

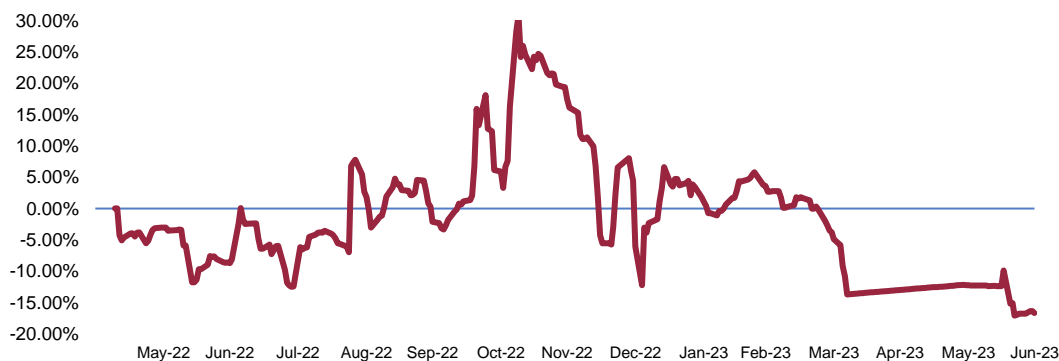
## Overview and Investment Objective

The Sentinel Africa Eurobond Trust is an open-ended Unit Trust that invests in Sovereign and Corporate Eurobonds issued in Africa. The Trust seeks to provide investors with an appetite for hard-currency denominated securities access to such securities which ordinarily would be inaccessible to them by virtue of the minimum amount required to make such investments. The Trust will provide investors the chance and access to diversify their income stream and investment portfolios while providing for long-term capital appreciation.

## Asset Allocation (%)



## Price Performance (%)



## Performance Details

|             | Jan   | Feb   | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct   | Nov    | Dec     | YTD     |
|-------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|-------|--------|---------|---------|
| <b>2022</b> |       |       |        |        | -3.04% | -5.86% | -4.09% | 16.30% | -3.85% | 8.20% | 10.87% | -20.00% | -6.05%  |
| <b>2023</b> | 7.62% | 2.47% | -8.23% | -8.58% | 0.95%  | -5.05% |        |        |        |       |        |         | -11.32% |

| Performance Summary                   | 1 Month | 3 Month | 6 Month | 9 Months | 1 Year | YTD     | Since Inception |
|---------------------------------------|---------|---------|---------|----------|--------|---------|-----------------|
| <b>Sentinel Africa Eurobond Trust</b> | -5.05%  | -12.37% | -11.32% | -14.88%  | -8.72% | -11.32% | -16.68%         |



## Market Commentary

Despite a June rally that led to a decrease in yields, African Eurobond yields persist at elevated levels. Many countries have witnessed a widening of spreads, particularly Egypt, whose bonds have been adversely affected due to their failure to deliver on reform commitments. Conversely, Nigeria and Zambia experienced a significant narrowing of spreads as a result of prompt reforms implemented by Nigeria's new president and Zambia's landmark debt reduction agreement reached with bilateral creditors. Although Kenyan and Senegalese Eurobonds observed marginal declines of 0.3% and 1.1% respectively, their yields remain elevated.

In recent times, Africa's inclination towards foreign-denominated debt has diminished, as evidenced by the absence of any issuers in the Eurobonds market during H1-2023. This contrasts with H1-2022 where Nigeria, Angola, and South Africa issued a combined \$6bn. The sustained high yields and challenging macroeconomic conditions have dissuaded most countries from participating in the market. The dollar depreciated by 1.4% in Jun-23 on the U.S. Dollar Index (DXY) as the U.S. Federal Reserve left interest rates unchanged at their June meeting while the European Central Bank and Bank of England opted to raise interest rates.

We anticipate that the coming months will see relative stability in the monetary tightening policies of developed markets as inflation continues to cool and recession fears mount. We will diversify our holdings to take advantage of this perceived transition in monetary policy and seek relative value in countries that are showing signs of market-friendly pivots.

### Disclaimers & Disclosures: