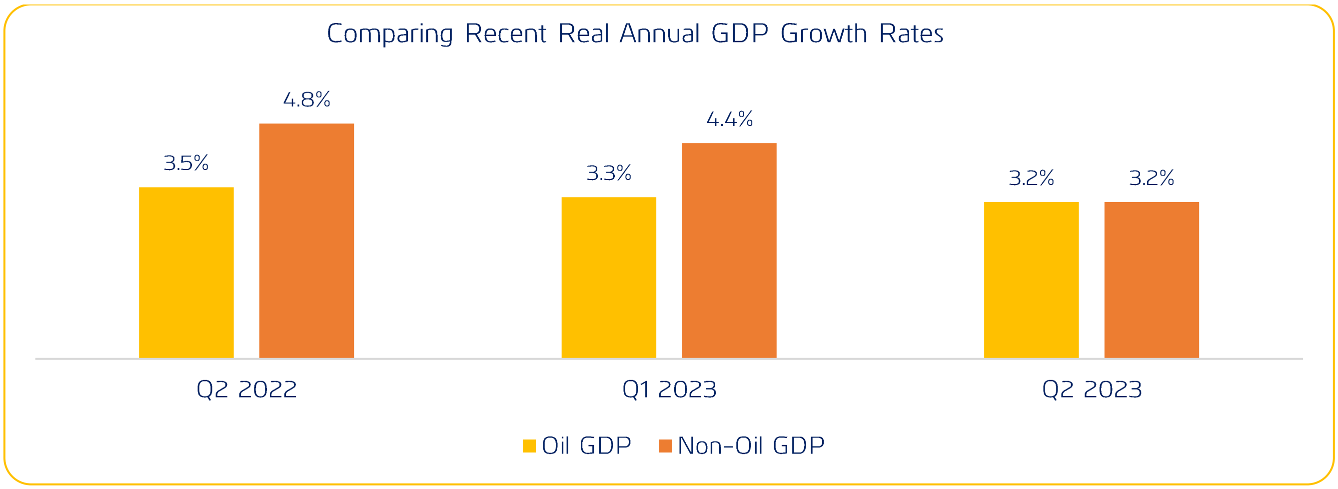
2023 Half-Year Report

Economic Review

High-frequency indicators suggest that global economic growth lost momentum to end H1 2023. Although the J.P. Morgan Global Composite Output Index posted above the neutral 50.0 mark for the fifth successive month to end the quarter, it came in at a four-month low. The data suggest the expansion in the second quarter continued to be largely driven by a vibrant service sector as lacklustre activity in the manufacturing sector persisted.

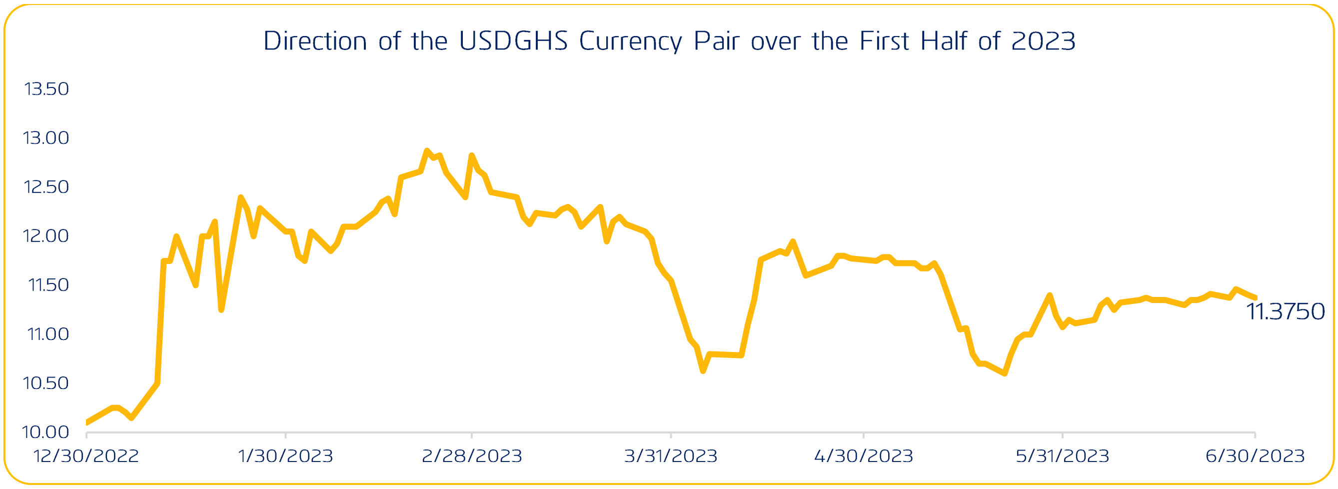
The Ghanaian economy grew at the slowest pace in almost a year in H1 2023 as fiscal tightening and high inflation weighed on output. Provisional data from the Ghana Statistical Service revealed that real GDP (Gross Domestic Product) in the three months through June 2023 expanded by 3.2% from a year earlier (y/y), compared to a downwardly revised expansion of 3.3% in the previous quarter. The deceleration in growth was primarily caused by a continued contraction (10.2%) in fixed investment amid fiscal and monetary tightening and weaker net exports.



