



Fund Objectives

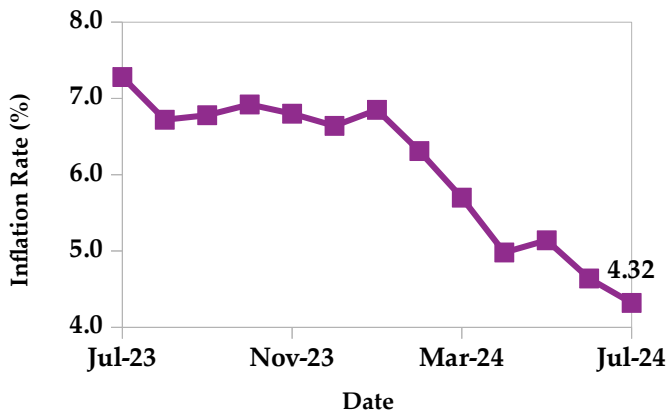
The fund seeks to generate maximum total return by investing in a diversified portfolio of securities offering current income and long-term capital growth.

- Provide a consistent positive return above inflation over the medium term and long term.
- Protect capital over the long term.
- Minimize risk of capital loss.
- Manages volatility and liquidity through allocations to cash and cash equivalents.

ECONOMIC INDICATORS

(A) Inflation

The overall year on year inflation decreased to 4.3% in July from 4.6% in June, driven by lower food, electricity and fuel prices. The food and non-alcoholic beverages index declined 0.5%, driven by decreased food prices. Despite an increase in gas prices, the housing, water, electricity, gas and other fuels index decreased by 0.4%, mainly due to lower electricity and kerosene prices. Additionally, the transport index dropped by 0.1%, driven by a decrease in petrol and diesel prices.

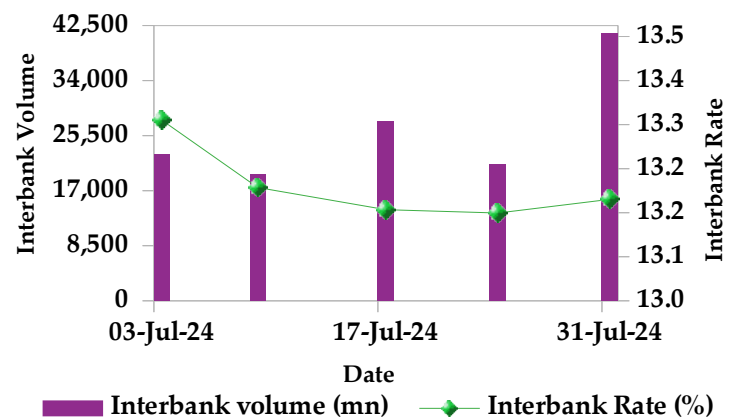


Fund Facts

Fund Facts	
Structure	Private Investment Club
Risk Profile	Moderate
Custodian	Cooperative Bank

(B) Liquidity

Liquidity decreased as a result of tax remittances which more than offset government payments. The average inter-bank rate increased from 13.1% to 13.2%. The volume of inter-bank transactions increased from Kshs 24.1 billion to Kshs 28.6 billion. Commercial banks excess reserves increased from Kshs 12.8 billion to Kshs 19.3 billion.



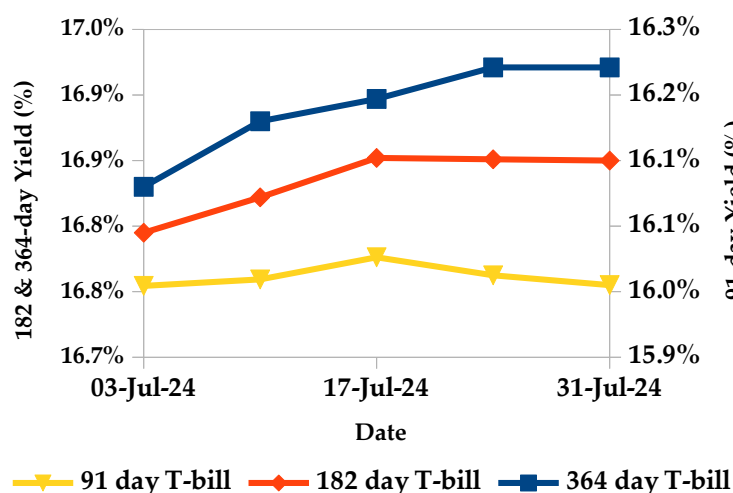
MARKET OVERVIEW

(A) Fixed Income

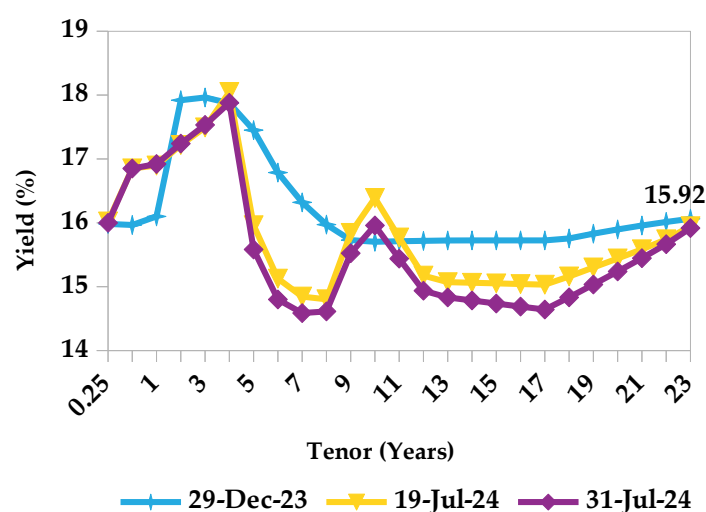
(1) T-Bills

T-bills recorded an overall subscription rate of 116.5% during the month of July, compared to 84.4% recorded in the previous month. The performance of the 91-day, 182-day and 364-day papers stood at 404.7%, 78.7% and 39.1% respectively. On a monthly basis, yields on the 91-day, 182-day and 364-day papers increased by 0.1%, 0.5% and 0.8% to 16.0%, 16.9% and 16.9% respectively.

