee charged to the Fund is 1% and 0.7% per annum for Class A and Class C respectively, which is accrued weekly in arrears. Affiliates of the Investment Manager within the Allan Gray group manage global asset portfolios for their clients as well as a number of Allan Gray's institutional asset pools and collective investment schemes (collectively 'the Institutional Clients'). To avoid the layering of fees, applicable Institutional Clients are invested in the Class B shares where the Investment Manager does not charge a fee in the Fund.

During the financial year ended 31 December 2025, the management fees incurred by the Fund were US\$116 497 (2024: US\$143 236). At 31 December 2025, the management fees payable by the Fund were US\$11 379 (2024: US\$11 721).

ALLAN GRAY AFRICA BOND FUND LIMITED  
CHARACTERISTICS AND DIRECTORY

**Domicile and structure**

Bermuda open-ended investment company

**Regulation**

The Fund is incorporated and registered under the laws of Bermuda and is supervised by the Bermuda Monetary Authority. The Fund is also listed on the Bermuda Stock Exchange.

**Registered Office**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**Company Secretary**

Conyers Corporate Services (Bermuda) Limited Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**Directors**

Craig T Bodenstab BCom MBA CFA  
John C R Collis BCom BA (Jurisprudence)  
Elizabeth Denman BA (Hons) LLB  
Tapologo Motshubi BCom (Hons) CA (SA) ACPA CFA<sup>1</sup>  
Grant L Pitt BBusSci (Hons) CA(SA) CFA<sup>2</sup>

**Investment Manager**

Allan Gray Bermuda Limited  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**Investment Adviser**

Allan Gray Proprietary Limited  
1 Silo Square  
V&A Waterfront  
Cape Town 8001  
South Africa

**Primary Custodian**

Standard Bank of South Africa Limited  
Investor Services  
2nd Floor  
25 Sauer Street  
Johannesburg  
South Africa

**Auditors**

BDO Bermuda Ltd  
Swan Building Second Floor  
26 Victoria Street  
Hamilton HM12  
Bermuda

**Administrator, Registrar and Transfer Agent**

Allan Gray Proprietary Limited  
1 Silo Square  
V&A Waterfront  
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<sup>1</sup> Director resigned 12 May 2025.  
<sup>2</sup> Director appointed 12 May 2025.

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