Source: Ghana Statistical Service

Currency Developments

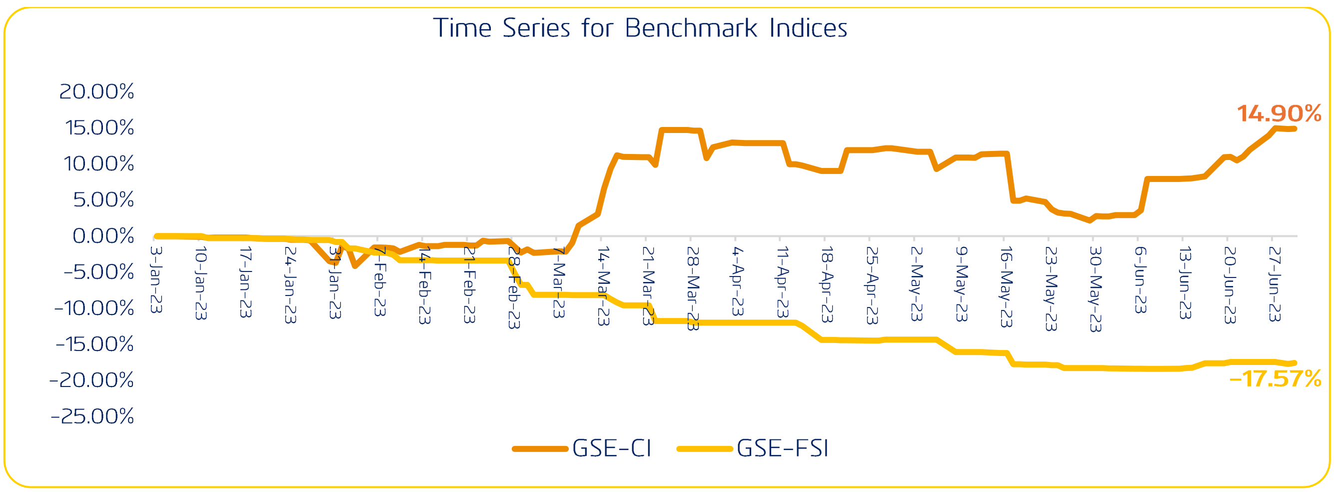
The Cedi (GHS) gained against the U.S. Dollar (USD) in H1 2023, reversing some of its first quarter losses. The performance of the local unit was anchored by board approval of the $3 billion IMF program, which was clinched mid-quarter in Q2 2023. The approval of the deal boosted investor optimism that the program will help Ghana overcome its debt crisis, bolster its finances, and eventually regain access to global financial markets. After extreme swings during the first two months of the quarter largely driven by news reports on the IMF deal, the local unit traded steadily in the last month of the quarter. Altogether, the Cedi appreciated by 1.5% against the U.S. Dollar in H1 2023, according to data from *Bloomberg*, trimming its year-to-date (YTD) decline to 12.62%.



Source: Bloomberg

Local Market Update

Ghanaian equities ended the first half of 2023 on a high note as the GSE Composite Index (which tracks the broad market performance) registered an impressive YTD gain of 14.90%. This growth was driven by positive sentiment on some large-cap stocks, pushing the main index higher. On the back of increased equity inflows over the quarter, market capitalisation surged to an all-time high at the close of the quarter, breaking past the GH¢70 billion mark (GH¢70.24 billion) for the first time ever. Financial stocks, however, continued to reel as the aftershocks of the Domestic Debt Exchange Program (DDEP) weighed heavily on their profitability.



