Sentinel
ASSET MANAGEMENT

SENTINEL AFRICA EUROBOND TRUST

2023 ANNUAL REPORT

CONTENT

TRUST INFORMATION

BOARD OF DIRECTORS OF THE FUND MANAGER	John Gadzi Elikem Kuenyehia Gary Lewis Leslie Nelson Kisseih Antonio
FUND MANAGER	Sentinel Asset Management Limited 1st Floor, One Airport Square, Airport CIty Accra Tel: +233 548 102 438 Email: info@sentinelaml.com
ADMINISTRATOR	Petra Fund Services Limited 113 Airport West, Dzorwulu P.O. Box CT 3194 Cantonments, Accra Tel: +233 302 740963 Email: info@petraonline.com
TRUSTEE	Guaranty Trust Bank (Ghana) Ltd. 25A Castle Road Ambassadorial Area Ridge Tel: +233 302 611 560 Email: gh.trustee@gtbank.com
AUDITOR	John Kay and Co 7th Floor, Trust Towers Farrar Avenue P. O. Box 16088 Airport – Accra Tel : +233 302 235 406 Email: info@johnkay.net
SOLICITOR	The Company Secretary Sentinel Asset Management Limited, 1st Floor, One Airport Square, Airport City, Accra Tel: +233 548 102 438 Email: info@sentinelaml.com
BANKERS	Guaranty Trust Bank (Ghana) Ltd. 25A Castle Road Ambassadorial Area Ridge Tel: +233 302 611 560 Email: gh.trustee@gtbank.com

NOTICE OF MEETING

Notice is hereby given that the 1st Annual General Meeting ("AGM") of the Unit Holders of the Sentinel Africa Eurobond Trust (SAET) will be held virtually on Zoom at 11:00am on Thursday 12th September, 2024 to transact the following business:

AGENDA

- To receive the Report of the Fund Manager for the Year ended 31 December 2023.
- To consider and adopt the Annual Report and the Audited Financial Statements of the Sentinel Africa Eurobond Trust for the financial year ended 31 December 2023, together with the Trustee's Report and Auditor's Report

ORDINARY RESOLUTIONS

- That the Annual Report and the Audited Financial Statements of the Sentinel Africa Eurobond Trust for the financial year ended 31 December 2023, together with the Trustee's Report and Auditor's Report be received and adopted.

NOTE

Online Participation

Attendance and participation by all unit holders and/or their proxies at the Annual General Meeting of the Sentinel Africa Eurobond Trust shall be strictly virtual or by electronic means (online participation).

TO REGISTER FOR THE AGM

The registration link shall be forwarded to the email addresses and contact numbers of Unit Holders to enable all Unit Holders to participate in the AGM to register accordingly. The link can also be accessed on the fund manager's website. Unit Holders shall be required to provide relevant information to complete the registration process. After registering, Unit Holders will receive a confirmation email containing information about joining the AGM.

Dated this 5th day of August, 2024
Company Secretary
By Order of the Manager

PROXY

A unit holder who is entitled to attend and vote may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a unit holder. A completed proxy form shall be sent to the address of the fund manager as stated below, or via email to (info@sentinelaml.com) not later than 48 hours before the appointed time of the meeting. A proxy form is provided in the Annual Report of the Fund and the same is also available on the Fund Manager's website (www.sentinelaml.com). All relevant documents in connection with the meeting are available to Unit Holders from the date of this Notice on the Company's website (www.sentinelaml.com) and at the Company's registered office: 1st Floor, One Airport Square, Airport City, Accra.

SENTINEL AFRICA EUROBOND TRUST
2023 Annual Report

REPORT OF THE TRUSTEE

REPORT OF THE TRUSTEE

Guaranty Trust Bank (Ghana) Ltd.
CS406022014

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Ambassadorial Area, Ridge,
PMB CT 416, Cantonments,
Accra, Ghana.
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In our independent opinion as Trustee, the Manager has, in all material respects, managed the Fund during the period, in accordance with the Unit Trust and Mutual Funds Regulations, 2001, (L.I 1695) and the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For the year ended 31st December 2023, we have held the assets for the Sentinel Africa Eurobond Trust, including securities and income that accrue thereof, to the order of the Fund and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund manager.

