ECONOMIC & MARKET OVERVIEW FOR 2025

MINERALS INCOME INVESTMENT FUND

JANUARY 2026

TABLE OF CONTENTS

KEY POINTS

1 Global economic activity in 2025 was generally stronger than expected in view of the modest negative impact of tariffs initiated by the U.S.

2 Equities rallied on the back of expected rate cuts and renewed enthusiasm for technology stocks whereas Bond yields declined across key markets except for the United Kingdom, Germany and Japan.

3 The Ghanaian economy recorded appreciable growth with inflation dipping below the Central Bank's target to end the year. The Ghana Stock Exchange (GSE) was Africa's top-performing bourse driven by strong investor interest across the bourse and the Cedi's strong performance.

4 Yields on domestic Fixed Income instruments continued to moderate, albeit sticky around lower double digit supported by slowing inflation and monetary policy easing.

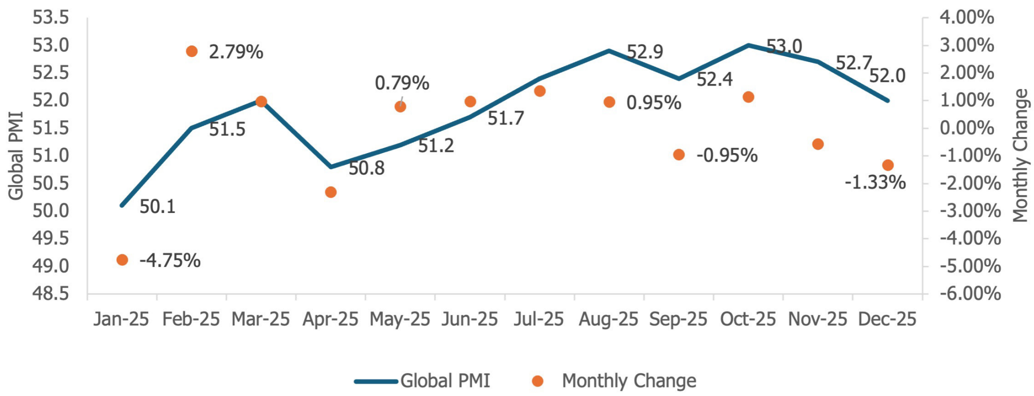
5 Ownership of Azumah Resources' Black Volta and Sankofa projects was in the spotlight as the price of Gold continued to hit new highs on the world market.

I. Global Economic Review

a. Global Economic Growth

The global economy expanded in the last quarter of 2025, largely led by the manufacturing and services sectors. In October, the Global Composite Purchasing Managers Index (PMI) Output Index recorded a gain of 1.15%, reaching 53 as opposed to 52.4 recorded in September 2025, signaling consistency with the International Monetary Fund (IMF) projected Global GDP growth of 3% for 2025. Inflationary pressures also eased despite headwinds in trade conditions, largely due to a downturn in export orders. The month of November, in contrast, saw a recovery and stabilization of export orders. However, the Index posted 52.7, representing a marginal decline of 0.57% compared to the previous seventeen-month high of 53. Manufacturing and service sectors continued to dominate global growth in November, with the Services PMI Business Activity Index posting 53.3. India, the US and the Euro Area registered output growth above the global average. In December 2025, the rate of global expansion softened further, largely driven by unemployment concerns. Global PMI recorded its lowest in six months to 52. The last month of 2025 also signaled slow demand in the coming months of 2026 as new orders marginally declined.

