Sentinel Ghana Fixed Income Trust

March 2025

Trust Manager
Sentinel Asset Management Ltd.

Trust Inception
May 6, 2022

Valuation Date
March 31, 2025

Net Asset Value
GH¢ 6,253,066.98

Total Expense Ratio
2.25%

Service Providers
Auditor – John Kay and Associates

Trustee – Guaranty Trust Bank (Ghana) Limited

Minimum Investment
GH¢ 50.00

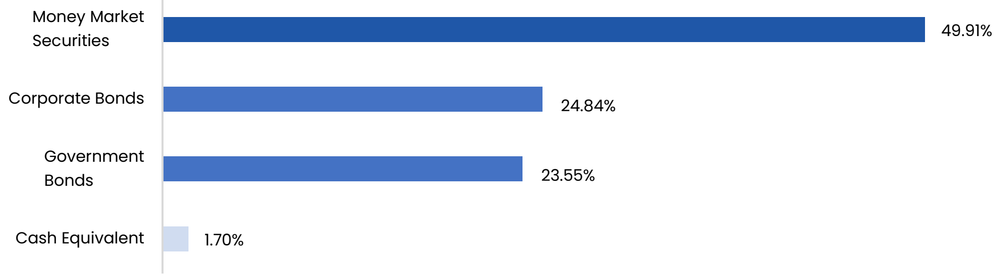
Risk Rating

1 2 3 4 5

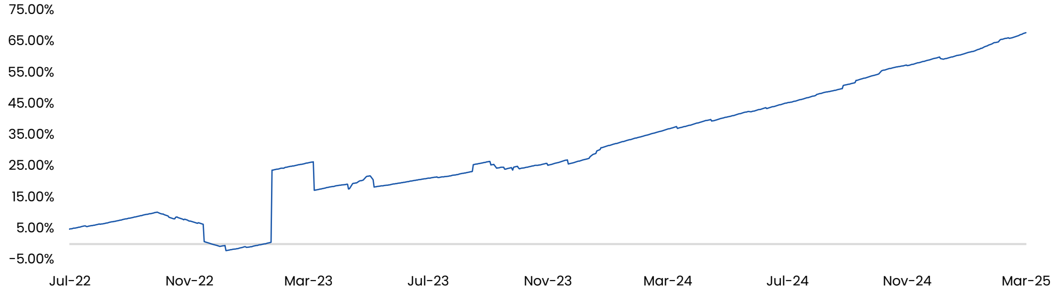
Overview and Investment Objective

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.

Asset Allocation (%)



Price Performance (%)



Performance Details

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-0.14%	25.17%	1.62%	-5.79%	2.53%	-1.89%	1.37%	1.07%	3.29%	-1.57%	0.66%	1.03%	27.51%
2024	3.98%	1.92%	1.90%	1.56%	1.43%	1.53%	1.66%	1.90%	2.09%	2.17%	1.81%	1.64%	26.29%
2025	1.00%	2.01%	1.90%										4.94%

Performance Summary	1 Month	3 Month	6 Month	9 Months	1 Year	YTD	Since Inception
Sentinel Ghana Fixed Income Trust	1.90%	4.99%	11.00%	17.39%	22.78%	4.94%	67.87%

Market Commentary

At its recent March meeting, the Bank of Ghana's Monetary Policy Committee (MPC) raised the Monetary Policy Rate by 100 basis points to 28.0% and introduced a 273- day Open Market Operation (OMO) bill, adopting a cautious stance to re-anchor the disinflation process— a decision reflecting concerns over last year's fiscal expansionary stance, which, without careful management, could further create fiscal impulses and liquidity overhang.

As inflation fell by 70bps m/m to 22.4%, the cedi also maintained its stance with no gain or loss on the interbank market in March, although the dollar plummeted amidst policy shifts on trade tariffs. However, with the upcoming dividend payments by multinational firms scheduled for April, we foresee an increase in demand for foreign exchange stemming from profit repatriation, which may exert pressure on the cedi.

After 11 weeks of continuous oversubscription in the primary auctions, the government missed its target twice in March, raising GHS 22.4bn against a target of GHS 25.8bn. Nevertheless, market rates continue to decline against investors' favor, falling m/m to 15.7% (Feb 2025: 20.7%), 16.7% (Feb 2025: 22.9%), and 18.8% (Feb 2025: 22.7%) across 91-, 182-, and 364-day tenors, respectively.

As anticipated on the corporate front, Letshego is set to raise GHS 100mn under its bond program, capitalizing on the declining yield environment for cheaper cost of debt.

With declining money market rates, slow disinflation, and an uptick in the policy rate, the market is rife with skepticism. However, we anticipate a potential shift in the money market curve if investor participation in subsequent auctions declines. We will favor bank securities with shorter tenors to capitalize on risk-adjusted returns while closely monitoring market movements.

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