

### General Fund Information

Fund Structure	CIS
Region	Kenya
Currency	KES
Asset Class	Balanced
Portfolio Manager	AA Kenya Investment Team
Headline Fee	1.00%
TER (includes Headline Fee)	0.03%
Initial Fee	2.0%
Distribution Frequency	Semi-annually
Launch Date	May 30, 2007
Financial Year End	December
Minimum Lump Sum Investment	100000
Risk Rating	Medium
Net Asset Value (NAV)	17.41
Assets Under Management (AUM)	545,746,158.00

### Fund Objective

The primary objective of this Fund is to seek long-term capital growth consistent with higher than moderate investment risk and a reasonable level of current income.

### Risk Rating



### Gross Performance (%)

	1 Month	3 Months	6 Months	1 Year	2 Years*	3 Years*	5 Years*
Fund	-2.29	-1.35	-2.60	-0.23	-0.88	4.21	4.78
Benchmark**	-1.03	1.93	0.54	2.38	-0.39	4.35	4.15
Value Add	-1.26	-3.28	-3.14	-2.61	-0.49	-0.14	0.63

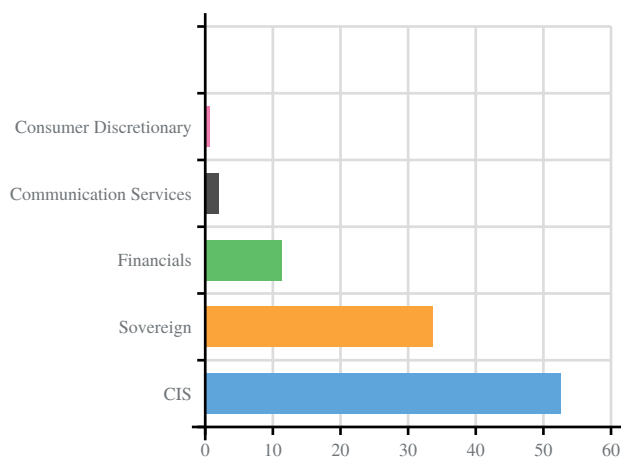
\*Annualised

\*\*91.00-day T-Bill (60.00%), NSE All Share (25.00%), MSCI World (9.75%), Citi WGBI (3.75%), USD LIBID (1.50%)

### Issuer Exposure (%)

CIS	52.6
Central Bank of Kenya	33.6
Stanbic Bank	5.1
Kenya Commercial Bank	3.9
Equity Bank	2.0
Safaricom Ltd	2.0
East African Breweries Limited	0.6
Kenya Mortgage Refinance Company	0.3

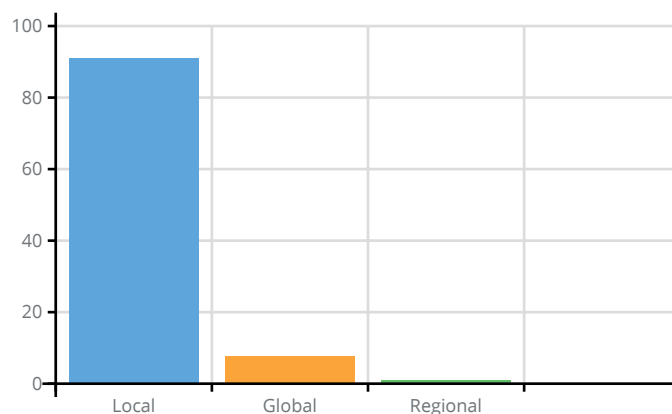
### Sector Allocations (%)



### Asset Class Breakdown (%)



### Region Breakdown (%)



## Portfolio Manager Commentary

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Interest rates on fixed income securities – Treasury bonds & Treasury bills - continued to remain elevated on the back of continued borrowing by the Government. During the month the Government offered a two-year and a five-year bond to the market seeking to originally raise KES 40 billion in funding. They re-opened the two offerings within the same month seeking an additional KES 21 billion in funding. During both auctions, the bids received were skewed toward the two-year bond at KES 55.68 billion in aggregate compared to KES 20.93 billion for the five-year paper. The resultant yields at auction across the two and five-year bonds were 16.97% and 17.95% respectively.

A similar trend was evident in the Treasury bill auctions over the month with the 91-day Treasury bill rising from 13.11 percent to 13.98% over the period, the 182-day Treasury bill rising from 13.43% to 13.93%, and the 364-day Treasury bill rising from 13.34% to 13.76%. A true testament to the rise in borrowing costs is evident when you consider that at the end of 2022, the applicable rates across the 91, 182 and 364-day Treasury bills were 9.36%, 9.83% and 10.31% respectively.

Valuations continue to look attractive on the local stock market as stock prices continue to remain flat to declining. Market interest has generally been skewed toward large capitalization stocks. In particular, the banking sector has remained relatively active following the release of half-year financial results. We maintain the view that the current level of the stock market offers an opportunity for incremental accumulation of selected stocks with strong fundamentals.

The average inflation rate declined to 6.7% in August, compared to 7.3% in July, attributable to a 0.5% decline in the food and non-alcoholic beverage index between July and August. According to the Kenya National Bureau of Statistics, the prices of most food items declined in the period. The housing, water, electricity, and gas index remained largely unchanged between July and August. Notably, inflation now falls within the target band of between 2.5 and 7.5% of the Monetary Policy Committee. Upside risks to inflation remain given the rising global fuel prices and the possibility of the ongoing fuel subsidy being suspended in the near term.

At its most recent meeting the Monetary Policy Committee (MPC) maintained the Central Bank Rate at 10.5% saying that the impact of their contractionary monetary policy efforts was still working its way through the economy. The sustained decline in the level of inflation from a high of 8% in May 2023 to the current level (6.7%) implies that their efforts at taming high inflationary levels are bearing fruit thus far.

## Disclaimer

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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.