Source: Ghana Stock Exchange, CAL Asset Research

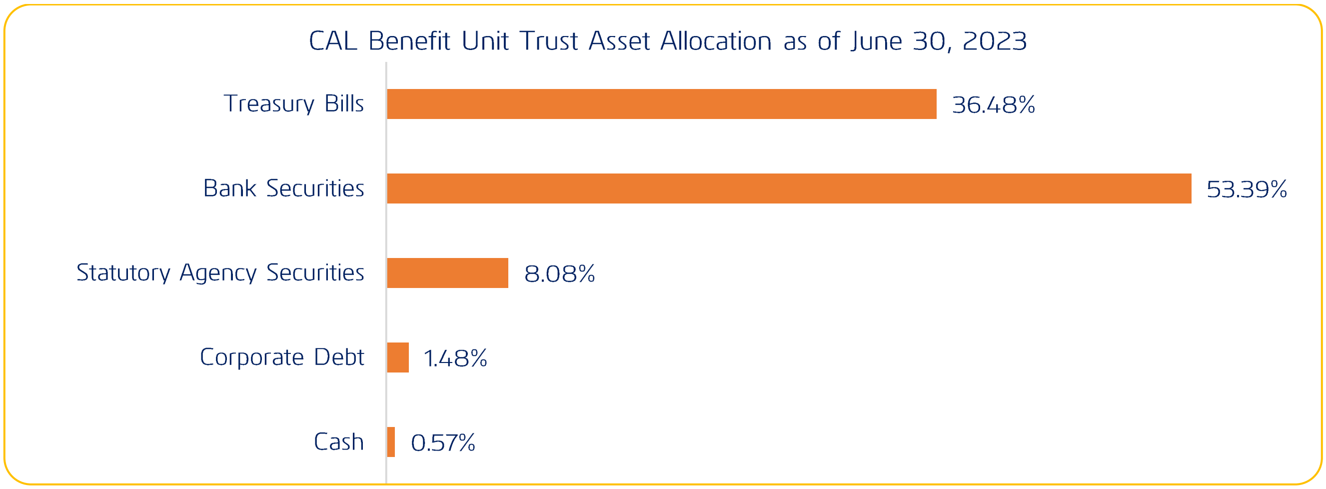
Demand for Government of Ghana Bills remained elevated in H1 2023 amid rising money market yields. Investors aggressively repriced money market yields higher during the quarter amid elevated perceived risk associated with Treasury Bills and sticky inflation. Accordingly, money market yields ended H1 at significantly higher levels relative to the end of the first quarter, with the weighted average yield (WAY) on the 91-, 182-, and 364-Day rising by 409bps, 400bps and 359bps, respectively, to end the quarter at 22.97% p.a., 25.44% p.a., and 29.25% p.a.

Asset Allocation & Performance of the CAL Benefit Unit Trust

The CAL Benefit Unit Trust is an authorized open-ended unit trust fund as defined in the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The Trust began operations in October 2022 and continuously offers units to new subscribers and redeems units from current unitholders. The Trust's primary objective is to provide additional income and preserve wealth for individuals and institutions by investing in high-quality fixed-income instruments designed to meet medium- to long-term goals.

Portfolio Structure

The Trust's Net Asset Value (NAV) grew by a robust 112.73% year-to-date to end the half-year at GHS 10.29m. Investment earnings and positive net cash flows supported strong growth in the Trust's NAV. The Trust ended 2025 with 36.48% of assets in Government of Ghana treasury bills, 53.39% in Bank Securities, 8.08% in Statutory Agency Securities, and 1.48% in Corporate Debt Securities. Cash for liquidity purposes made up 0.57% of total assets.



Source: CAL Asset Research

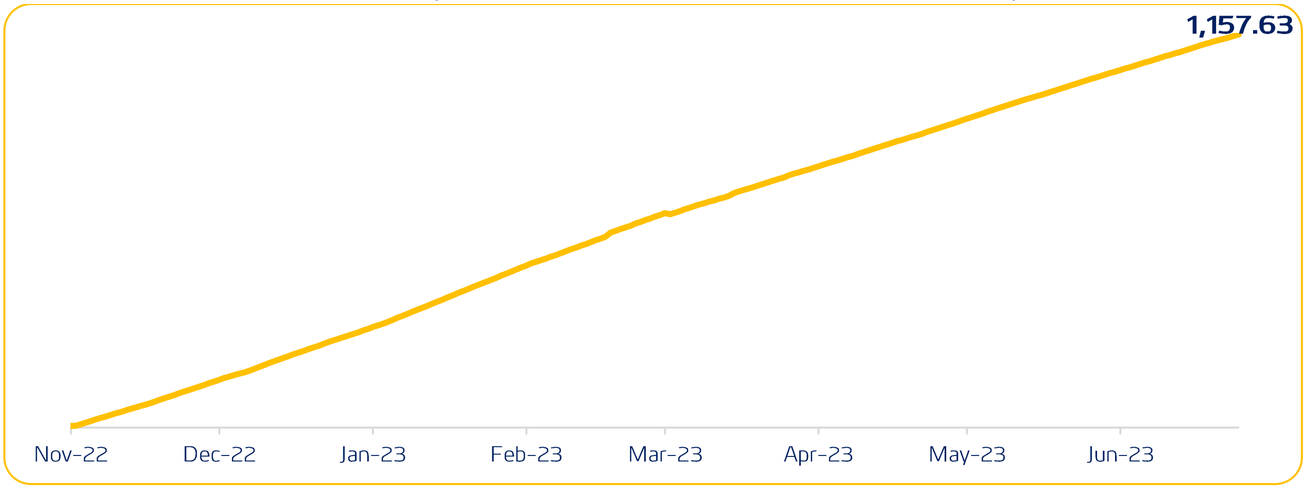
Portfolio Performance

The CAL Benefit Unit Trust returned a healthy 11.77% in H1 2023, its first full half-year of operation. The Trust benefited from the lack of bonds impaired by the domestic debt restructuring, in line with our commitment to providing investors with much-needed liquidity in these uncertain times.

CAL Benefit Unit Trust H1 2023 Return vs Benchmark

Period	Net Asset Value (GHS)	Fund Return (%)	Benchmark Return (%)
H1 2023	10,288,610.96	11.80	14.04

Price Performance: GHS 1,000 inception (Nov-22) is now worth GHS 1,157.63 (compounded return 15.76)