Chart 1:Global PMI Composite Output Index



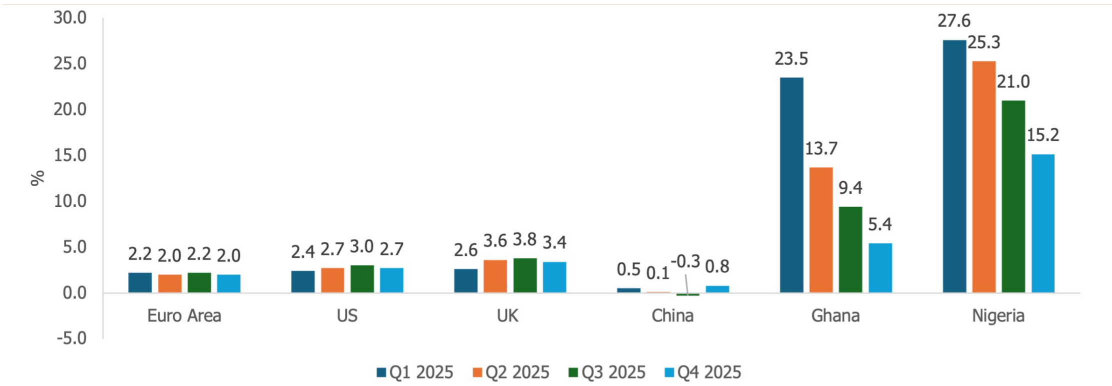
Source: Bloomberg, S&P Global, MIIF

b. Global Inflation Trends

In 2025, global inflation fell to 4.2% compared to the 5.8% recorded in 2024, despite the impact of U.S tariffs. Inflation in many developed economies during the last quarter of 2025 moderated relative to the previous quarter, with the Euro Area and the U.S recording rates of 2.0% and 2.7%, respectively. The Euro Area met the European Central Bank (ECB) medium term target of 2.0% while the US inflation remained above the Federal Reserve target of 2% in the long run. The slowdown in inflation in the Euro Area is attributed to a modest easing of prices for the services and non-energy industrial goods as well as energy costs. The U.S. equally saw a decline in energy prices, especially gasoline and fuel oil.

China on the other hand experienced inflationary pressures in the last quarter compared to the third quarter of 2025, edging to 0.8% compared to -0.3% recorded as at end September 2025, the highest rate since February 2023. This inflationary trend was largely driven by food inflation while non-food inflation remained stable.
Inflation in sub-Saharan Africa saw a further ease in the fourth quarter of 2025, driven by currency appreciation, in the case of Ghana and slowing cost pressures. Ghana recorded 5.4% inflation in December 2025; the lowest level recorded since May 2021. It marked the 12th consecutive month of slowing inflation, and the first-time inflation fell below the lower band of the Central Bank's medium-term target since May 1999. While overall price increases slowed, the region still faced challenges, with countries such as Nigeria (15.15%), Angola (15.70%) and Zambia (11.20%) experiencing high inflation.

Chart 2: Global Inflation Highlights for 2025

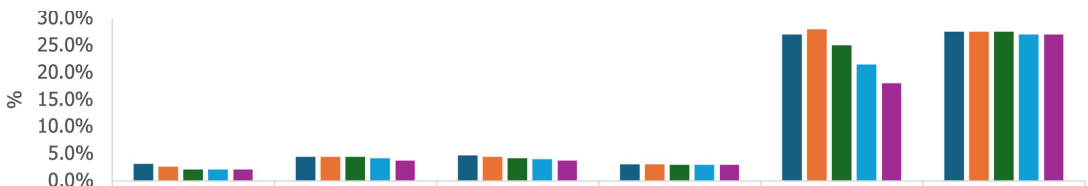


Source: Bloomberg, National Statistics Office

c. Policy Rate Trends

The fourth quarter of 2025 largely saw policy rates being eased or maintained across developed and developing economies. The ECB maintained the cost of borrowing at 2.15%, with the Euro Area growth revised up to 1.4% for 2025 and inflation being projected to increase in 2026. In the U.S, policy makers were divided over inflation and unemployment concerns and their impact on the rates. While some members proposed up to 50bps cuts, other members preferred a cautious easing. The U.S. Federal Reserve saw a 25bps cut in December 2025 to a range of up to 3.75%. The UK also saw a 25bps cut in the fourth quarter. China maintained the key lending rate for seven months to 3%. China's retail and industrial growth slowed down in November as the property sector crisis persists and credit demand remained low. In Ghana, the Central Bank reduced its monetary policy rate by 350 bps to 18% in November 2025, representing the third consecutive rate reduction in 2025, largely driven by an improved macroeconomic outlook and falling inflation. Many Sub-Saharan African countries, including Nigeria are on a similar path of policy rate easing to stimulate borrowing, spending and economic growth.

Chart 3: Policy Rate Snapshots in Q4 2025



	Euro Area	US	UK	China	Ghana	Nigeria
Q4 2024	3.2%	4.5%	4.8%	3.1%	27.0%	27.5%
Q1 2025	2.7%	4.5%	4.5%	3.1%	28.0%	27.5%
Q2 2025	2.2%	4.5%	4.3%	3.0%	25.0%	27.5%
Q3 2025	2.2%	4.3%	4.0%	3.0%	21.5%	27.0%
Q4 2025	2.2%	3.8%	3.8%	3.0%	18.0%	27.0%

Q4 2024 Q1 2025 Q2 2025 Q3 2025 Q4 2025

Source: Bloomberg, Central Banks

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II. Review of Key Economic Indicators in Ghana