Yours faithfully,
For: Guaranty Trust Bank (Ghana) Limited

Authorized Signatory

Authorized Signatory

SENTINEL AFRICA EUROBOND TRUST
2023 Annual Report

FUND MANAGER'S REPORT

FUND MANAGER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

ECONOMIC REVIEW

In 2023, the economies of African countries faced a variety of challenges that dampened their respective growth prospects. The IMF projected the continent's average real GDP growth to slow to 3.3%, down from 4.0% in 2022, due to several compounding factors including the long-term impacts of COVID-19, higher central bank rates, geopolitical tensions in the Middle East, supply chain disruptions from the Russian-Ukrainian conflict, and a sluggish global economy. Sub-Sahara Africa (SSA) experienced particularly slow growth, with projections indicating a decline to 2.5% in 2023 from 3.6% in 2022.

AFRICAN EUROBOND REVIEW

Performance – In 2023, the performance of African Eurobonds was marked by significant challenges and selective success stories. Some countries achieved notable gains through market confidence in their reforms and innovative financing approaches. Kenya's Eurobonds for instance experienced significant gains, driven by an extended IMF support program. Meanwhile, Ethiopia and Ghana faced defaults on some of their Eurobond obligations, reflecting ongoing liquidity crises and restructuring needs. In addition, the strengthened US dollar, driven by a 100-basis point increase in US federal interest rates during the year under review, diverted investment away from emerging and frontier economies. Overall, while there was slight improvement in African Eurobond yields, rates remained elevated due to the persistent risks.

New Issuances – During the year, African nations faced limited access to global financial markets with no new Eurobond offerings due to high interest rates and investor concerns over inflation, debt sustainability, and weakening local currencies. A few countries on the continent however managed to issue new Eurobonds, including Egypt, Morocco, and Gabon, which collectively raised $5 billion, down from $6.5 billion in 2022 and $19.7 billion in 2021.

PORTFOLIO STRUCTURE

The Sentinel Africa Eurobond Trust ("The Trust") is an open-ended unit trust that seeks to provide investors with the opportunity to invest in Eurobonds issued by African sovereign and corporate entities with the aim to optimize returns while providing a hedge against the depreciation of the local currency. The Trust is mandated to invest up to 100% of its assets in a well-diversified portfolio of African sovereign and corporate Eurobonds.

In 2023 the Trust was well within its mandate to invest majority of its Assets Under Management (AUM) in African Eurobonds. As of December 31, 2023, 88% of AUM was invested in African

FUND MANAGER'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

Eurobond securities with an average maturity period of 8.5 years.

PORTFOLIO PERFORMANCE

The Trust closed 2023 with AUM of GHS 9,421,412.86 up 33.1% from GHS 7,078,723.52 as at the end of December 2022. This change was largely due to new inflows received from retail investors. The fund recorded a return of -3.17% for the year as against -6.05% in the prior year.

The total number of unitholders in the Trust was 5,050 as at the end of 2023, up 255.6% from 1,420 in 2022.

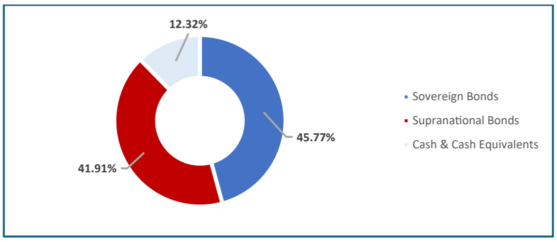
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	7.62%	2.47%	-8.23%	-8.58%	0.95%	-5.05%	2.16%	-4.45%	-0.65%	1.26%	7.74%	3.19%	-3.17%

Monthly Returns for 2023

SAET Price Performance in 2023

PORTFOLIO REVIEW AND ASSET MIX

In line with the fund's portfolio strategy, high yielding African Eurobonds with good credit quality were added to the portfolio to enhance returns of the Trust for our unitholders. The Trust's liquidity was managed carefully to address all redemption needs. The Trust's portfolio allocation as at the end of 2023 comprised African sovereign eurobonds (45.8%), supranational eurobonds (41.9%), cash and cash equivalents (12.3%)



PORTFOLIO ALLOCATION AS OF 31 DECEMBER 2023

OUTLOOK FOR 2024

The African economic outlook for 2024 indicates a positive growth trajectory, with several countries expected to experience strong growth despite ongoing challenges. Average GDP is expected to grow by 3.7%.

