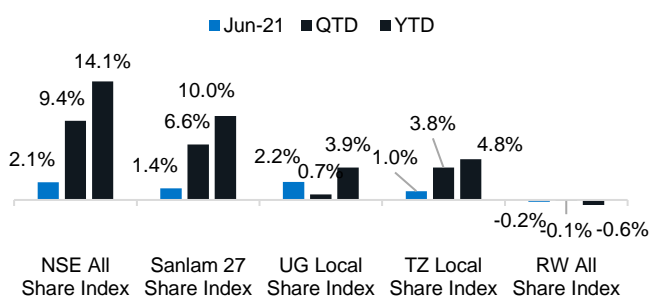


Regional Inflation & Key Interest Rates

	Kenya	Uganda	Tanzania	Rwanda
Inflation Rate (latest)	6.3%	2.0%	3.3%	4.9%
Central Bank Rate	7.0%	6.5%	5.0%	4.5%
91 Day Treasury Bill	6.9%	6.9%	3.3%	6.4%
2 Year Treasury Bond Yield	9.4%	11.5%	7.9%	9.4%

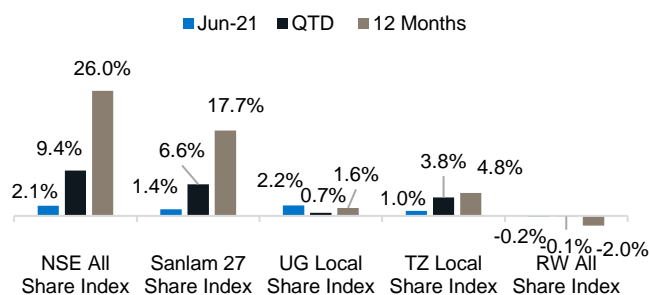
Source: Kenya and Tanzania National Bureau of Statistics & Bloomberg

Regional Currency Performance



Source: Central Bank of Kenya, Bank of Uganda, National Bank of Rwanda & Bank of Tanzania

Regional Stock Market Performance



Source: Nairobi Securities Exchange & Bloomberg

Global Markets Dashboard

	May-21	QTD	YTD	12 Months
MSCI World	1.4%	7.3%	12.2%	37.0%
MSCI Emerging Markets	-0.1%	4.4%	6.5%	38.1%
Oil-Light Crude	8.4%	18.2%	45.0%	82.6%
Gold	-7.2%	3.7%	-6.8%	-0.6%

MSCI – Morgan Stanley Capital International
Source: Bloomberg

Market Commentary

Inflation: Kenya's inflation marginally increased by 0.1% on a month-on-month basis and 6.3% year-on-year. The food and non-alcoholic beverages basket increased by 8.5% year-on-year while the transport index surged by 14.7% year-on-year.

Uganda's annual headline inflation rose to 2.0% in June compared to 1.9% in May, driven by higher food & non-alcoholic beverages prices. Headline inflation in Tanzania stagnated at 3.3% in May as was recorded in April. The food and non-alcoholic beverages inflation rate marginally increased to 4.9% on an annual basis.

Rwanda Consumer Price Index decreased by 4.9% on an annual basis in May, mainly due to the decrease of 2.3% in prices of food and non-alcoholic beverages. We expect inflation in the region to be well anchored within the respective Central Bank's inflation targets over the near term.

Interest Rates: In Kenya, bond yields declined across the yield curve, with the decline more pronounced on the shorter end. The Central Bank of Kenya issued 11-year and 18-year bonds at weighted average rates of 12.5% and 13.3% respectively. In Uganda interest rates declined by an average of 0.24% across the curve, as both liquidity and offshore participation in government securities picked up. The Bank of Uganda issued the 2-year and 10-year at weighted average rates of 11.5% and 13.7% respectively. High liquidity in Tanzania's money market extended the decline of short-term interest rates in May.

Currencies: The Kenya Shilling, Uganda Shilling and Rwandese Franc marginally depreciated by 0.9%, 0.4% and 0.8% respectively against the US Dollar in June. This was attributed to increased demand from merchandise and oil importers. The Tanzania Shilling was relatively flat for the month of June. We view that currency pressures could remain moderate in the near term even as economic activity gather pace within the region.

