

General Fund Information

Fund Structure	CIS
Region	Kenya
Currency	KES
Asset Class	Fixed Income
Portfolio Manager	Jackline Onyango
Headline Fee	2.00%
TER (includes Headline Fee)	2.90%
Initial Fee	2.5%
Distribution Frequency	Semi-annually
Launch Date	May 19, 2005
Financial Year End	December
Minimum Lump Sum Investment	100000
Risk Rating	Medium-Low
Net Asset Value (NAV)	11.24
Assets Under Management (AUM)	499,665,622

Fund Objective

The primary objective of this Fund is to outperform a regular short-term money market investment over time. The Fund aims to provide maximum income and relative capital stability from a portfolio of Kenyan interest-bearing investments. It aims to pay out a high level of income without putting the investor's money at undue risk, although there will be a degree of price fluctuation caused by movements in the bond market.

Risk Rating



Gross Performance (%)

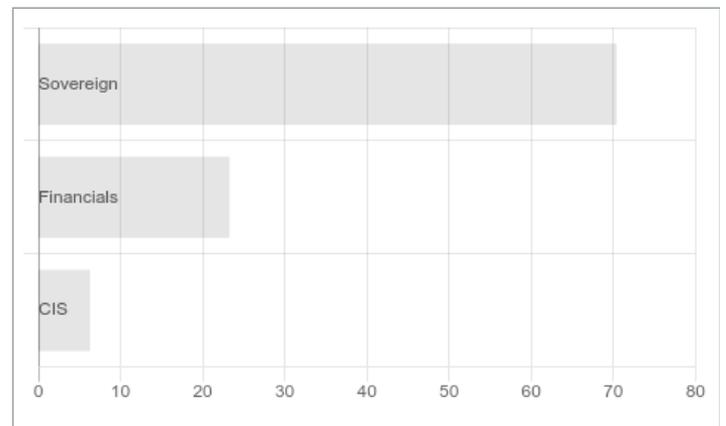
	1 Month	3 Months	6 Months	1 Year	2 Years*	3 Years*	5 Years*
Fund	0.72	2.46	5.33	8.67	9.35	10.45	10.77
Benchmark**	1.04	2.71	5.31	10.40	10.63	11.93	12.23
Value Add	-0.31	-0.25	0.02	-1.73	-1.28	-1.49	-1.46

*Annualised **FTSE NSE (80%), 91-day T-Bill (20%)

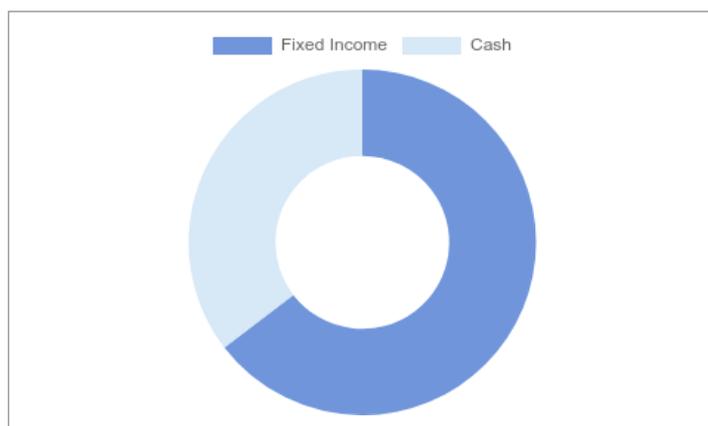
Issuer Exposure (%)

Central Bank of Kenya	70.4
Equity Bank	8.8
Select Management Services	5.1
NCBA Bank Kenya	4.8
AA Kenya Shilling Fund	3.2
AA Kenya Enhanced Yield Fund	3.1
The Co-operative Bank of Kenya	2.4
Kenya Commercial Bank	2.0
Stanbic Bank Kenya	0.3

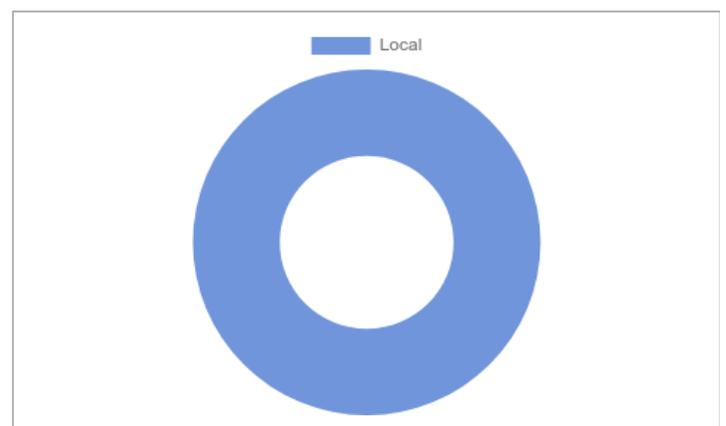
Sector Allocations (%)



Asset Class Breakdown (%)



Region Breakdown (%)



Portfolio Manager Commentary

The Kenyan economy is estimated to have contracted by 0.3% in 2020 compare to the restated 5% in 2019 due to the lockdown's following the discovery of first COVID case in March 2020. Economic growth globally and in Kenya is expected to rebound strongly in 2021 mainly because of base effects and recovery in some sector as vaccine coverage increases. National treasury and IMF projects the economy will grow by 6.2% and 7.6% respectively in 2021.

The average inflation rate for September increased to 6.91%, compared to 6.57% in August. Worst offender was fuel inflation which increased 1.17% mainly due to the increase in prices of petrol and diesel that went up 5.91% and 7.30% as government stopped subsidizing pump prices. Food inflation was muted as prices of staple, maize flour, decreased during the month.

Equity market softened on the tail end of the month wiping out gains made in August as the ALSI and NSE 25 lost 2.04% and 2.24% respectively, whereas NSE 20 returned marginal 0.2% during the month. Softening in the equity markets were as a result of foreign investor taking profit on large cap stocks on the back of a rally after the release of strong earning in banking sectors. Equity, KCB, EABL and Safaricom lost 4.69%, 3.61%, 2.84% and 1.17% respectively in the month.

Subscription rates remained low during the month and quarter as subscription rate come in at 87.8% down from 115.3% recorded in second quarter as investors shifted their interest to the higher yield earning bond markets. Liquidity in the markets is waning despite the injection from government payments. The average yields for the 364- day, 182-day and 91-day papers marginally increased to 7.95%, 7.28% and 6.89%, from 7.49%, 7.19% and 6.7%, respectively, recorded in August.

Disclaimer

Unit trusts are generally medium to long term investments. The value of units, and any income derived therefrom may go down as well as up and past performance is no indication of future growth. In certain circumstances the Manager may be required to suspend the redemption of units. All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, completeness of the information and opinions. We do not undertake to update, modify or amend the information on an accuracy or frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only.