Table 1:Snapshot of Key Economic Indicators

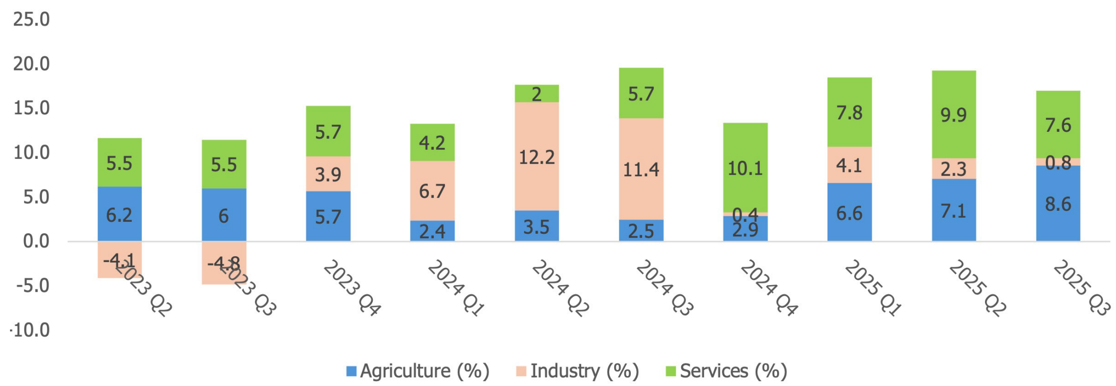
Indicator	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Headline Inflation (%)	23.8	22.4	13.7	9.4	5.4
Monetary Policy Rate (%)	27	27	28	21.5	18
Ghana Reference Rate (%)	28.9	27.9	23.8	17.9	15.9
YTD Cedi Performance (%)	-18.74	-5.16	42.03	18.45	40.5
GDP Growth (%)	5.2	6.4	6.5	5.5	n.a

Source: Bloomberg, S&P Global, MIIF

a. Gross Domestic Product (GDP) Growth

Ghana's economy grew by 5.5% in Q3 2025, slower than the 7.0% recorded in Q3 2024, indicating a moderation in overall growth. The slowdown was driven by a sharp weakening in industry, which fell from 11.4% growth in Q3 2024 to just 0.8% in Q3 2025. In contrast, agriculture strengthened significantly, rising from 2.5% to 8.6%, while services also improved from 5.7% to 7.6%. The non-oil economy remained resilient, growing by 6.8% in Q3 2025 compared with 7.8% in Q3 2024. Overall, the data show that while total growth slowed, strong agricultural and services performance partly offset the sharp loss of momentum in industry.

Chart 4: Breakdown of Quarterly GDP Growth for Ghana



Source: Bank of Ghana, Ministry of Finance, Ghana Statistics Service

b. Latest Ghana PMI, Bank of Ghana CIEA and Fiscal Operations

In December 2025, the S&P Global Ghana Purchasing Managers' Index (PMI) rose to 51.1 from 50.1 in November, reflecting a further strengthening of private-sector business activity as companies reported higher output, faster growth in new orders, increased employment and greater purchasing and inventories, supported by continued disinflation and improved customer demand.

The Bank of Ghana's Composite Index of Economic Activity (CIEA) grew by 9.6% at the end of September 2025, up

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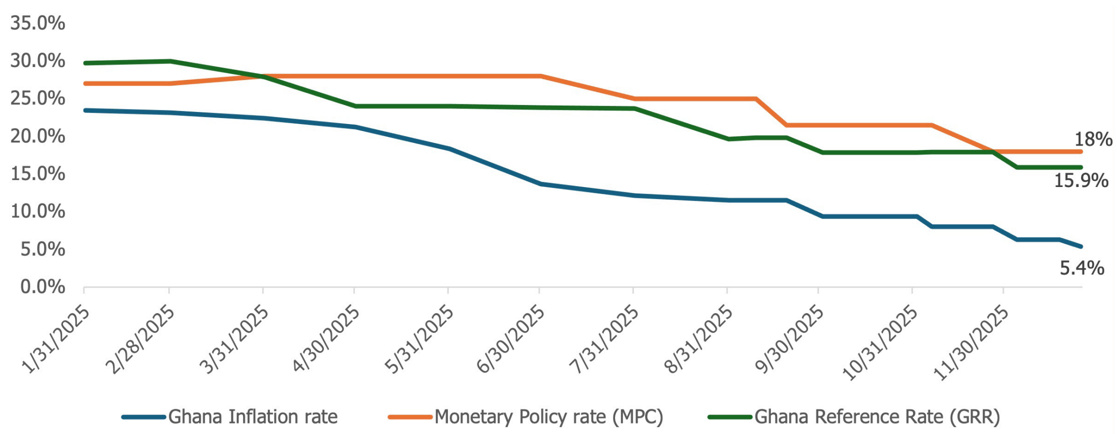
The Bank of Ghana's Composite Index of Economic Activity (CIEA) grew by 9.6% at the end of September 2025, up sharply from 2.9% for the same period of 2024, indicating a strong acceleration in economic activity. The improvement was driven mainly by higher industrial production, increased international trade, stronger private-sector credit and rising

c. Inflation, Monetary Policy and Ghana Reference Rate Updates

Ghana's inflation continued its sharp downward trend, with the headline Consumer Price Index (CPI) slowing to 5.4% in December 2025, the lowest level since the CPI was rebased and marking the 12th straight month of decline, driven by broad-based moderation in both food and non-food prices. The Bank of Ghana's policy (monetary) rate was cut progressively during 2025 to 18% by late year, reflecting confidence in sustained disinflation and improved macroeconomic conditions. Meanwhile, the Ghana Reference Rate (GRR) fell sharply from 17.93% in November 2025 to 15.9% in December 2025 and further to 15.68% for January 2026, suggesting easing credit costs ahead. Together, these trends indicate a significant moderation in price pressures and a more accommodative monetary policy stance, supporting prospects for lower lending rates.

