

iBoxx LSF USD African Sovereigns – 2025 in Review

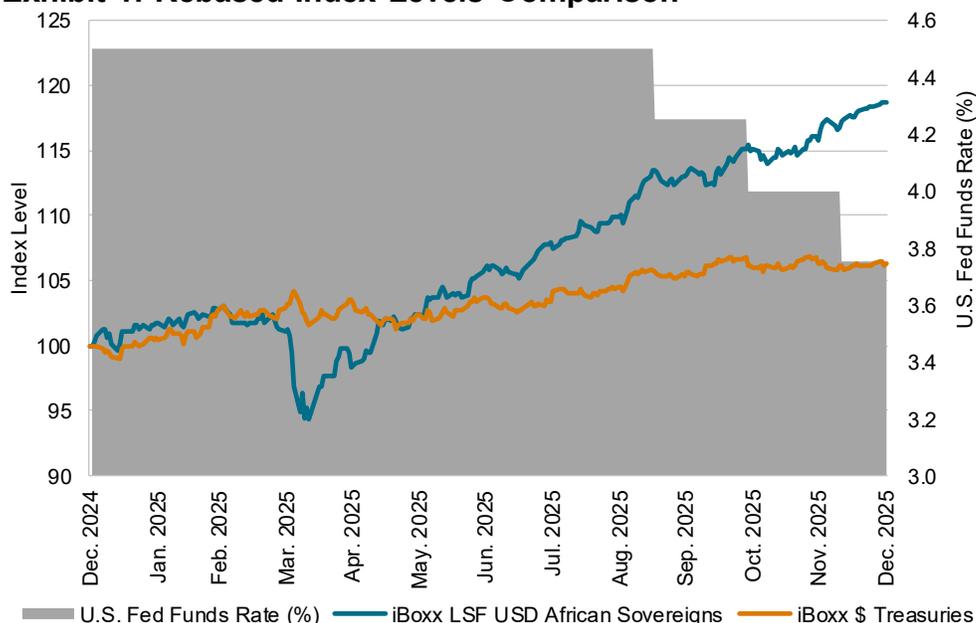
Contributors

Tzvetelina Georgieva, CFA
Senior Analyst
Fixed Income Product
Management
t.georgieva@spglobal.com

Hannah Abrams
Analyst
Fixed Income Product
Management
hannah.abrams@spglobal.com

After a quiet start to 2025, the iBoxx LSF USD African Sovereigns experienced a sharp drop during the initial market reaction to the new U.S. tariff policies, but recovered quickly once markets started to calm down. In the second half of the year, the index consistently outperformed U.S. Treasuries, with the gap widening further following the U.S. Federal Reserve’s interest rate cuts in September 2025. Over the whole year, the index reported an 18.68% gain, outperforming U.S. Treasuries by close to 12.50%.

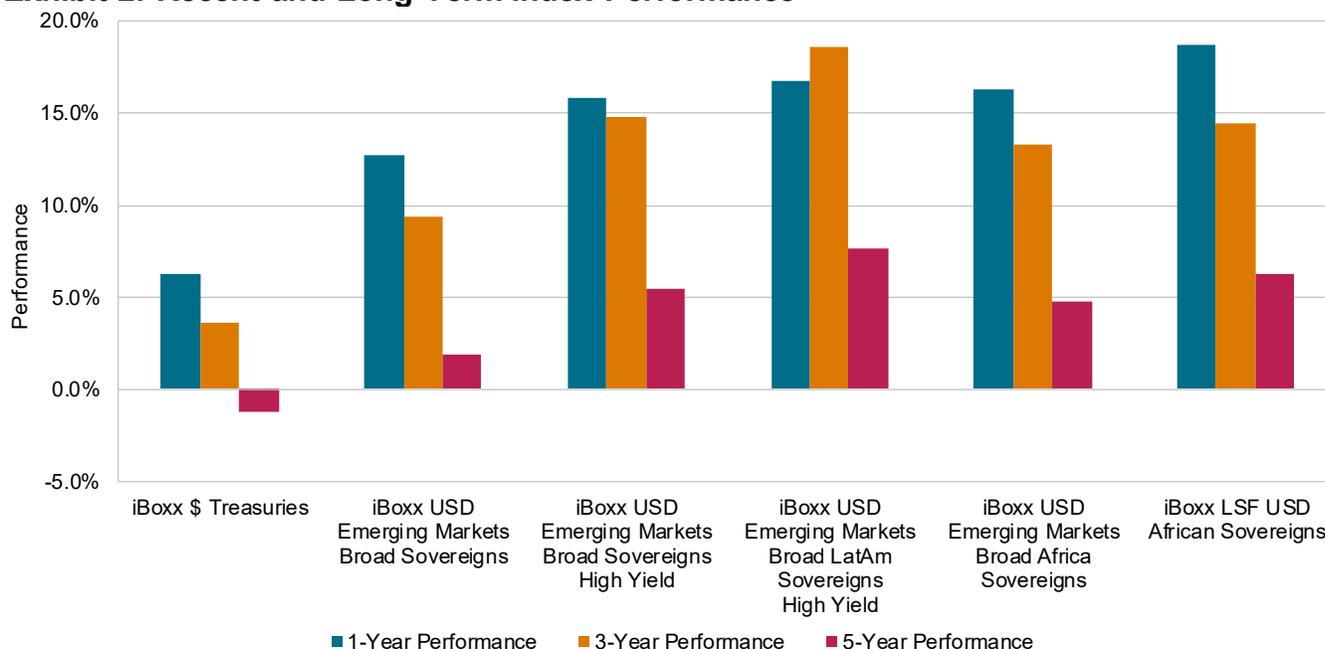
Exhibit 1: Rebased Index Levels Comparison



