



Altus Unit Trust Interim Report for the period ended 30 June 2022

A HIGHER FINANCIAL ALTITUDE

FUND MANAGERS : ALTUS CAPITAL
LIMITED

Economic overview



ECONOMIC ENVIROMENT

Global growth is expected to slow significantly in 2022, the global economy continues to suffer from a series of destabilizing shocks, compounding the COVID-19 pandemic woes, the Russian invasion of Ukraine has magnified the slowdown in the global economy, through its effects on commodity markets.

As for the local economy, key indicators such as the Stanbic Bank Zambia PMI dropped to 49.9 in June of 2022 from 51.5 in the at the start of the year.

The Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate at 9.0 percent.

Inflation reduced in June 2022, to 9.7 percent from 15.1 percent in January 2022. The reduction was attributed to price reductions in food & non-food items.

During the second quarter of 2022, the Kwacha begun to appreciate marginally against major convertible currencies. There was evenly spread demand for the US Dollar which led to the Kwacha's marginal appreciation. The local currency gained 6% as it opened the Year at ZMW18.03 /USD and closed the second quarter at ZMW16.99/USD1

FUND PERFORMANCE



FINANCIAL PERFORMANCE

The Fund continues to post a positive financial performance in the first half of 2022, with Revenue of ZMW 1.7 million, a 32% increase from the ZMW 1.3 million performance for the same period in 2021. On the other hand, Operating expenses decreased by 9% over the same period.

The Fund Surplus income for the year of ZMW 1.5 million in the first half of 2022 represents a 39% increase from the same period last year.

The Fund Size stood at ZMW 17.83 million a 4% overall growth on a year on year basis from the ZMW 17.10 million in June 2021

FINANCIAL REPORT

ALTUS UNIT TRUST
INTERIM FINANCIAL REPORT FOR THE PERIOD
ENDED 30 JUNE 2022

CONSOLIDATED INCOME STATEMENTS	Altus Unit Trust Unaudited ZMW Jun-22	Altus Unit Trust Unaudited ZMW Jun-21
Gross Revenue		
Interest	1,733,752	1,314,874
Valuations	-	-
Total Income	<u>1,733,752</u>	<u>1,314,874</u>
Expenses		
Management Fees	131,709	127,176
Administration Costs	57,578	80,837
	-	-
	<u>189,286</u>	<u>208,013</u>
	-	-
Surplus/Deficit	<u>1,544,466</u>	<u>1,106,861</u>

FINANCIAL REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	ZMW	ZMW
Assets		
Fixed Placements and Bonds	14,433,450	13,803,330
Cash	3,438,922	2,944,441
related party receivables	-	578,691
Other receivables	67,138	631,513
	<u>17,939,511</u>	<u>17,957,975</u>
Current Liabilities		
related party payables	-	824,957
accrued payables	104,153	29,927
Net Asset Value	<u>17,835,358</u>	<u>17,103,091</u>

Economic outlook



GDP growth is anticipated to stay positive in the fourth quarter of 2022. However, the situation in Ukraine and the effects of Covid-19, including supply chain disruptions caused by China due to its continuing zero Covid 19 policy, continue to be major risks for the outlook

A continuous lower trend in **inflation** is anticipated in the fourth quarter of 2022 all the way through 2023, as stated in the 2023 national budget, which emphasizes the importance of inflation targeting. The Central Bank plans to achieve its 6- to 8% target range in 2023. Enhanced fiscal consolidation anchored on the conclusion of debt restructuring and the IMF program are two major variables anticipated to drive the downward trend.

In addition to the positive market sentiments Zambia received through securing the IMF ECF programme, the debt restructuring discussions and good copper prices are anticipated in Quarter 4 of 2022 because of China's efforts to revitalize the real estate sector. We expect the **currency** to continue to be stable all the way through 2022. Major risks remain the increased crude oil and fertilizer import costs.

The yields on GRZ securities have started to marginally rise. At the most recent MPC meeting, MPR was kept at 9%; the following MPC meeting is set for November 15 and 16, 2022. It is anticipated that the central bank will raise interest rates as a result of inflationary pressures brought on by commodities

WEALTH MANAGEMENT

- Financial Planning
- Insurance Planning
- Wills
- Trusts
- Retirement Planning

INVESTMENT ADVISORY

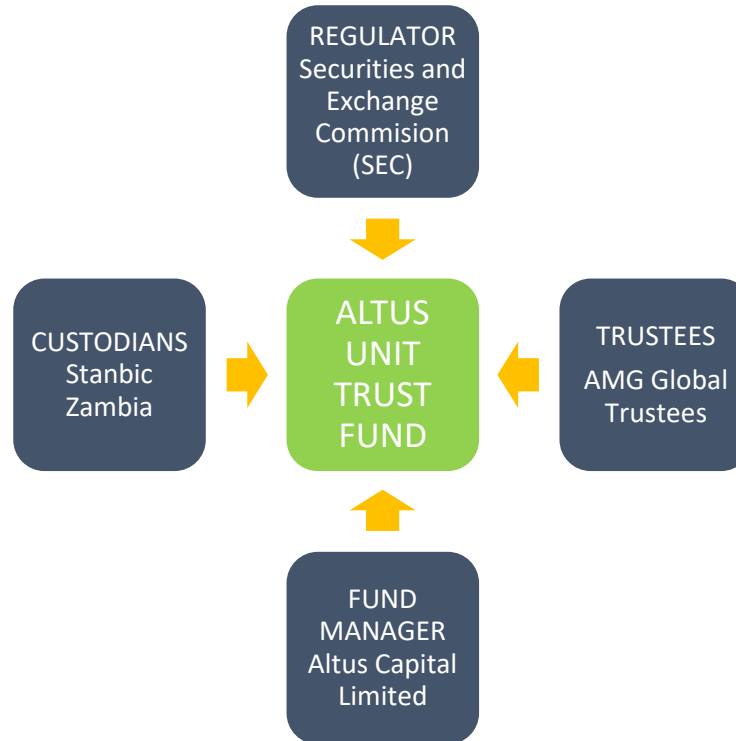
- Capital raising

Fund/Investment Management

- Unit Trusts
- Pension funds
- Private Clients

OUR SERVICES

GOVERNANCE



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In a world that is changing rapidly, the only strategy that is guaranteed to fail is not taking risks.

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CONTACT US:



info@altus.co.zm

260-977938468

0211253566

Ground Floor Mpile Office Park

74 Independence Avenue

Lusaka