



Fund Objectives

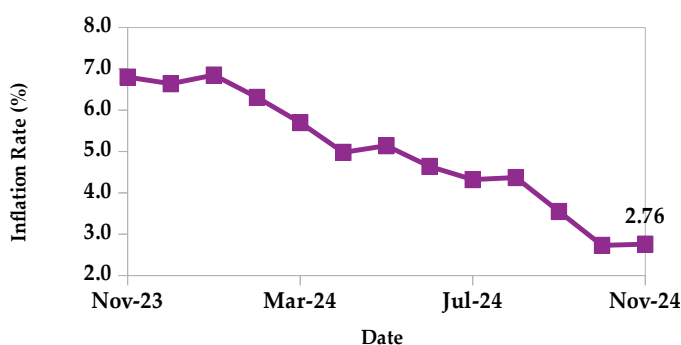
The fund seeks to generate maximum total return by investing in a diversified portfolio of securities offering current income and long-term capital growth.

- 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 edged 2.8% in November 2024 from 2.7% in October, marking the first increase since August. However, it remains below the central bank's target range midpoint of 5%. The uptick was primarily driven by rising food prices, with the food and non-alcoholic beverages index increasing by 0.6%. The housing, water, electricity, gas and other fuels index decreased by 0.1%, mainly due to decreased LPG (gas) and electricity prices. Despite stable petrol and diesel prices, the transport index increased by 0.2%, due to higher international flight costs.

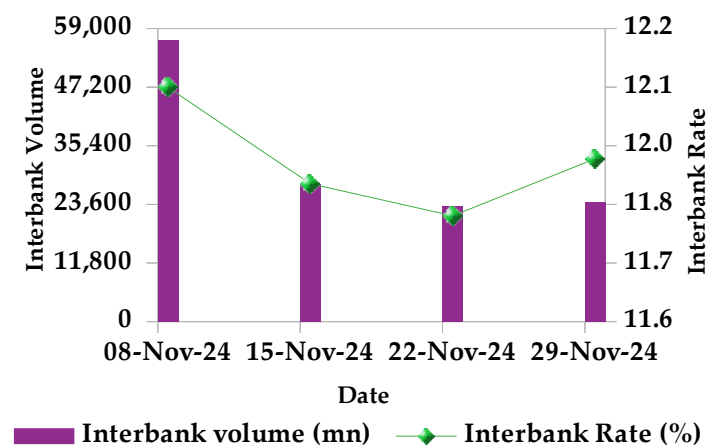


Fund Facts

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

(B) Liquidity

Liquidity increased as a result of government payments which more than offset tax remittances. The average inter-bank rate decreased from 12.2% to 12.0%. The volume of inter-bank transactions decreased from Kshs 34.1 billion to Kshs 32.0 billion. Commercial banks excess reserves increased from Kshs 39.5 billion to Kshs 44.8 billion.



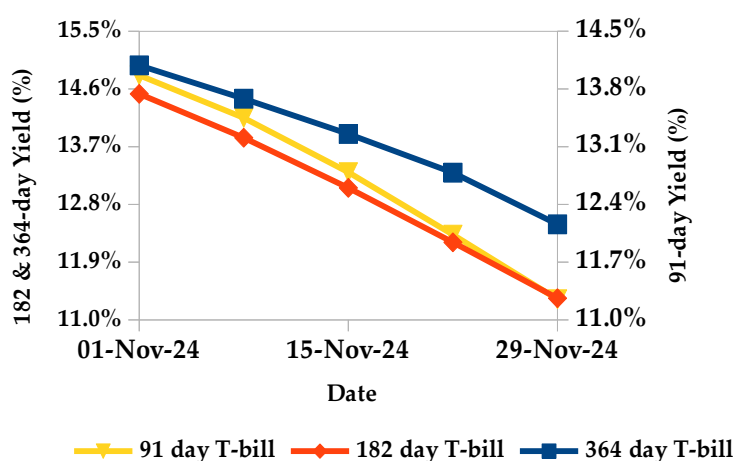
MARKET OVERVIEW

(A) Fixed Income

(1) T-Bills

T-bills recorded an overall subscription rate of 335.2% during the month of November, compared to 296.6% recorded in the previous month. The performance of the 91-day, 182-day and 364-day papers stood at 634.9%, 256.7% and 293.9% respectively. On a monthly basis, yields on the 91-day, 182-day and 364-day papers decreased by 19.5%, 21.9% and 16.6% to 11.3%, 11.3% and 12.5% respectively.

T-BILLS



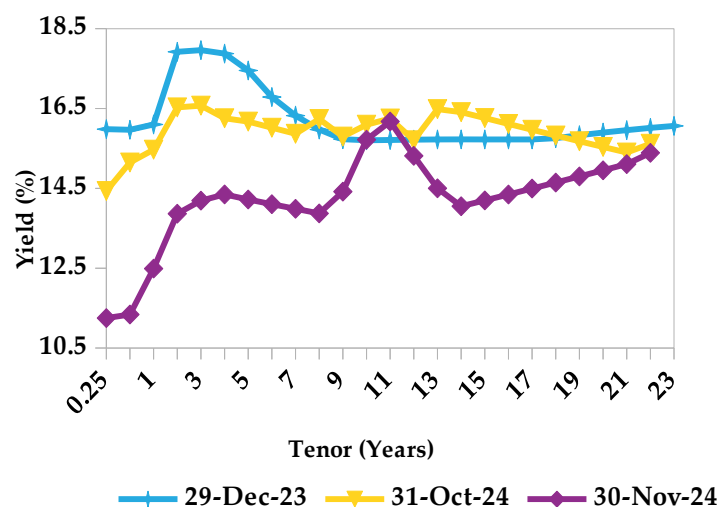
(2) T-Bonds

During the month, T-Bonds registered a total turnover of Kshs 109.4 billion from 2,519 bond deals. This represents a monthly decline of 9.5% and an increase of 1.5% respectively. The yields on government securities in the secondary market also decreased during the month of November.