Chart 5: Inflation, Monetary Policy and Ghana Reference Rate

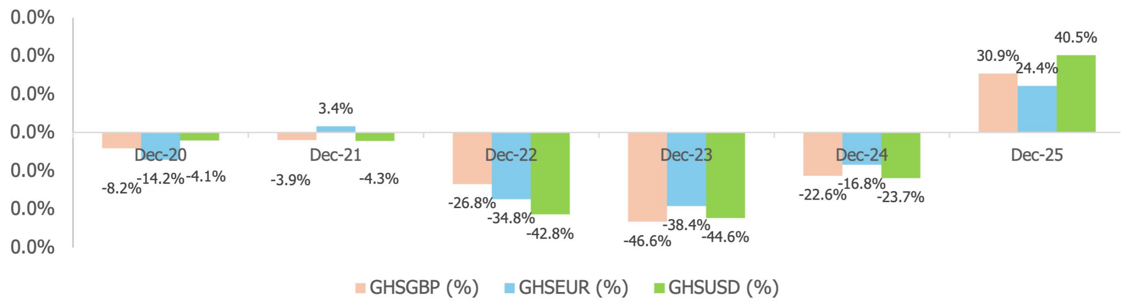


Source: Bank of Ghana, Ghana Statistical Service

d. Currency Update

By late 2025, the Ghana cedi had strengthened significantly, trading around GHS10.5-11.1 per USD and posting broad-based gains against the Euro and the British Pound as well. Over the year, the Ghana cedi appreciated by between 27-8% against the US Dollar, strengthening from roughly GHS14.7/USD at end-2024 to around GHS10.5–11.5 per USD by end December 2025. The Ghana cedi also appreciated by between 12–19% against the Euro and around 20–30% against the British Pound, reflecting improved macroeconomic fundamentals, strong export earnings, tight fiscal and monetary policies, and rising investor confidence, which helped reduce inflationary pressures and improve external stability despite some mild volatility in early 2026.

Chart 6: Performance of Cedi against Major Trading Currencies in the last 6 years



Source: Bank of Ghana

III.Mining and Commodities Update

a. Global Developments

The fourth quarter of 2025 underscored a continued recalibration in global mining investment priorities, with capital increasingly channeled toward assets aligned with the energy transition rather than broad-based volume growth. Investment flows during the period remained concentrated in copper, lithium, nickel, and battery-related materials, reflecting sustained confidence in long-term electrification and decarbonization demand.

Mergers & Acquisitions (M&A) and Joint Venture (JV) activity during the period remained selective but strategically targeted, with major producers favoring transactions that enhance future-facing exposure while limiting execution risk. Beyond the Vicuna Copper Joint Venture in Argentina between BHP Group and Lundin Mining, the quarter saw increased use of minority stakes, strategic partnerships, and asset-level collaborations across the copper and lithium value chains. These structures reflected a preference for capital-efficient access to tier-one resources amid rising development costs and permitting complexity.

Notably, diversified miners and trading houses continued to deepen partnerships across battery metals, particularly in jurisdictions critical to downstream processing and refining. Strategic investments by global commodity groups such as Glencore and Rio Tinto in energy transition-linked assets during the period reinforced the sector’s shift toward securing long-term supply optionality rather than pursuing outright acquisitions at elevated valuations.

Momentum across battery materials remained resilient into year-end. Albemarle Corporation sustained expansion activity in Western Australia, signaling confidence in medium to long-term lithium demand despite ongoing price volatility. In parallel, progress on Indonesian high-pressure acid leach (HPAL) nickel projects reflected improving funding conditions, supported by strategic capital from Asian industrial groups and battery manufacturers focused on securing upstream supply and mitigating future input risk.

b. Ghana Mining Sector Developments

In Ghana, capital flows into the mining sector strengthened in Q4 of the year under review, driven primarily by gold and lithium.

Asante Gold Corporation delivered a very active Q4 2025 marked by aggressive exploration aimed at extending mine life at its two core assets, Bibiani and Chirano. December unlocked a rapid jump in sulphide recovery from 60% with a target range of about 82% to 92% in the near term. Asante Gold Corporation secured access to an additional USD30 million accordion facility and eliminated approximately USD80 million of debt through the conversion of the Kinross convertible debenture. Asante Gold Corporation finalized its bought-deal equity of CAD156 million and announced private placement of CAD13.8 million insider placement and CAD125 million which are expected to be finalized sometime in Q1 2026.

Lithium development remained a key strategic theme. Atlantic Lithium had a cautious Q4 2025 as development at the Ewoyaa Lithium Project remained delayed, pending parliamentary ratification of the mining lease, while weak lithium prices drove a strong focus on cost control and liquidity preservation. The Company strengthened its funding position by securing up to about GBP4.28 million from Long State Investments to extend runway and limit near-term dilution, while advancing early-stage exploration in Côte d'Ivoire, positioning it to accelerate project execution once approvals are secured and market conditions improve.

Newmont Corporation achieved commercial production at Ahafo North in Q4 2025, following first gold pour on September 19, 2025, completing a major development milestone in Ghana. The mine is expected to produce ~50,000 ounces in 2025, ramping to 275,000–325,000 ounces per year over a 13-year mine life, reinforcing Newmont's Ghana footprint alongside Ahafo South after the Akyem divestment. While the project delivers strong long-term production and economic benefits, near-term investor focus remains on ramp-up execution, cost discipline, and cash-flow performance as operations scale toward full capacity. While the project strengthens Ghana's medium-term production outlook, investor and analyst commentary flagged concerns around near-term cash flow efficiency, with questions over whether ramp-up costs and operating intensity could temper free cash generation despite strong gold prices.

In late 2025, Engineers & Planners (E&P), a Ghanaian company owned by the Dzata Group fully acquired Azumah Resources' Black Volta Project via a purported USD100 million transactions, marking a major shift to indigenous ownership and moving beyond earlier disputes to focus on mine development. The company entered into a USD37 million processing plant equipment deal, in its bid to advance towards production by the first quarter of 2028.

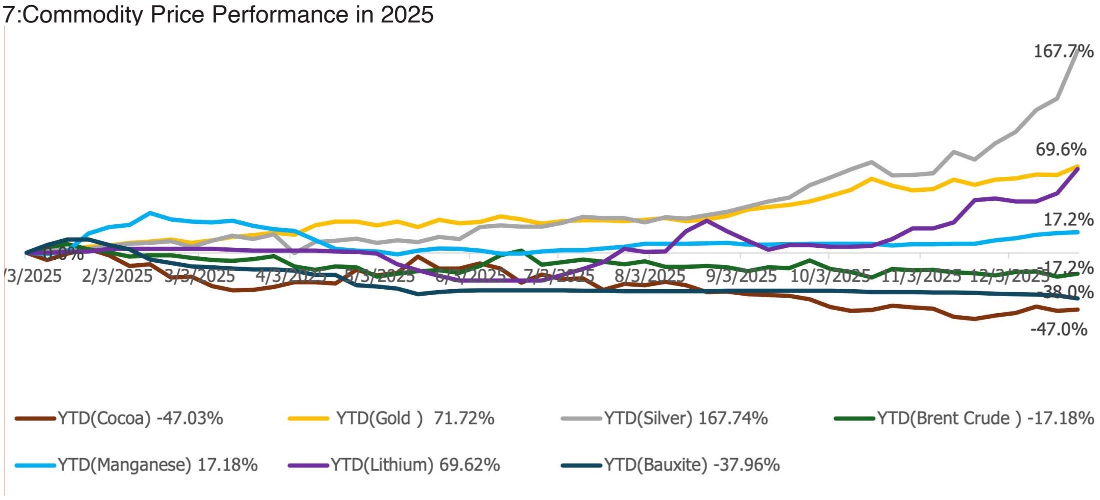
c. Commodities Update

Gold recorded a strong Q4 performance, rising to USD4,319.37/oz at the end of the year from USD3,858.96/oz at end-Q3, representing an 11.9% quarter-on-quarter (QoQ) increase bringing its return for the year 2025 to 71.72%. The rally was driven by heightened safe-haven demand amid geopolitical uncertainty, expectations of U.S. monetary easing, and continued central bank purchases. Silver significantly outperformed during Q4, advancing to USD71.66/oz from USD46.65/oz, delivering a 53.6% QoQ gain. Performance was supported by monetary easing expectations and robust industrial demand, particularly from the solar and electronics sectors. Lithium spodumene concentrate prices rebounded sharply during the quarter, increasing to USD1,405 from USD830, translating to a 69.3% QoQ increase. The recovery reflected improved EV demand visibility, inventory normalization, and renewed project financing activity across the battery supply chain. Prices remained volatile but materially above Q3 levels.

