

Fund Objective:

Sanlam USD Fixed Income Fund (FIF) aims to generate a regular income stream and preserve capital over the medium term. The fund invests in a diversified portfolio of US dollar-denominated fixed income securities, including Kenya Eurobonds, corporate bonds, and money market instruments.

Why choose this fund:



The fund pays out income monthly in USD.



The fund aims to give a higher interest rate than average bank deposits.



The fund is ideal to use as a “nest egg” or emergency fund, allowing investors to withdraw funds when required.

Fees (Incl. VAT)

	Retail Class(%)
Annual Management Fee	1.5

Fees are calculated as a percentage of the asset value.

Fund Information:



Portfolio Size: USD 26.3 Million



Minimum Investment
USD 2,500



Income distribution
Monthly



Risk Profile
Moderate



Benchmark
USD 3 Month Treasury Bill



Inception Date
August 2023



Last two distributions
31st Jan 2024, 29th Feb 2024



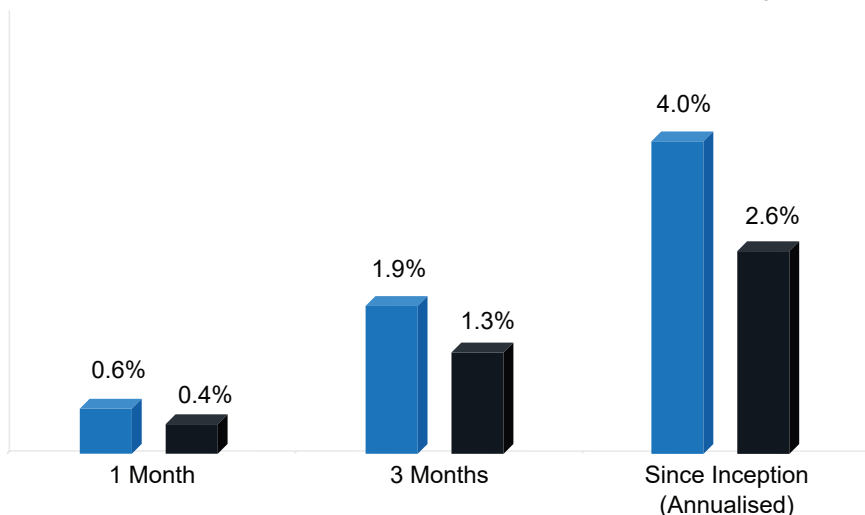
Income price dates
Daily excl. holidays & weekends



Transaction Cut-off Time
09:00 AM

Fund Performance:

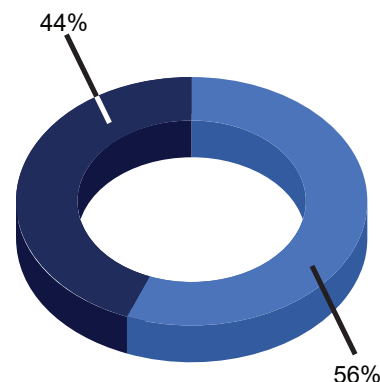
● Sanlam USD Fixed Income Fund ● USD 3 Month Treasury Bill



1. Return is gross of fees charged.

Asset Allocation

- Cash & Bank deposits
- Eurobonds (Government of Kenya)



Visit our website to learn more about how you can grow your wealth confidently with us.

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Portfolio Manager's Monthly Comment

The Sanlam USD Fixed Income Fund had a return of 0.6% in February 2024. The fund's performance was supported by investments in high-yielding deposits and Kenya Eurobonds.

Economic momentum has been sustained in the United States by:

- Labour costs rising by 4.5% y/y in January 2024.
- Real Gross Domestic Product (GDP) growth exceeding consensus expectations at 3.2% in 4Q 2023.
- Inflation data at 3.1% y/y in January 2024.
- Equity market outperformance with the S&P 500 growing by 5% month-on-month on resilient earnings growth.

This indicates that both consumer and corporate balance sheets have robust financial health. This is delaying the impact of the elevated Federal Reserve (Fed) policy rate. As a result, policymakers signaled a delay in cutting rates, which retained the attractiveness of US bond yields.

This led to the US yield curve shifting upwards in February, with 10-year Treasury bonds rising by 40 bps and the 3-month treasury bill by 5 bps. The market repriced to reflect the expectation of the Fed rate remaining at levels of 5.3% to 5.5% for longer.

The US Dollar index (DXY), a key indicator of the US currency's strength against six other major global currencies, was up 1% in February 2024. This uptick reflects increased investor sentiment towards US Dollar assets.

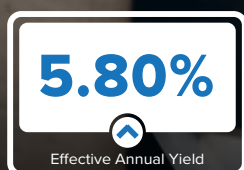
African nations have returned to international capital markets with Benin, Ivory Coast, and Kenya issuing 14-year, 10-year, and 7-year Eurobonds at 8.4%, 8.5%, and 10.4% respectively. All three issues were oversubscribed as investors seek high-yielding securities. In Kenya, this has resulted in a downward shift in yields across different tenors and we expect stability of bond yields in the next 6-12 months.

Outlook:

As US inflation numbers edge closer to the 2% level that the Fed targets, we expect the US government bond yields and the strength of the US Dollar to fall later this year. However, the Fed may cut interest rates slower than the market expects as inflation continues to remain higher than expected.

In Africa, appetite for financing from international bond markets has resumed as investors seek out higher yields in anticipation of rate cuts.

The fund will consider investing in longer-term USD investments to lock in higher yields.



Grow your wealth with Sanlam USD Fixed Income Fund.

The effective annual yield is net of fees and gross of withholding tax. Past performance is not an indicator of future performance as price of units may rise or fall. In certain specified circumstances, the right to redeem units may be suspended. The Capital Markets Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard.