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AFC Uzbekistan Fund September 2026 Update

Dear Investors and Friends,

September saw the AFC Uzbekistan Fund achieve another all-time high NAV as investor interest in Uzbekistan continues to grow. We have had several dozen investor meetings in Tashkent in recent weeks as investors fly in for tourism, see investment opportunities and vice versa. The fund's Net Asset Value (NAV) increased to an estimated USD 2,579.7 in September 2026, reflecting an estimated 0.8% rise for the F-shares. The total return for the fund since its inception on 29th March 2019 now stands at an estimated 158.0%.

AFC Uzbekistan Fund valuations as of 30th September 2026:

Estimated weighted harmonic average trailing P/E (only profitable companies):	8.52x
Estimated weighted harmonic average P/B:	1.08x
Estimated weighted portfolio dividend yield:	2.05%

The Uzbek Commodity Exchange Launches Derivatives Trading

The Uzbek Commodity Exchange (TSE: URTS) was the first investment we ever made in Uzbekistan back in 2018 (initially through the AFC Asia Frontier Fund, prior to the launch of the AFC Uzbekistan Fund), as it was the publicly listed company with the most obvious leverage to Uzbekistan's economic growth story when the world was still not paying attention to the vast transformation the country was undergoing. It's also one of the blue-chips I have written about in the past that every foreign investor who visits Uzbekistan would meet and subsequently wants to own.

At the onset of Uzbekistan's opening, the government required most government services, including state-owned construction materials companies, to transact through URTS to enhance transparency. This led to a phenomenal growth story that continues to this day, though of course the valuation isn't as "dirt cheap" as it once was.

As Uzbekistan continues to evolve, so is URTS. On 17th September 2026, the company, alongside its partner, Phillip Nova, part of Singapore's Phillip Capital Group, launched UZEX Global JV LLC ("UZEX Global"), a joint venture established by the Uzbek Commodity Exchange and Phillip Trading to provide Uzbek traders access to international futures markets, including the CME Group, Intercontinental Exchange (ICE) and the London Metal Exchange (LME), enabling them to hedge their positions in the market. Phase II of the derivatives platform will introduce derivatives trading for local products, which will open the door for new market participants such as construction companies, who will be able to forward purchase cement, for example, whose price can fluctuate wildly based on the time of the year. This, along with the eventual introduction of electricity and natural gas trading, should add significant revenue growth potential to the company over the coming years and is not priced into the current stock price.

On 21st September 2026, as part of the 5th AFC Uzbekistan Tour, we visited URTS and took the photo below on their trading floor. In recent years, URTS launched digital trading for its clients, so there were a handful of traders at their desks who have the option of where to work.

Uzbek Commodity Exchange



(Source: AFC Research)

A Visit to the Tashkent Stock Exchange

With Mr. Fayzulla Tashov having replaced George Paresishvili as CEO of the Tashkent Stock Exchange in late 2025, I figured it would be worth meeting to get an update on plans for further developing capital markets infrastructure as Uzbekistan aims to attract further inbound capital flows. With the local bond market expected to see over USD 100 million in Uzbek Som issuance by year-end and, of course, the successful IPO of UzNIF in May 2026, it is best to strike while the iron is hot.

In so few words, nothing moves fast in Uzbekistan, but my meeting with Mr. Tashov indicates a sea change in initiative if they can execute. He acknowledged that the Tashkent Stock Exchange website has a variety of errors (which they are actively addressing), that they have outgrown the old (but electronic) trading system licensed by the Korean Stock Exchange and which they plan to replace, and that connectivity and information flow to third-party information providers such as FactSet and Bloomberg needs to be improved. To give some context, I introduced the Tashkent Stock Exchange to Bloomberg in 2018, and initial integration of data feeds only started after COVID, after fighting tooth and nail for connectivity, arguing that any foreign institutional investor will first look up Uzbek capital markets information there.

The above-mentioned issues all could have been resolved years ago, but former management teams of the Tashkent Stock Exchange were either blocked or not interested in enacting change. My meeting with Mr. Tashov was frankly refreshing, and President Mirziyoyev has been behind capital markets reforms for years, so hopefully the infrastructure upgrades begin to accelerate.

The exchange has held meetings with the Hong Kong Stock Exchange, and there is discussion to establish a connection allowing Uzbeks to trade Hong Kong Equities and for brokers in Hong Kong to have access to Uzbek equities. After integration with Hong Kong, the Tashkent Stock Exchange will explore collaboration with Tabadul (a regional capital markets infrastructure from the Abu Dhabi Stock Exchange that allows brokers in the UAE to access Gulf and Central Asian markets (now the Astana Stock Exchange and Kazakhstan Stock Exchange). Further, the online trading platform of the Tashkent Stock Exchange will be discontinued by the end of 2027, with an active request for proposal for software providers who can provide an alternative and more robust platform to the exchange. This is all happening as the exchange itself is presently upgrading its internal software to make data feeds to the likes of Bloomberg, FactSet, Reuters, etc. more robust (including equity price, volume, and financial information, as well as bond pricing) and accurate.

Upgrading the infrastructure was great, but the most interesting part of our meeting was how underpenetrated the Uzbek retail market is. Mr. Tashov provided colour on the immense upside Uzbekistan's market participation offers as he told me there are 1,100,000 brokerage accounts in the country. Roughly 7% of them are active (most are legacy and inactive), so about 77,000, up from about 55,000 two years ago. Year-to-date, another 10,000 brokerage accounts were opened in anticipation of the UzNIF IPO, so a rough 13% increase.

In the grand scheme of things, this is literally nothing! And that's what's so attractive. Hopefully these statistics put some credence to my many years of harping in these letters on local investor participation driving the next re-rating. The big question to ask is what will Uzbekistan's capital markets look like in five to ten years when the middle class is larger, there are more listed corporate bonds and equities, and we get to 500,000 or 1,000,000 active brokerage accounts (which is still next to nothing as the country's population is expected to hit 52 million by 2050), not accounting for the hopeful Hong Kong and Tabadul connections? While no country's development is linear, the secular upward trajectory looks well intact and what continues to unfold remains exciting.

Meeting the Tashkent Stock Exchange



(Source: Tashkent Stock Exchange)

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

[Scott Osherooff interviewed by the Frontier Journal on Uzbekistan](#)

[Uzbek Finance Hub Heats Up Central Asia Investment Race](#)

[Uzbekistan proposes special economic zone for US companies](#)

AFC Uzbekistan Fund Marketing Information as of the end of August 2026

[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 30th September 2026

	F Class	G Class
NAV	2,579.7%*	1,900.4*
Since Inception	158.0%*	90.0%*
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%	7.42%	20.34%
2026	USD	18.82%	3.99%	3.55%	1.20%	5.20%	0.81%	6.87%	15.36%	0.8%*				70.7%*

* estimates

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