Manganese prices stabilized in Q4, rising to USD6.08/mtu from USD5.57/mtu, representing a 9.2% QoQ increase. The improvement was supported by steady steel production and improved supply discipline following earlier-year corrections.
Brent crude, on the other hand, weakened during Q4 2025, declining by 9.2% QoQ. Prices remained under pressure as increased supply from key producers and expectations of looser market balances outweighed geopolitical risk premia. While volatility persisted during the quarter, supply growth and subdued demand momentum capped any sustained price recovery.
Cocoa prices corrected during the period, declining to USD6,065/tonne from USD6,749/tonne, representing a 9% QoQ decline. The pullback reflected easing supply concerns and softer processing demand following extreme price levels earlier in the year.

Bauxite prices declined during Q4 2025, falling to USD65.5/tonne from USD74/tonne at end-Q3, representing a 9% QoQ decrease. The correction reflected improved supply availability and softer alumina refinery utilization, particularly in China, following the tight market conditions earlier in the year.

Chart 7:Commodity Price Performance in 2025



Source: Bloomberg

IV.Equity Markets Review

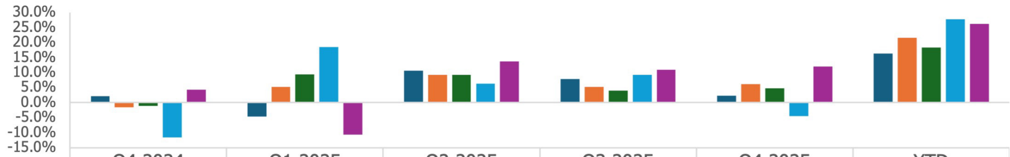
a. Global Equity Market Review – Q4 2025

Global Equity markets posted stronger performances in the fourth quarter of 2025, led by the Japanese Nikkei 225 and Financial Times Stock Exchange (FTSE) 100, recording gains of 12.03% and 6.21%, respectively. The Standard & Poors (S&P) 500 and the Euro Stoxx 50 also posted positive returns for the quarter. The equities rally was largely driven by strong performance of the metals and mining sectors, optimism in artificial intelligence and defense-related industries. The U.S S&P 500 Index posted 16.39% gains in 2025 compared to 23.31% recorded in 2024. In the U.K, the FTSE 100 outperformed the S&P 500, rallying 21.51% in 2025. The winners were mining and financial stocks with marginal support from technology stocks.

In Europe, equities soared to near all-time highs in 2025, topping the strongest annual performance since 2021. The Stoxx 50 closed the year up 18.26%, its third consecutive annual gain. This was supported by robust economic growth and expectations of increased fiscal spending across the continent. Banks and utilities — underpinned by increasing power demand for data centers and debate over a potential Artificial Intelligence (AI) bubble contributed to the index performance.

The Asian markets also achieved significant performance in 2025. The Hang Seng Index recorded its best performance in nearly eight years to end the year at 27.77%, despite a 4.56% decline in the fourth quarter of 2025. The top performances were recorded by China Hongqiao, Zijin Mining, and SMIC. Japan's Nikkei 225 also ended the year high with a gain of 26.18%, supported by a steady economic recovery, resilient earnings, and easing global trade headwinds. Notable winners include Kioxia Holdings and SoftBank Group.

Chart 8: Comparing the Performance of Major Global Equities Indices



	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	YTD
S & P 500	2.07%	-4.59%	10.57%	7.79%	2.35%	16.39%
FTSE 100	-1.58%	5.28%	9.23%	5.23%	6.21%	21.51%
Euro Stoxx 50	-1.13%	9.44%	9.17%	3.98%	4.73%	18.29%
Hang Seng	-11.64%	18.55%	6.28%	9.24%	-4.56%	27.77%
Nikkei 225	4.26%	-10.72%	13.67%	10.95%	12.03%	26.18%