In the primary bond market, CBK re-opened FXD1/2023/10 and FXD1/2018/20 treasury bonds in an effort to raise Kshs 25.0 billion. The coupon rates are 14.6% and 13.2% respectively. Additionally, CBK re-issued FXD1/2024/10 bond with a coupon rate of 16.00%, targeting to raise Kshs 20 billion.

In the international market, yields on Kenya's Eurobonds decreased by an average of 15 basis points.

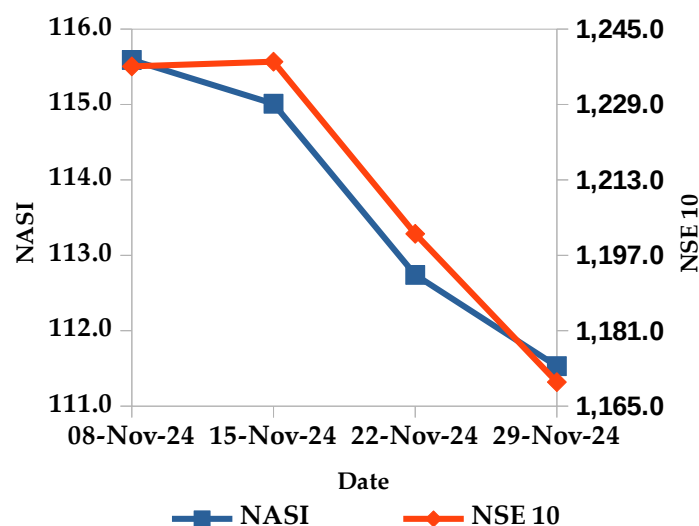
YIELD CURVE (%)



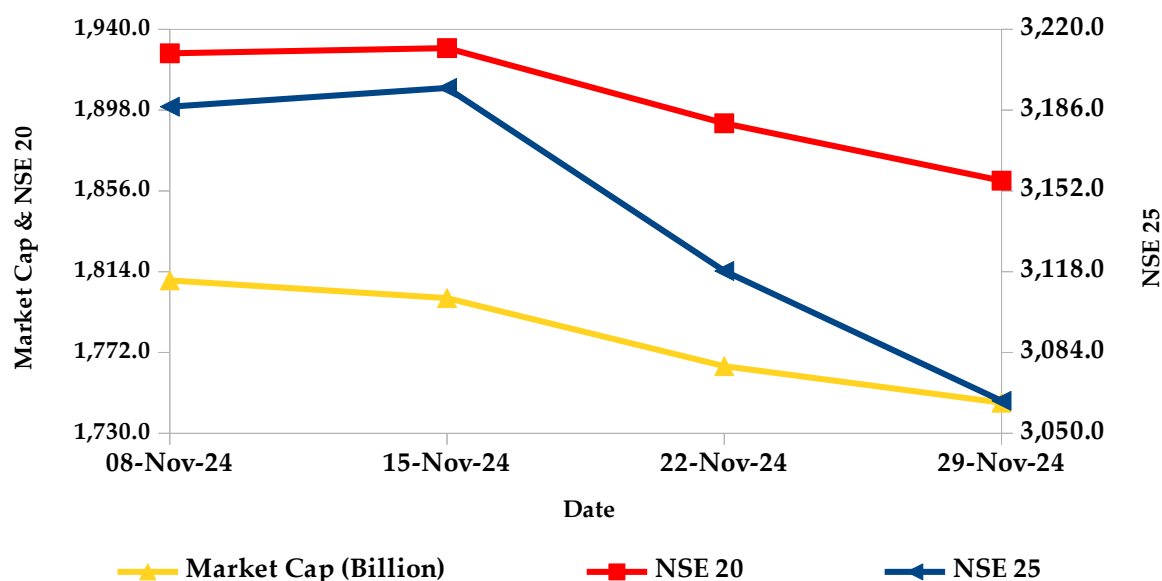
(B) Equities

NASI, NSE 20, NSE 25 and NSE 10 settled 5.2%, 2.3%, 4.0% and 5.5% lower respectively. The performance was as a result of losses recorded by large cap stocks such as Safaricom, EABL and Equity. This was however mitigated by the gain recorded by Standard Chartered. At the close of the month, market capitalization lost 5.2% to settle at Kshs 1.8 trillion. Total shares traded increased by 23.2% to 471.0 million shares and equity turnover increased by 25.2% to close at Kshs 6.2 billion.

NASI and NSE 10



Market Capitalization, NSE 20 and NSE 25



MONTHLY HIGHLIGHTS

- Inflation edged 2.76% in November 2024 from 2.73% in October, marking the first increase since August. However, it remains below the central bank's target range midpoint of 5%.
- The Central Bank of Kenya (CBK) announced changes to some denominations of the Kenyan currency banknotes.
- Safaricom PLC launched Ziidi Money Market Fund, a new investment product accessible to M-PESA customers.
- The CMA granted a Real Estate Investment Trust (REIT) Manager License to Future Construct Investment Managers Ltd, a subsidiary of Construct Africa.
- KenGen signed a Kshs 250 million contract with Eswatini Electricity Company (EEC) to conduct geothermal exploration in three regions of Eswatini.

ARIMA FUND

1113 Kayahwe Rd, Off Galana Road, Kilimani, Nairobi. || P. O. Box 16075 – 00100 Nairobi

Email: info@arima.co.ke || Phone: +254 721 465 968 || +254 770 363 879