Equities: Strong corporate earnings and improved fund flows supported the Kenya, Uganda and Tanzania equities markets which recorded positive returns in June and Q2 2021. The Rwanda local equity market posted negative returns for the period.

Global Markets: Global equities markets ended the quarter on positive gains. Markets were bolstered by improving global economic data, strong corporate earnings, and successful vaccination rates. Crude oil rallied by 18.2% quarter to date, and this is attributable to shrinking inventories and increased demand as economies reopen. Gold is up 3.7% in Q2 2021 supported by inflationary pressures generating anxiety about global economic growth.

Outlook: Global economic growth is accelerating and is expected to remain solidly above trend. This is supported by accommodative monetary policies, improved corporate earnings, improving Covid-19 trends and vaccination progress aiding reopening efforts. Risks to our outlook include elevated valuations, inflationary pressures, and emerging Covid-19 variants that may undermine efforts to defeat the pandemic.

Business Contacts:**Kenya**

Sanlam Investments East Africa
Africa Re Centre, 5th Floor, Hospital Rd,
P.O Box 67262, 00200 Nairobi,
Kenya
Telephone: +254 (0)20 496 7000
Website: www.sanlameastafrica.com

Uganda

Sanlam Investments East Africa.
Workers House, 7th Floor, 1 Pilkington Road
P.O. Box 9831, Kampala, Uganda
Telephone: +256 414 340 708

Disclosure Statement

Sanlam Investments East Africa Limited (“the manager”) is regulated by Capital Markets Authority in Kenya and Uganda to provide investment advisory and management services. The firm has been operational in Kenya since 1998 and in Uganda since 2004 and is a leading fund manager in the region with a strong record of accomplishment in service delivery and performance.

Readership: This document is intended solely for the addressee(s) and may not be redistributed without the prior permission of Sanlam Investments East Africa. Its content may be confidential, proprietary, and/or contain trade secret information. The Sanlam Group and its subsidiaries are not responsible for any unlawful distribution of this document to any third parties, in whole or in part.

Opinions: Any opinions expressed in this document represent the views of the manager, are valid only as of the date indicated, and are subject to change without notice. There can be no guarantee any of the opinions expressed in this document or any underlying position will be maintained beyond the time this presentation is made. We are not soliciting or recommending any action based on this material. Although all reasonable steps have been taken to ensure the information on this presentation is accurate, neither the Sanlam Group, nor Sanlam Investments East Africa accept any responsibility for any claim, damages, loss, or expense, however it arises, out of or in connection with the information contained in this presentation. No member of Sanlam gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy or validity of any of this information.

Risk Warning: All investments involve risk, including possible loss of principal. Past performance is not indicative of future results. If applicable, the offering document should be read for further details including the risk factors. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The total return to the investor is made up of interest and/or dividends received, and any gain or loss made on the fair market value of any particular instrument. There may be times when fair market value cannot be determined due to the illiquidity of a security. Under such conditions, the manager will value the securities using a best practice pricing hierarchy. Investment risks vary between different types of instruments and the value of investments may fall suddenly and substantially when these risks materialize. In making an investment decision, prospective investors must also rely on their own examination of the merits and risks involved as part of their fiduciary duty to beneficial owners of assets.

Performance Notes: Past performance is not indicative of future results. There can be no assurance that any investment objective will be met. Benchmarks are used for illustrative purposes only, and any such references should not be understood to mean there would necessarily be a correlation between investment returns of any investment and any benchmark. Any referenced benchmark does not reflect fees and expenses associated with the active management of a portfolio. There is no assurance that any returns can be achieved, that the strategy will be successful or profitable for any investor, or that any industry views will come to pass. Actual investors may experience different results than other investors and any benchmark or model referenced.

Information is unaudited unless otherwise indicated, and any information from third-party sources is believed to be reliable, but Sanlam Investments East Africa cannot guarantee its accuracy or completeness.

Sanlam Investments East Africa forms part of the larger Sanlam Group and is subsidiary of Sanlam Emerging Markets, the business cluster responsible for the Sanlam Group’s financial businesses in emerging markets outside South Africa. Within the Sanlam Group all entities are registered and authorized per local laws and regulations with the appropriate Regulatory Authorities. Further details on Sanlam’s entities and their regulatory authorizations are available on request.

Last updated April 2018