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2024, to Dec. 31, 2025. Index performance is based on total return rebased to 100 as of Dec. 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Sign up to receive our latest research, education, and commentary at
on.spdji.com/SignUp.

Exhibit 2: Recent and Long-Term Index Performance



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. The iBoxx USD Emerging Markets Broad Indices were launched on Jan. 31, 2024. The iBoxx LSF USD African Sovereigns was launched on June 15, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

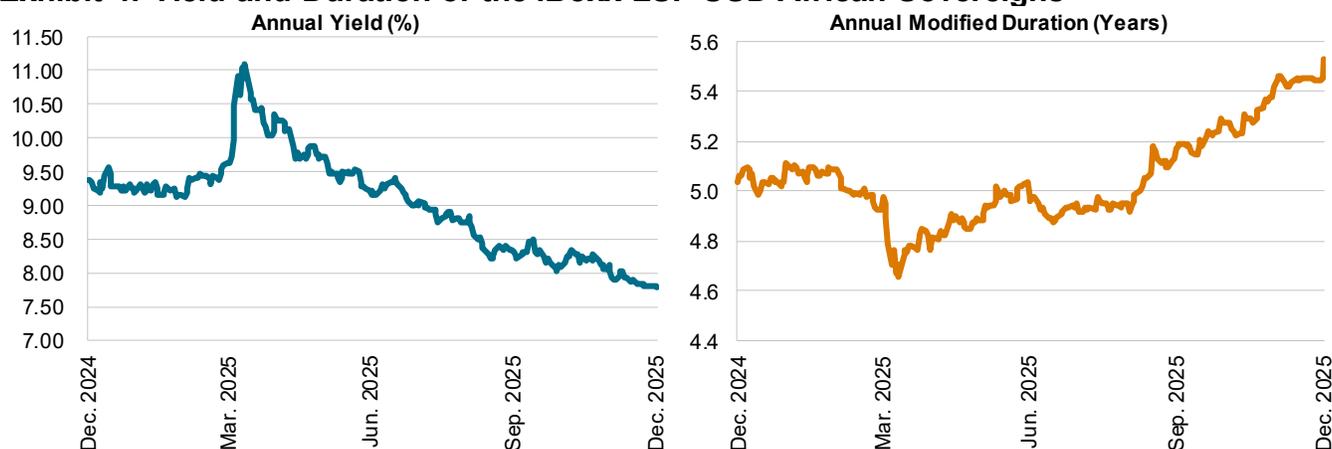
Emerging market sovereign USD bonds delivered robust performance in 2025, with the overall index gaining more than 12% for the year, primarily driven by the high yield segment (see Exhibit 2). The high yield segment of the market was up by more than 15%, while the iBoxx LSF USD African Sovereigns posted the highest performance among all the indices, with a gain of 18.67% in 2025. Over both the three- and five-year periods, Latin American high yield sovereign issuers (as represented by the iBoxx USD Emerging Markets Broad Latin America Sovereigns High Yield) outperformed all of the other indices. Specifically, the index outperformed the iBoxx LSF USD African Sovereigns by 4.10% and 1.38% over the respective periods. Over the three-year period, the iBoxx USD Emerging Markets Broad Sovereign High Yield delivered only a marginally higher performance than the iBoxx LSF USD African Sovereigns. In contrast, across the five-year period, the iBoxx LSF USD African Sovereigns demonstrated stronger performance, exceeding the iBoxx USD Emerging Markets Broad Sovereign High Yield by 0.76%.

