

Sentinel Ghana Fixed Income Trust (SGFIT)

Fund Manager

Sentinel Asset Management Ltd.

Description

The Sentinel Ghana Fixed Income Trust is an open-ended Unit Trust that invests wholly in fixed-income securities issued in Ghana.

Benchmark

S&P Ghana Sovereign Bond Index (GHS)

Fund Inception

May 6, 2022

Valuation Date

December 31, 2022

Net Asset Value

GHC 3,808,528.98

Total Expense Ratio

2.25%

Minimum Investment

GHC 50.00

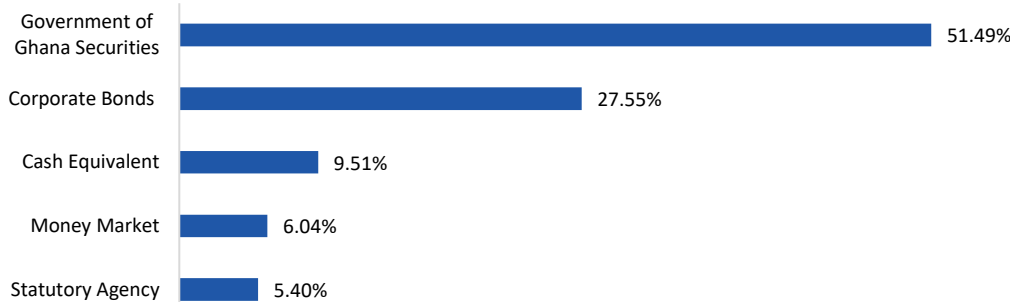
Risk Rating



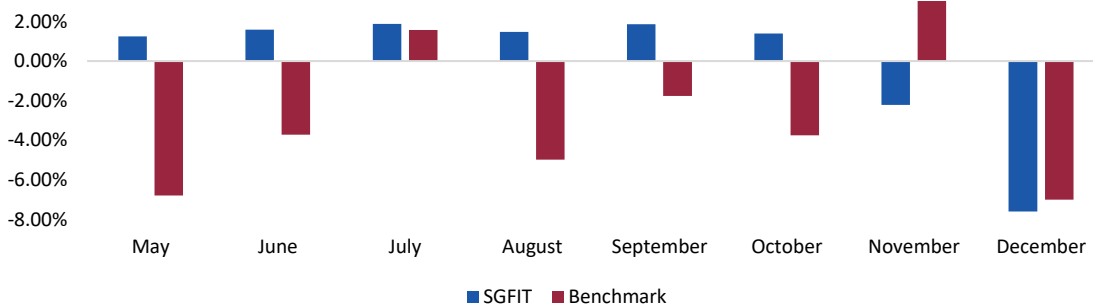
Investment Objective

The Sentinel Ghana Fixed Income Trust is an open-ended Unit Trust that invests wholly in fixed income securities issued in Ghana. The Trust seeks to provide investors with current income on a steady basis while aiming to preserve capital. 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 (%)



Performance Summary



Performance Details

	May	June	July	August	September	October	November	December	YTD
Sentinel Ghana Fixed Income Trust	1.25%	1.59%	1.88%	1.48%	1.86%	1.40%	-2.21%	-7.61%	9.84%
S&P Ghana Sovereign Bond	-6.79%	-3.72%	1.57%	-4.99%	-1.77%	-3.76%	6.90%	-7.01%	-18.69%

Market Commentary

Ghana's macroeconomic environment deteriorated further as the inflation print for Dec-22 reached a year-high 54.1%. The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG), raised interest rates by 250 bps to 27.0%, bringing the full-year rate increases to a historic 1,250 bps at its Nov-22 meeting, however, given the continued rise in headline inflation, we anticipate further, potentially more severe, rate hikes in 2023.

Ghana announced that it would suspend all foreign debt payments thus triggering a rating decrease from both S&P Ratings and Fitch Ratings. S&P Ratings downgraded the country to 'selective default' from CC while Fitch Ratings downgraded both Ghana's Long-Term Local-Currency (LTLC) and Long-Term Foreign-Currency (LTFC) Issuer Default Ratings (LDR) to 'C' from 'CC'. The rating downgrade highlights the worsening economic environment and near-stagnant debt capital market.

We anticipate that the Domestic Debt Exchange (DDE) will commence before the end of Q1-23 with substantial amendments from the initial program as industry players and individual bondholders have mounted staunch resistance to the program. Extensive consultations are needed before all parties arrive at an amicable agreement. As a result, we will continue to invest new inflows into short-term repos, money market securities, and treasury bills. We anticipate surging demand for treasury bills and other short-term investments will moderate yields. Corporate issuers that postponed coming to market in early 2022 due to unfavorable market conditions may be willing to approach the market amid lower yields and surging demand for alternative investments to government securities. These are trying times, however, we remain committed to preserving investors capital while providing income despite the numerous headwinds.

Disclaimers & Disclosures:

Historical performance is not a guarantee of future performance. The returns indicated are net of fees and other fund expenses. For more details about returns, definitions, fees, tax, limitations, charges, contributions, or other conditions and associated risks, please contact Sentinel Asset Management Ltd. Sentinel Asset Management Limited is licensed and authorized to operate as an investment advisor or fund manager by the Securities and Exchange Commission and as a pension fund manager by the National Pensions Regulatory Authority.