S & P 500 FTSE 100 Euro Stoxx 50 Hang Seng Nikkei 225

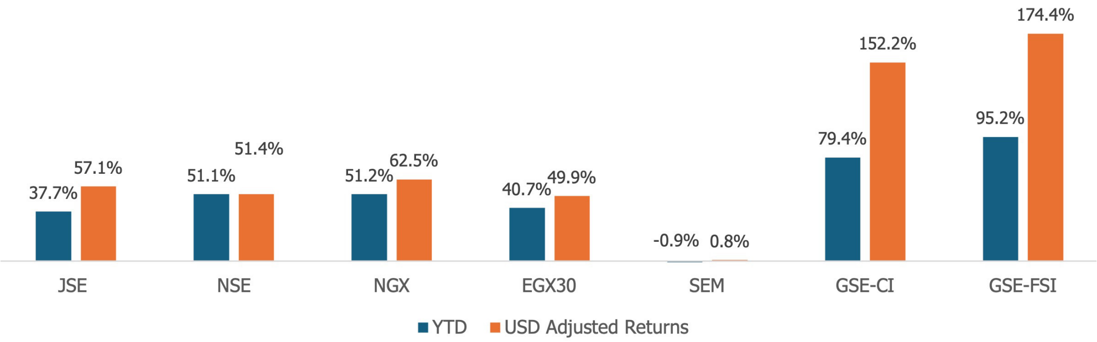
Source: Bloomberg

b. Performance of Selected African Stock Markets

The Ghana Stock Exchange Composite Index (GSE-CI) continued to lead African equity markets in 2025, posting remarkable returns of 79.43% in local currency and 152.24% in USD-adjusted terms.
The market turnover in 2025 was valued at GHS3.74 billion (USD357.98 million) compared to GHS2.15 billion (USD146.66 million) recorded in 2024, representing year-on-year change of 73.75%. This strong performance was underpinned by broad market momentum, with the Financial Stock Index (GSE-FSI) also delivering an impressive 95.19% gain, driven largely by standout performances from Ecobank Ghana (EGH) and Standard Chartered Bank (SCB). Top value leaders in 2025 include Scancom PLC (MTNGH), Guiness Ghana Brewery PLC (GGBL), New Gold ETF (GLD) and GCB Bank Plc (GCB), accounting for 93.94% of total value traded during the period. July 2025 saw the highest value traded of GHS1.73 billion (USD165.59 million), representing 46.26% of total value traded in 2025.

Elsewhere on the continent, Nairobi Securities Exchange (NSE) ranked second in local currency performance with a 51.10% gain, while Nigeria's Stock Exchange (NGX) also posted a USD-adjusted returns of 62.54%, followed by Johannesburg Stock Exchange (JSE) at 57.12%. These results reflect growing investor confidence across select African markets, supported by sector-specific catalysts and improving macroeconomic conditions.

Chart 9: Local Currency vs Dollar Adjusted Returns on Major African Stock Exchanges



Source: Bloomberg

V. Fixed Income Market Review

a. Developments on Ghana's Treasury market, banking sector and credit instruments

Treasury Market: Short-term government securities saw notable rate adjustments toward the end of 2025, reflecting evolving monetary conditions and investor demand. Latest Treasury bill yields show the 91-day bill around 11.1%, the 182-day at about 12.5%, and the 364-day near 12.9%, with some weekly volatility around these levels as auctions continue to draw strong participation. These lower yields relative to earlier in the year signal a significant downward shift from the high-teens and mid-20s seen in 2024 and early 2025, consistent with the broader decline in interest rates. The fixed income market saw increased secondary market turnover in 2025, with cumulative Ghana Fixed Income Market (GFIM) volumes surpassing GH¢200 billion by October as confidence returned to domestic debt markets, particularly in government securities. Robust weekly and session activity continued through year-end, including turnover of GHS4.05 billion in late November, and individual sessions exceeding GHS900 million–GHS1.9 billion in December, underscoring meaningful volumes traded in both Treasury bills and longer bonds.

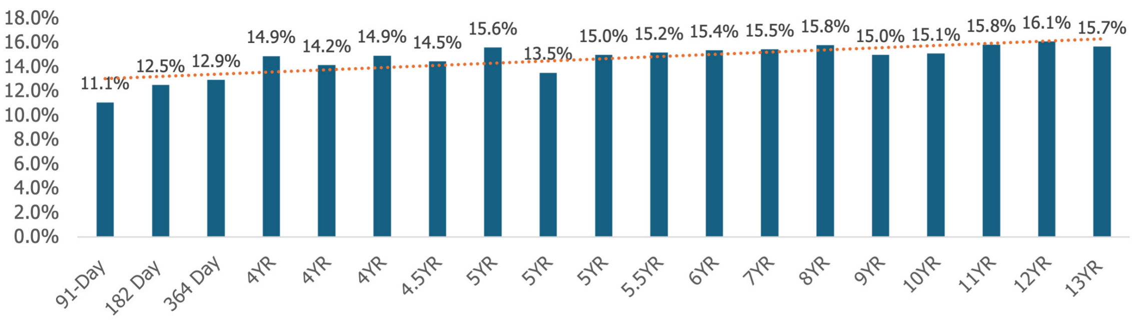
Longer-dated government debt continues to trade with elevated risk premium, with medium-term bonds (e.g., a 2027-maturity bond) yielding around 14.9% in secondary activity, and longer bonds maintaining relatively higher yields as investors price in long-term risks. This pattern highlights improved confidence at the short end of the curve while longer tenors still reflect caution about fiscal sustainability.

Monetary Policy & Liquidity: The Bank of Ghana's progressive easing of policy rates to 18.0% by late 2025 has helped lower money market yields and supported the downward shift in T-bill rates, complementing broader liquidity normalization. The decline in the Ghana Reference Rate and interbank rates has also contributed to improved market conditions, easing funding costs for banks and influencing fixed income pricing.