With most central banks in developed markets expected to conclude their rate-hiking cycles, forecasts for 2024 suggest potential rate cuts beginning in the third quarter. This scenario could prompt fund managers to pursue higher yields in emerging and frontier markets, likely enhancing the activity and performance of African Eurobonds. Additionally, IMF support for African nations is anticipated to boost investor confidence and alleviate concerns about widespread defaults, thereby facilitating renewed market access for new Eurobond issuances.

FUND MANAGER'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

Emerging Market Debt, which serves as a proxy for African Eurobonds, has shown estimated annual returns of 8.11% in US dollars over the past decade, underscoring the attractiveness of these bonds in the long term.

STRATEGY FOR 2024

In 2024, we will focus on lengthening the duration of our portfolio. We aim to maintain exposure to supranational securities while increasing our exposure to corporate securities and enhance diversification by including both Dollar and Euro denominated securities. We will maintain an active approach to managing the portfolio to ensure optimal returns to unitholders. Countries on our watch list include Egypt, Nigeria, South Africa and Cote d'Ivoire.

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SENTINEL AFRICA EUROBOND TRUST
2023 Annual Report

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

OPINION

We have audited the accompanying financial statements of Sentinel Africa Eurobond Trust, which comprise the statement of financial position as at 31 December 2023, statement of assets and liabilities, statement of movement in net assets, capital account and the income and distribution account, for the year ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 12-23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Sentinel Africa Eurobond Trust as at 31st December 2023, the trust's financial performance and its movement in net assets for the year ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Securities Industry Act, 2016 (Act 929) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to note 15 of the financial statements, which describes unrealized valuation loss on the scheme's investments and foreign currency, corporate and government bonds. Our opinion is not modified with respect to this matter.

KEY AUDIT MATTERS

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgment, were most significant in the

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

audit of the financial statements. We have determined that there are no matters to report under key audit matters.

RESPONSIBILITIES OF THE FUND MANAGER FOR THE FINANCIAL STATEMENTS

The Fund Manager is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Securities Industry Act, 2016 (Act 929) and the Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as the fund manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The fund manager is also responsible for overseeing the trust's financial reporting process.

In preparing the financial statements, the fund manager is responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the fund manager either intends to liquidate the trust or to cease operations or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not or the purpose of expressing an opinion on the effectiveness of the trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the fund manager.

- Conclude on the appropriateness of the fund manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER INFORMATION

The fund manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SENTINEL AFRICA EUROBOND TRUST

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of accounts have been kept by the trust so far as it appears from our examination of those books.

The engagement partner on the audit resulting in this independent auditor's report is Gilbert Adjetey Lomofio (ICAG/P/1417)

John Kay & Co
....
For and on behalf of John Kay & Co.
(ICAG/F/2024/128)
Chartered Accountants
Accra
..................2/4.........2024

John Kay & Co.
0 2 APR 2024
P.O. Box 16088 KIA, Accra

SENTINEL AFRICA EUROBOND TRUST
2023 Annual Report

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2023

	2023		2022	
	Market Value GHS	**Percentage of Net Assets %**	**Market Value GHS**	**Percentage of Net Assets %**
Assets				
Corporate Bonds	4,146,298	43%	7,026,982	78%
Government Bonds & Bills	5,489,392	56%	-	0%
Other Receivables	3,144	0%	2,153	0%
Cash and cash equivalent	260,788	3%	2,043,767	23%
Total Assets	**9,899,622**	**102%**	**9,072,902**	**101%**
Total Liability	(174,364)	-2%	(54,897)	-1%
Total Net Assets	**9,725,258**	**100%**	**9,018,005**	**100%**

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

ASSETS	NOTE	2023 Gh¢	2022 Gh¢
Financial Assets at FVTOCI	8	9,635,690	7,026,982
Other receivables		3,144	2,153
Cash and Cash Equivalent	9	260,788	2,043,767
Total Assets		**9,899,622**	**9,072,902**
LIABILITIES			
Management Fees		6,892	12,998
Trustee Fee		9,114	1,182
Administrator Fee		2,167	4,570
Audit Fees		28,000	-
Other Payables	10	92,846	21,147
Total Liabilities		**174,364**	**54,897**
Net Assets		**4,624,526**	**9,018,005**
Represented by			
Accumulated Net Investment Income		(1,890,635)	(53,807)
Capital Account		12,394,077	11,288,243
Investment Valuation Reserve	11	(778,184)	(2,216,431)
Total Members' Fund		**9,725,258**	**9,018,005**

