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AFC Uzbekistan Fund December 2025 Update

Dear Investors and Friends,

The pieces of Uzbekistan's capital markets puzzle are all finally falling into place, leading us to believe that we are at the inflection point, **now!** The fund's Net Asset Value (NAV) increased to an estimated USD 1,512.7 in December 2025, reflecting a 7.5% rise for the F-shares in December and bringing performance for the year to an estimated +20.4%. The total return for the fund since its inception on 29th March 2019 now stands at an estimated 51.3%.

AFC Uzbekistan Fund valuations as of 31st December 2025:

Estimated Weighted harmonic average trailing P/E (only companies with profit):	4.17x
Estimated Weighted harmonic average P/B:	0.70x
Estimated Weighted portfolio dividend yield:	2.70%

Capital markets update:

December saw the much-anticipated capital markets legislation to properly modernize Uzbekistan's capital markets passed by the government, just in time for the New Year!

On 18th December 2025, President Mirziyoyev signed a decree on "Additional measures to improve the investment climate in the capital markets" with a focus out to 2030. This includes attracting at least USD 1 billion in investment to the domestic capital market (equity and corporate bond issues), legislation on the permission of dual listings of Uzbek public companies, and fungibility. The latter point has been a key condition for many foreign investors to begin participating in the upcoming privatisations of state-owned enterprises (SOEs).

This decree sets in motion the potential for a significant increase in local and foreign investor participation, and we expect to see a sharp rise in brokerage account openings over the coming months as this news is digested and SOE IPO timelines get clearer focus. Participation is already starting to increase through the corporate bond market. Local companies, specifically microfinance institutions and technology companies, are leading the charge with several new corporate bond issues per month. The yields are higher than the ~20% that is achievable in a bank term deposit in local currency, making them very attractive. The increasing retail participation in corporate bonds is already trickling over into the equity market, which bottomed during the spring months and is on a much more sustainable trajectory than the "animal spirits" fueled market of 2021 and 2022. When companies such as the Uzbekistan National Investment Fund ("UzNIF") and Uzbekistan Airways eventually IPO, they are likely to be issues that this growing local investor pool will aggressively diversify into.

The decree also stated that the capital markets sandbox, which was initially a temporary solution to the problem of insufficient modern legislation around the existing capital markets law, will now become permanent (who needs perpetually "new" legislation when the existing sandbox, which works, can just be made permanent?! This is important, for the last thing investors want is for the rules of the game to be changed on them. The sandbox's permanence, in addition to its growing list of participants - Austria's Raiffeisen Bank became its sixth approved participant in December - is a huge boost of confidence ahead of the planned IPOs, as all the pieces of the puzzle for Uzbekistan's capital markets to enter a trend of sustainable development are in place.

A further focus of the President's decree is the proposed inclusion in the capital markets sandbox of enabling Uzbek citizens to invest in equities listed abroad, specifically in American and East-Asian stock markets. With few investment options outside of bank term deposits and real estate in Uzbekistan, the permission of trading in foreign securities (which would likely take place through the Tashkent Stock Exchange via depository receipts) should see a surge in new brokerage account openings. This is another catalyst to dramatically increase brokerage account openings and, therefore, investor participation.

By all looks and measures, 2026 should give further validation that we are at the inflection point for Uzbekistan's capital markets, now wanting to see catalysts that will drive further upside, something which we have written about ad-nauseum over the years. This should translate into a substantial increase in liquidity and the long-overdue kickstart of the country's IPO market. We look forward to sharing these developments as 2026 commences, with the next significant milestone being clarity on the IPO of the Uzbekistan National Investment Fund (UzNIF) planned for the first half of 2026.

On that note, we want to wish each of you and your families a very happy and prosperous start to 2026 and look forward to another year of strong performance for the AFC Uzbekistan Fund.

For further viewing, here are some interesting, relevant news links related to Uzbekistan:

President Mirziyoyev discusses further developments on capital markets

Fitch forecasts stability for Uzbekistan's banks in 2026

Burger King enters Uzbekistan

AFC Uzbekistan Fund Marketing Information as of the end of November 2025

Factsheet AFC Uzbekistan Fund

Factsheet AFC Uzbekistan Fund (non-US)

Presentation AFC Uzbekistan Fund

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Best regards,

AFC Uzbekistan Fund

NAV as of 31st December 2025

	F Class	G Class
NAV	1,512.7*	1,151.6*
Since Inception	51.3%*	15.2%*
Inception Date	29/03/2019	2/3/2025

Monthly Performances AFC Uzbekistan Fund (F Class)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	USD	-	-	-	4.50%	-0.10%	1.87%	1.15%	-1.85%	0.06%	0.72%	1.13%	1.61%	9.33%
2020	USD	-2.99%	0.78%	-7.43%	-3.06%	3.32%	1.49%	3.25%	6.68%	0.34%	5.69%	10.35%	3.44%	22.69%
2021	USD	2.50%	11.81%	7.04%	11.23%	8.16%	0.59%	-1.97%	2.16%	0.83%	4.55%	-1.66%	-2.80%	49.82%
2022	USD	-2.50%	1.31%	n/a	1.97%	-7.42%	-4.35%	0.02%	2.17%	-5.48%	-1.42%	1.92%	-0.12%	-13.58%
2023	USD	1.88%	-0.02%	-1.03%	1.42%	1.62%	2.30%	-0.78%	-5.64%	2.27%	1.00%	-1.11%	-1.37%	0.11%
2024	USD	-3.35%	-2.87%	-2.64%	-0.99%	0.15%	-4.59%	-7.61%	0.39%	-3.19%	-1.88%	-3.95%	-1.50%	-27.75%
2025	USD	1.95%	-3.48%	-0.88%	0.82%	0.67%	1.71%	1.31%	-0.18%	3.04%	5.59%	1.13%	7.5%*	+20.4%*

* estimates

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