T-BILLS



YIELD CURVE (%)



(B) Equities

On a monthly basis, NASI, NSE 25 and NSE 10 settled 3.4%, 1.9% and 2.1% lower while NSE 20 settled 0.8% higher. The performance was as a result of losses recorded by large cap stocks such as Safaricom, Equity, Standard Chartered and NCBA. This was however mitigated by the gain recorded by EABL. At the close of the month, market capitalization lost 3.4% to settle at Kshs 1.7 trillion. Total shares traded decreased by 47.7% to 294.4 million shares while equity turnover increased by 16.9% to close at Kshs 5.9 billion.

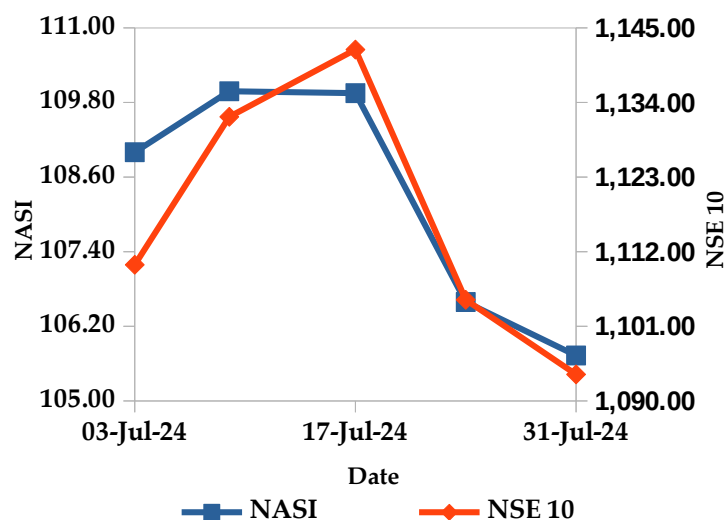
(2) T-Bonds

During the month, T-Bonds registered a total turnover of Kshs 165.9 billion from 2,773 bond deals. This represents a monthly increase of 70.5% and 10.0% respectively. The yields on government securities in the secondary market slightly decreased during the month of July.

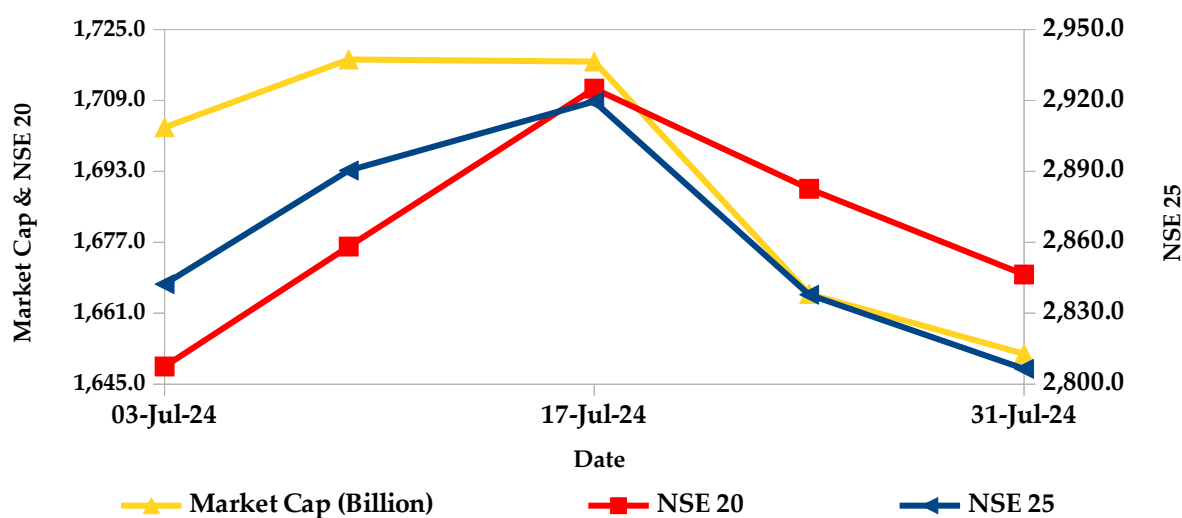
In the primary bond market, CBK re-opened two infrastructure bonds IFB1/2023/6.5 and IFB1/2023/17, seeking to raise Kshs 50 billion. These bonds have coupon rates of 17.9% and 14.4%, and tenors of 5.8 years and 15.7 years respectively. The sale runs from 25/07/2024 to 14/08/2024.

In the international market, yields on Kenya's Eurobonds decreased by an average of 3 basis points.

NASI and NSE 10



Market Capitalization, NSE 20 and NSE 25



MONTHLY HIGHLIGHTS

- Inflation decreased to 4.3% in July from 4.6% in June. This was primarily attributed to lower food, fuel and electricity prices.
- Moody's and Fitch Ratings downgraded Kenya's creditworthiness from B3 to Caa1 and B to B- respectively.
- The NSE officially launched the Linzi Sukuk bond on its unquoted securities platform.
- Kenya finalized an agreement with the UAE that grants preferential market access for Kenyan goods, further solidifying its trade momentum following a similar deal with the European Union.

ARIMA FUND

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