The notes on pages 20 - 34 form an integral part of these financial statements.
The financial statements on pages 15 - 19 were approved by Sentinel Asset Management Limited on 28th March 2024 and were signed on its behalf by:

....
Name : John Gadzi
Director Director

....
Name: Kisseih Antonio
Director Director

INCOME AND DISTRIBUTION ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

INVESTMENT INCOME		2023 Ghc	2022 Ghc
Interest Income	12	378,281	86,460
Other Income	13	194,563	-
Total Investment Income		**572,844**	**86,460**
EXPENSES			
Management Fee		153,158	22,820
Trustee Fees		13,924	2,145
Administrator Fee		50,917	7,673
Audit Fee		28,000	15,000
Other Expenses	14	2,163,673	92,629
Total Expenses		**2,409,672**	**140,267**
Net Investment Income	15	**(1,836,828)**	**(53,807)**
OTHER COMPREHENSIVE INCOME			
Valuation gain/(loss) on Investment		(456,758)	(476,287)
Total Other Comprehensive Income		**(136,343)**	**(2,216,431)**
Total Comprehensive Income		**(1,973,171)**	**(2,270,238)**

	2023 Ghc	2022 Ghc
Balance at the beginning	397,217	-
Net Investment Income	998,280	397,217
Balance at 31 December	**1,395,497**	**397,217**

ACCUMULATED NET INVESTMENT INCOME

Balance at the Beginning	(53,807)	-
Net Investment Income	(1,836,828)	(53,807)
Balance at 31 December	**(1,890,635)**	**(53,807)**

STATEMENT OF MOVEMENTS IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 Gh¢	2022 Gh¢
Net Investment Income	(1,836,828)	(53,807)
Valuation gain/(loss) on Investments	(136,343)	(2,216,431)
Reclassification adjustment	1,574,590	-
Decrease in Net Assets from Operations	**(398,581)**	**(2,270,238)**
Value of Units Sold	3,064,268	11,473,624
Value of Units Disinvested	(1,958,434)	(185,381)
Increase in Net Assets from Capital Transactions	**1,105,834**	**11,288,243**
Total Increase in Net Assets	**707,253**	**9,018,005**
Analysis of Changes in Net Assets During the Year		
At 1 January	9,018,005	-
Increase in Net Assets During the year	707,253	9,018,005
Net Assets as at 31 December	**9,725,258**	**9,018,005**

STATEMENT OF MOVEMENTS IN ISSUED UNITS

	2023 Gh¢	2022 Gh¢
Number of Units at 1 January	9,620	0
Number of Units Issued during the year	3,379	9787
Number of Units disinvested during the year	(2,219)	(167)
Number of Units at 31 December	10,780	9,620

CAPITAL ACCOUNT

CAPITAL ACCOUNT	2023 Units	2022 GH¢	2022 Units	2022 GH¢
Balance at 1st January	9,620	11,288,243	-	-
Value of Units Sold and Converted	3,379	3,064,268	9,787	11,473,624
	12,999	14,352,511	9,787	11,473,624
Value of Units Disinvested	(2,219)	(1,958,434)	(167)	(185,381)
Value at 31 December	**10,780**	**12,394,077**	**9,620**	**1,288,243**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. REPORTING ENTITY

Sentinel Africa Eurobond Trust is a unit trust registered in Ghana. It is licensed by the Securities and Exchange Commission, Ghana, and authorized to operate as a Unit Trust, in line with the Unit Trust and Mutual Fund Regulation, 2001 (L.I. 1695) and the Securities Industry Act, 2016 (Act 929).

The Sentinel Africa Eurobond Trust ("The Trust") is an open-ended Unit Trust that seeks to invest in Sovereign and Corporate Eurobonds issued in Sub-Saharan Africa.

2. BASIS OF ACCOUNTING

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial ReportinStandards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of preparation

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

(c) Functional and presentation currency

These financial statements are presented in Ghana Cedi, which is the trust's functional currency. All amounts have been stated in full.