Exhibit 3: Key Analytics of the iBoxx LSF USD African Sovereigns

Key Analytics	iBoxx USD Emerging Markets Broad Sovereigns High Yield	iBoxx LSF USD African Sovereigns
Annual Yield (%)	7.19	7.79
Coupon (%)	6.09	7.201
Annual Modified Duration (Years)	5.38	5.45
Expected Remaining Life (Years)	9.15	10.37
Market Value (USD Billion)	514.97	108.63
iBoxx Average Rating	BB	BB
Currency	USD	USD
Issuer Type	Emerging Markets Sovereigns	African Sovereigns Eligible for LSF Repo Facility Collateral
Q4 2025 Performance (%)	5.54	4.93
2025 Performance (%)	15.84	18.67

Source: S&P Dow Jones Indices LLC. Data as of Jan. 1, 2026. Index performance based on total return in USD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

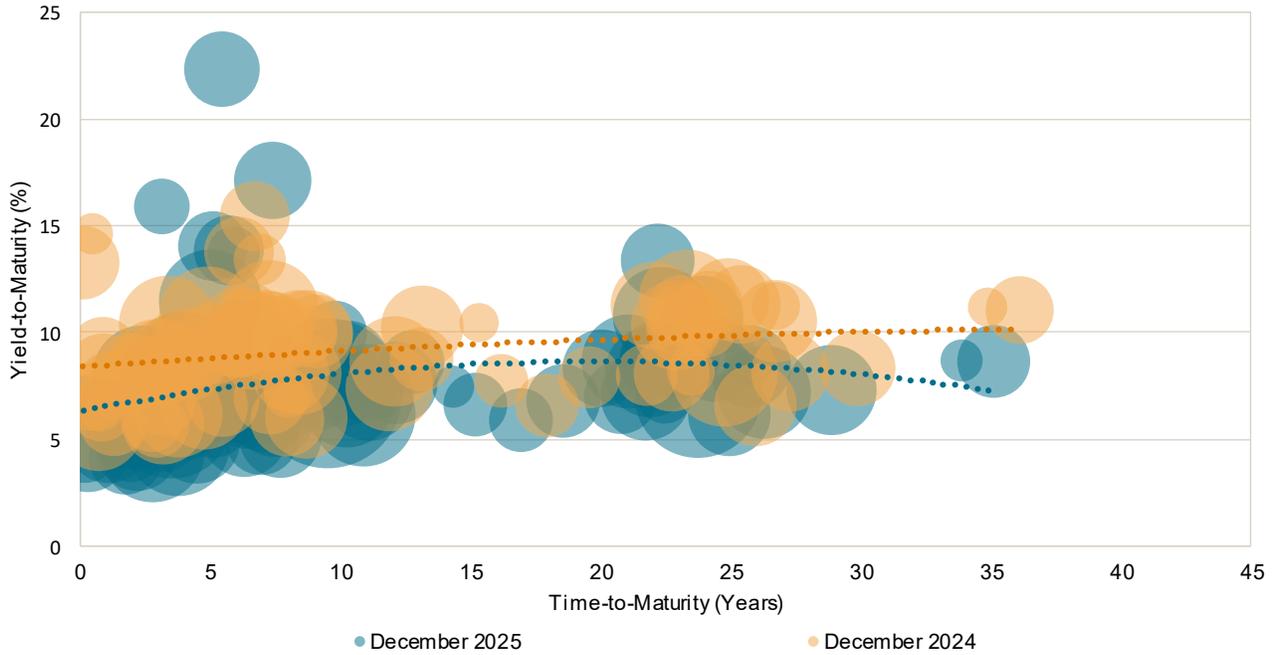
In late Q1 2025, the annual yield of the iBoxx LSF USD African Sovereigns began to increase, rising from approximately 9% to reach a peak of 11.10% in April. This increase coincided with renewed geopolitical and trade-policy tensions, including market reactions to newly announced U.S. tariffs, which contributed to wider spreads across emerging market sovereign bonds. As markets started to calm down, yields compressed gradually for the remainder of the year, coinciding with an environment of improving sentiment and broader financial conditions. By the end of 2025, the index yield had contracted by more than 100 bps compared to January. During the same period, duration increased by 0.49 years (see Exhibit 4).