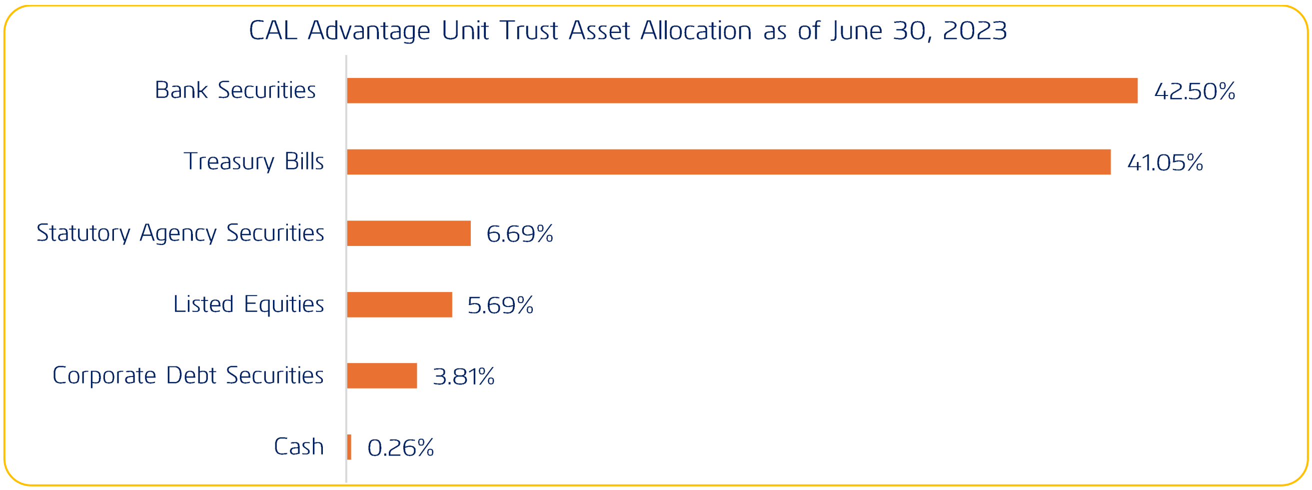
Source: CAL Asset Research

Asset Allocation & Performance of the CAL Advantage Unit Trust

The CAL Advantage Unit Trust is an authorized open-ended unit trust fund as defined in the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The Trust began operations in October 2022 and continuously offers units to new subscribers and redeems units from current unit holders. The primary objective of the Trust is to generate medium- to long-term value through systematic growth of investors' funds by investing in a diversified portfolio of fixed-income and equity securities.

Portfolio Structure

The Trust's Net Asset Value (NAV) grew by a robust 61.80% to end H1 2023 at GHS 3.60 million. Investment earnings and positive net cash flows supported strong growth in the Trust's NAV. The Trust ended H1 with about 42.50% of its assets invested in Bank Securities (repurchase agreements and fixed deposits), 41.05% in Treasury Bills, 6.69% in Statutory Agency Securities, 5.69% in listed equities, and 3.81% in Corporate Debt Securities. Cash held for liquidity purposes made up 0.26% of the Trust's assets as at the end of the period.



Source: CAL Asset Research

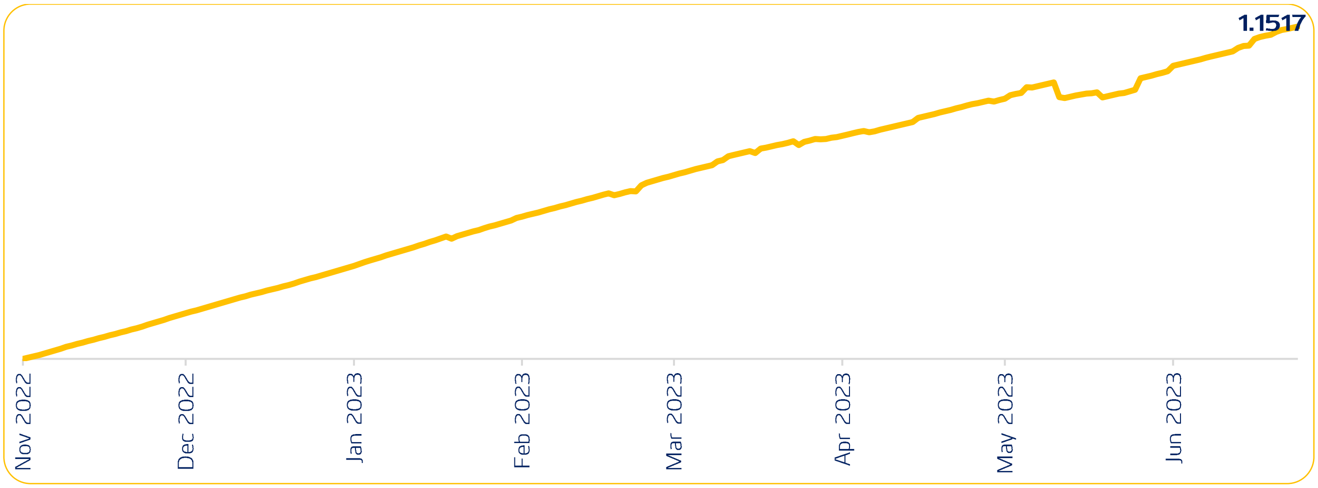
Portfolio Performance

The CAL Advantage Unit Trust achieved a healthy half-year return of 11.02%, its first full half-year of operation. The Trust made its first equity allocation during the period, staging its strategy as a balanced Trust. Investors have benefited from the Fund's proactive management, which adeptly navigated market volatility and capitalized on growth opportunities.

CAL Advantage Unit Trust H1 2023 Return vs Benchmark

Year	Net Asset Value (GHS)	Fund Return (%)	Benchmark Return (%)
H1 2023	3,603,213.71	11.02	13.98

Overall, GHS 1,000 invested from inception (Nov-22) is now worth GHS 1,151.7, representing a compounded return of 15.17%.



Source: CAL Asset Research

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