(d) Use of estimates and judgement

In preparing these financial statements, the fund manager has made estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

(e) Comparatives

This account is for the first financial year of operating the trust and as such, there are no comparatives.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the period in the preparation of the trust's financial statements.

(a) Investment income recognition

Interest income, including interest income on financial assets at fair value through other comprehensive income

(FVTOCI), is recognized in the income and distribution account using the effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable are recognized in the income and distribution account as interest income.

(b) Financial instruments

Financial assets and financial liabilities are recognized in the trust's statement of financial position when the trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.
Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the trust may make the following irrevocable election/designation at initial recognition of a financial asset:

- the trust may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the trust may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the trust recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

b. Debt instruments classified as FVTOCI

Government bonds, local government bonds and treasury bills held by the trust are classified as at FVTOCI in compliance with the directive by the Securities and Exchange Commission (SEC) for fund managers to use FVTOCI for valuation of portfolios of collective investment schemes. These assets are initially measured at fair value plus transaction costs. Changes in the carrying amount of these assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income and accumulated in investment revaluation reserve are reclassified to profit or loss.

Impairment of financial assets

The trust recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments thatare measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The trust always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the trust's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the trust's core operations.
In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

i Significant increase in credit risk (cont'd)

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the trust presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the trust has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the trust assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

1. A financial instrument is determined to have low credit risk if:

2. The financial instrument has a low risk of default,

3. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

4. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ii. Definition of default

The trust considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the trust, in full (without taking into account any collateral held by the trust).

Irrespective of the above analysis, the trust considers that default has occurred when a financial asset is more than 90 days past due unless the trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;

2. a breach of contract, such as a default or past due event;

3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

5. the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The trust writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

vi. Derecognition of financial assets

The trust derecognises a financial asset only when the contractual rights to thecash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instruments which the trust has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the trust in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

Amendments to IFRS 9, Financial Instruments

The amendment clarifies which fees to include in the '10%' test to determine whether a financial liability has been substantially modified (i.e. the derecognition analysis). A borrower includes only fees paid or received between itself and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

5. NEW AND AMENDED STANDARDS NOT EFFECTIVE FOR THE CURRENT PERIOD

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangement

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the trust's accounting policies, which are described in note 3, the fund manager is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience tand other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

7. KEY CONTRACTORS

a. Fund Managers

Sentinel Asset Management Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana is the fund manager of the unit trust. It has the responsibility of implementing the investment strategy and objectives as stated in the Unit Trusts' Investment Management Policy Manual. According to trust deed, the fund managers receive a management fee at an annual rate not exceeding 2% per annum of the net asset value attributable to members of the unit trust. The management fees incurred during the year amounted to GH¢ 153,158.00. Included in the payables as at 31 December 2023 are fund management fees payable of GH¢ 6,892.

b. Trustee

The trustee of the unit trust is Guaranty Trust Bank (Ghana) Limited, a bank incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana as a unit trust fund trustee. According to the trust deed agreement, the trustee receives a trusteeship fee at an annual rate of

0.15% per annum of the net asset value attributable to members of the unit trust. The total trustee fees charged during the year amounted to GH¢ 13,924.00. Included in the payables are trustee fee of GH¢ 9,114.

c. Fund Administrator

The administrator of the unit trust is Petra Fund Services Limited, a company incorporated under the laws of the republic of Ghana. According to the trust deed the administrator receives an administrative fee at an annual rate of 0.45% per annum of the net asset value attributable to members. The total administrator fees charged during the year amounted to GH¢ 50,917.00. Included in the payables are administrator fee of GH¢ 2,331.