Exhibit 4: Yield and Duration of the iBoxx LSF USD African Sovereigns

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

As shown in Exhibit 5, the yield curve of the index became slightly concave, with yields declining most notably at both the short and long ends of the maturity spectrum. The majority of bonds were found in the 1-10 year maturity range (66%), with an additional 24% in the 20-30 year segment. This distribution was largely unchanged from 2024.

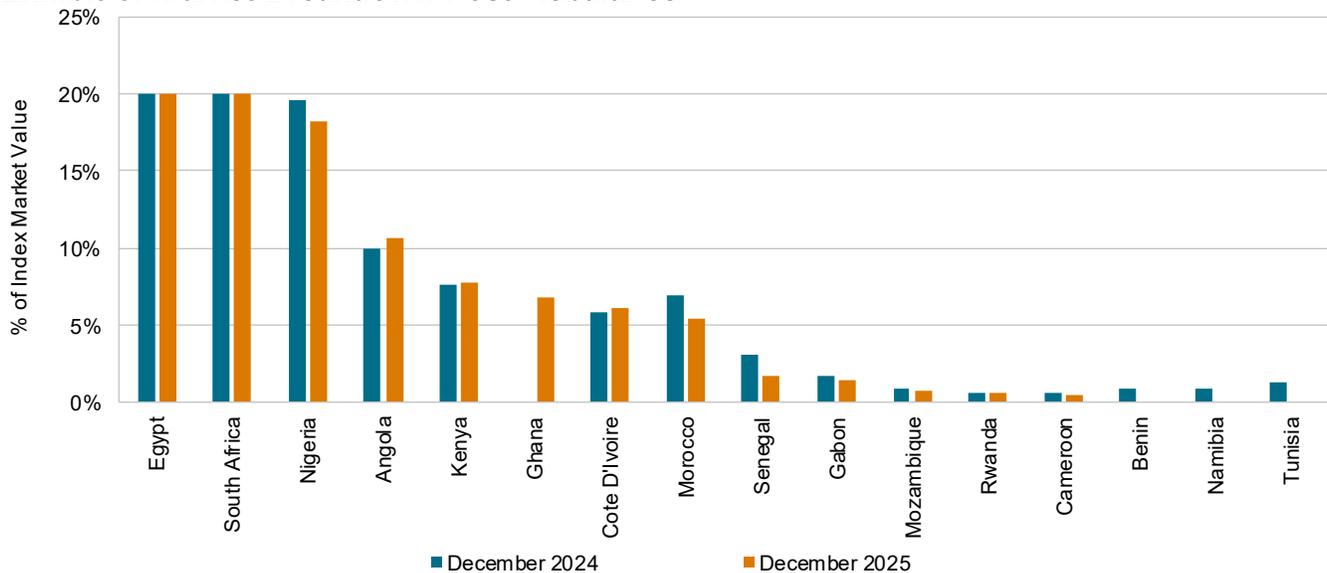
Exhibit 5: Yield Curve of the iBoxx LSF USD African Sovereigns



(Bubble Scale = Notional Amount Outstanding in USD)
 Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

To address disparities in issuance sizes across African countries, the iBoxx LSF USD African Sovereigns applies a maximum weight of 20% and a minimum weight of 0.5% at the country level. These criteria are intended to ensure adequate market representation while supporting diversification.

Exhibit 6: Market Breakdown Post-Rebalance



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2024, and Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Market Commentary

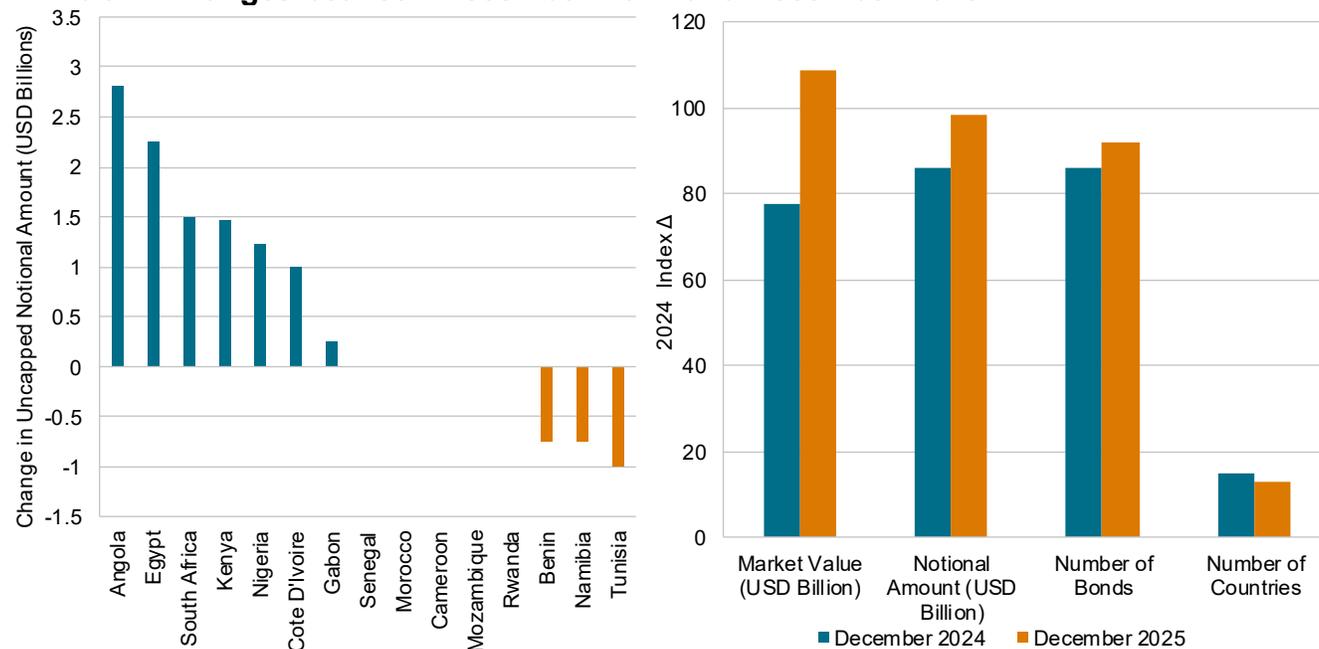
For use with institutions only, not for use with retail investors.

Based on the LSF Repo facility eligibility criteria, Ghana became eligible for inclusion within the index in 2025. Three eurobonds with varying maturities issued by the country with a total notional value of USD 8.14 billion were included in the index. At the same time, Benin became ineligible and was excluded from the index. Outstanding bonds from Namibia and Tunisia matured in 2025, eliminating them from the index in the absence of new eligible issuances.

When comparing the market value weights of the index constituents in the iBoxx USD Emerging Markets Broad Sovereigns and the iBoxx LSF USD African Sovereigns between December 2024 and December 2025 (excluding new entrants), Angola, Kenya and Côte d'Ivoire recorded the largest increases in weights, rising by 0.65%, 0.21% and 0.21%, respectively. Over the same period, Nigeria, Morocco and Senegal experienced the largest declines in weights, falling by 1.43%, 1.42% and 1.40%, respectively.

In Exhibit 7, we can see that Angola USD sovereign bond market notional increased the most in 2025, after one Eurobond matured and three more were issued, with USD 3.68 billion new notional added. Egypt and South Africa USD notional also increased by USD 2.25 billion and USD 1.50 billion, respectively, while both countries retained their 20% index weight in line with the 20% upper limit.

Exhibit 7: Changes between December 2024 and December 2025



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

Performance Disclosure/Back-Tested Data

The iBoxx USD Emerging Markets Broad Africa, iBoxx USD Emerging Markets Broad Overall, iBoxx USD Emerging Markets Broad Latam, iBoxx USD Emerging Markets Broad MENA, iBoxx USD Emerging Markets Broad Asia, iBoxx USD Emerging Markets Broad Sovereigns and iBoxx USD Emerging Markets Broad EMEA were launched on January 31, 2024. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect on the index Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Complete index methodology details are available at www.spglobal.com/spdji. Past performance of the Index is not an indication of future results. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results. Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

General Disclaimer

© 2026 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US 500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, DIVIDEND MONARCHS, BUYBACK ARISTOCRATS, SELECT SECTOR, S&P MAESTRO, S&P PRISM, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, MBX, MCDX, PRIMEX, HHPI and SOVX are trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Index performance does not reflect trading costs, management fees or expenses. S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.