

Fund Objective

- Money Market Fund(MMF) aims to deliver a higher level of income compared to average banks' fixed deposits. Capital preservation is of primary importance and the fund offers immediate liquidity.

Fund Strategy

- The fund invests in a range of money market securities including higher yielding fixed and call deposits, treasury bills and commercial paper. The fund usually invests in money market instruments with a maturity of less than one year.

Why choose this fund?

- The fund pays out income monthly.
- The fund should give higher returns than average banks' fixed and call deposits.
- The fund is ideal to use as a "nest egg" or emergency fund.
- This fund suits risk-averse investors who are wary of market volatility.

Fund Information

Classification	Money Market Fund
Risk profile	Conservative
Benchmark	182 - day T- bill + 1% p.a (money market, 100%)
Portfolio launch date	18 th November 2014
Minimum investment	KES 2,500
Portfolio size	KES 1,714 million
Last two distributions	Monthly
Income decl. dates	Monthly
Income price dates	Daily excl. holidays & weekends
Valuation time of fund	15h00
Trading closing Time	15h00

Fees (Incl. VAT)

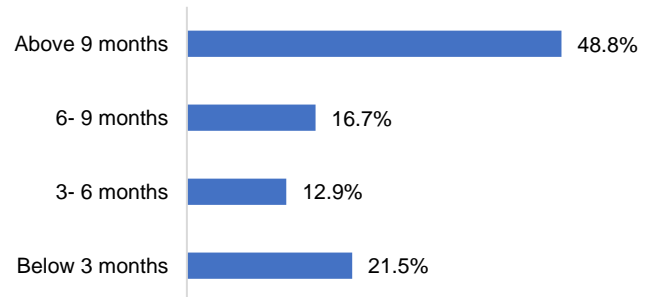
	Retail Class (%)
Advice initial fee	N/A
Manager annual fee	1.2

Fees are calculated as a percentage of the asset value.

Performance (Annualised)

Retail Class	Fund (%)	Benchmark (%)
1 year	11.1	10.9
3 Years	13.1	11.7
Since Inception	14.4	12.6

- Annualised return is the weighted average compound growth rate over the period measured.
- Return is gross of fees charged.

Asset Allocation (%)
Maturity Profile

Portfolio Manager's Monthly Comment

The Money Market Fund earned a gross yield of 12.5% over 12 months up to 31st December 2018. A higher allocation in Treasury securities compared to bank deposits supported this return. We continue to prefer government securities over bank deposits. The Fund has largely invested in longer dated securities to take advantage of attractive yields offered in that tenor.

The pace of Inflation slowed to 4.7% in January (5.7% in December) mainly attributable to a decline in food and fuel prices. We expect that the overall annual inflation will remain below the Central Bank's upper target limit of 7% in the H1 2019.

The Kenya Shilling appreciated against the U.S. Dollar (USD) in January on the back of reduced dollar demand supported by declining global oil prices. Increasing diaspora remittances have also bolstered the Kenyan Shilling.

High liquidity saw yields on Treasury Bills decline during the month. The 182-day and 364-day declined slightly compared to the previous month to close at 8.8% and 9.9% respectively. Increased investor appetite saw bids at the last auction of the month total Ksh 40 billion against an offered amount of Ksh. 24 billion. Kenya's Monetary Policy committee maintained the Central Bank rate at 9.0% citing a stable macroeconomic environment.

Portfolio Managers

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