Banking sector conditions improved modestly in 2025 as funding costs eased and balance-sheet pressures moderated. Total deposits rose to GHS302.0 billion by October 2025, although year-on-year deposit growth slowed sharply to 8.9%, reflecting macroeconomic stabilization and a contraction in foreign currency deposits amid cedi appreciation. Private sector credit growth recovered gradually into low-to-mid single digits, supported by lower lending rates following significant monetary easing. Asset quality also improved, with the Non-Performing Loans (NPL) ratio declining to 19.5% from 22.7% a year earlier, driven by loan restructurings, stronger repayment capacity, and a reduction in the stock of impaired loans. While these trends point to improving banking sector resilience, credit risks remain elevated, and continued regulatory reforms, including recapitalization of undercapitalized banks, remain critical to strengthening the sector.

Corporate & Secondary Market: Corporate debt instruments remain active, with issues like bank bonds trading alongside government securities. Credit spreads over government yields have narrowed modestly but remain significant, indicating ongoing pricing of risk in the corporate segment.

Chart 10: Ghana's Treasury Yield Curve as at the end of the 3rd Quarter of 2025



Source: Bank of Ghana, Ghana Fixed Income Market (GFIM)

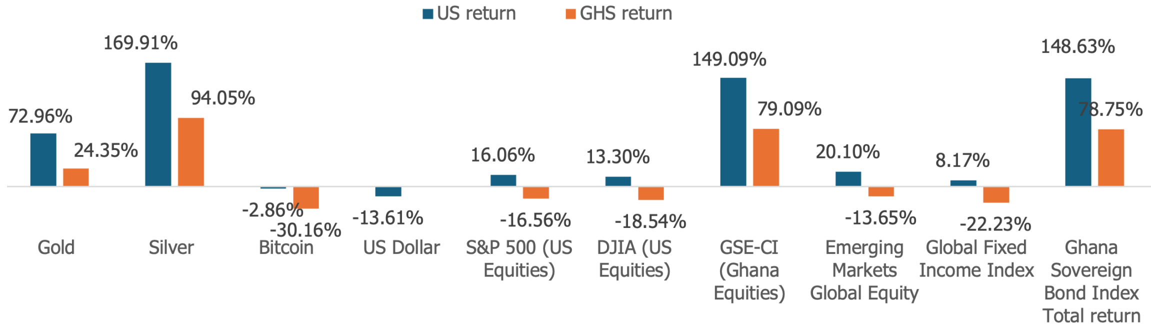
VI.Asset Class Performance Summary

a. Performance of the key asset classes during the year

The performance of various assets globally in the fourth quarter of 2025 was mixed, with Ghanaian securities and precious metals outperforming. The Ghana Stock Exchange and Government of Ghana Cedi bonds delivered strong gains in U.S. dollar terms, extending investor returns despite currency pressures early in the period. Developed market equities remained positive, though gains in U.S. equities were more moderate than in the previous quarter, while emerging market equities underperformed amid tighter global financial conditions.

Precious metals were the clear standouts in Q4, with silver significantly outperforming all major asset classes and gold also posting solid gains, supported by safe-haven demand and expectations of monetary easing. In contrast, risk-sensitive assets such as Bitcoin recorded losses, reflecting heightened volatility and a more selective global risk appetite toward year-end.

Chart 11: Performance of Key Global Asset Classes in 2025



Source: Bloomberg

VII. Market Events to Watch in 2026

- **The Great AI debate:** Investors will scrutinize corporate earnings results for evidence of margin improvements due to AI deployment. The debate as to whether there is an AI bubble is likely to keep valuations modest.

- **Central Bank Interest Rate Decisions:** Meetings and policy rate decisions by the Federal Reserve, European Central Bank and Central Banks in emerging markets will be critical for shaping interest rate expectations as well as the pricing of risk and fixed income assets across the globe.

- **IMF & World Bank Spring and Annual Meetings:** The meetings provide forecasts, fiscal policy guidance and global growth outlook whereas the speeches on global economic conditions, trade tensions and geopolitical risk can shift investor sentiment and risk appetite across the various asset classes.

- **OPEC Monthly Meetings and Production Decisions:** The monthly output reviews by oil producers directly influence crude supply expectations and pricing dynamics in energy markets.

- **Commodity Supply/Demand Shifts and Regulatory Trends:** Geopolitical tensions in Iran, the Middle East as well as the outcome of talks to resolve the Russia-Ukraine war in addition to structural trends like LNG capacity expansions and EV-related metal demand can sharply influence oil and precious metal prices.

- **Conclusion of the IMF's ECF Program in Ghana:** Investor confidence in Ghana's economy will be tested post May 2026. The Ghana cedi's performance, considering supportive factors such as the Domestic Gold Purchase Programme and overall investor sentiment towards local assets, will be a key point of interest.

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