8. FINANCIAL ASSETS AT FVTOCI

	2023 Ghc	2022 Ghc
Corporate Bonds	4,146,298	7,026,982
Government Bonds	5,489,392	-
	9,635,690	**7,026,982**

9. CASH AND CASH EQUIVALENTS

	2023 Ghc	2022 Ghc
Cash and bank balances	260,788	2,043,767
	260,788	**2,043,767**

10. OTHER PAYABLES

	2023 Ghc	2022 Ghc
Withholding tax	15,550	1,894
VAT on audit fees	6,132	3,285
Redemption payable	71,164	15,968
	92,846	**21,147**

11. INVESTMENT VALUATION RESERVE

	2023 Ghc	2022 Ghc
Opening balance	(2,216,431)	-
Reclassification Adjustment	1,574,590	-
Gains/(Loss) during the year	(136,343)	(2,216,431)
	(778,184)	**(2,216,431)**

12. INTEREST INCOME

	2023 Ghc	2022 Ghc
Government Bonds and Notes	194,535	80,058
Corporate Bonds	183,746	6,402
	378,281	**86,460**

13. OTHER INCOME

	2023 Ghc	2022 Ghc
Realised Gains on Gov. Bonds	194,563	-
	194,563	-

14. OTHER EXPENSES

	2023 Ghc	2022 Ghc
Transaction cost	25,938	4,945
VAT on audit fees	6,132	3,285
Realised Loss on Gov. Bonds	-	84,399
Realised Loss on Corporate Bonds	557,013	-
Reclassification Adjustment	1,574,590	-
	2,163,673	**92,629**

Reclassification adjustments are realised loss on Corporate Bonds that were reclassified to profit orloss in the current period. In previous periods, the unrealised gains or loss on these financial assets were recognised in other comprehensive. The realised loss on Government Bonds in 2022 is restated from other comprehensive income to other expenses.

15. VALUATION GAINS/(LOSSES) ON INVESTMENT

	2023 Ghc	2022 Ghc
Gain /(loss) on Valuation of foreign currency	(305,923)	(639,043)
Gain /(loss) on Valuation of Gov. Bonds	96,764	-
Gain/(loss) on Valuation of Corporate Bonds	72,816	(1,577,388)
	(136,343)	**(2,216,431)**

16. TAXATION

The income of an approved unit trust scheme or mutual fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended.

17. FINANCIAL RISK MANAGEMENT

(a). Asset/Portfolio/Credit risk

Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the scheme's assets are invested will fail to discharge their obligations or commitments to the trust, resulting in a financial loss to the trust. The trust's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the trust's investment policy statement.

(b). Liquidity risk

Liquidity risk is the risk that the trust either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The trust’s approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial asset
31 December 2023

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Government Bonds & Bills	435,143	520,367	2,142,436	2,391,446	5,489,392
LGSA Bonds	-	11,819	2,105,311	2,029,168	4,146,298

The following are contractual maturities of financial Liabilities
31 December 2023

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Administrative Expenses Payable	-	174,364	-	-	174,364

(c) Market Risk

- The trust takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. Trading portfolios include those positions arising from market-making transactions where the trust acts as principal with clients or with the market.

(a) Foreign exchange risk

The trust had no foreign currency-denominated assets and liabilities at year-end. All assets and liabilities at the balance sheet date were denominated in Ghana Cedis.

(f) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the trustees on the appropriate balance of the portfolio between fixed-rate interest, and variable-rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the trustees.

(g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the trust's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements. Operational risks arise from all the trust's operations and are faced by all collective investment schemes.

The trust's objective is to manage operational risk to balance the avoidance of financial losses and damage to the trust's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the fund manager. This responsibility is supported by the development of the following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

18. CONTINGENT LIABILITIES

There was no contingent liability at the end of the year.

19. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

20. EVENTS AFTER REPORTING PERIOD

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. As at the end of the reporting period, there were no events after the reporting period that relate to the year under consideration.

PROXY FORM

I/WE...of.................. .... being a member of SENTINEL AFRICA EUROBOND TRUST ("SAET") hereby appoint... of .... as my/our proxy to attend on my/our behalf, the 1st Annual General Meeting of the Trust, to be held via ZOOM on Thursday 12th September, 2024 at 11:00am and at any adjournment thereof, for the following purposes and to vote on my/our behalf on matters as directed below:

1. That the Annual Report and the Audited Financial Statements of the Sentinel Africa Eurobond Trust for the financial year ended 31 December 2023, together with the Trustee's Report and Auditor's Report be received and adopted.

Unitholder's Signature .... Date 2024

Unless otherwise instructed, the proxy will vote for, against or abstain from voting at his/her discretion. (Do not complete this form if you will attend the meeting)

NOTES

1. A proxy need not be a Unitholder of SAET.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and sent via email to info@sentinelaml.com not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required.
5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a Unitholder from attending the meeting and voting thereat.