



Fund Objectives

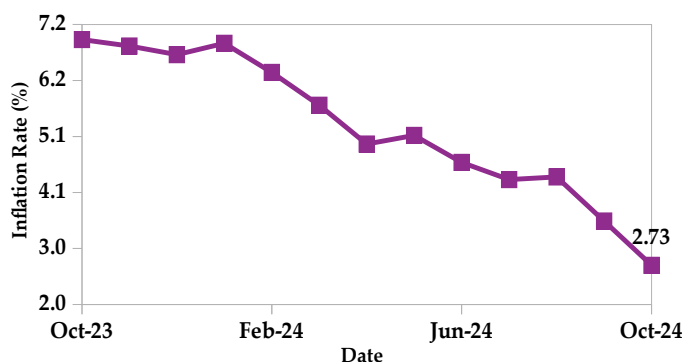
The fund seeks to generate maximum total return by investing in a diversified portfolio of securities offering current income and long-term capital growth.

- 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 eased to 2.7% in October 2024 from 3.6% in September, driven by decreased fuel prices. The transport index declined by 0.3% month-on-month due to decrease in petrol and diesel prices. The housing, water, electricity, gas and other fuels index also decreased by 0.3% month-on-month due to decrease in prices of kerosene and LPG. On the flip side, the food and non-alcoholic beverages index increased by 0.5% month-on-month due to an increase in food prices.

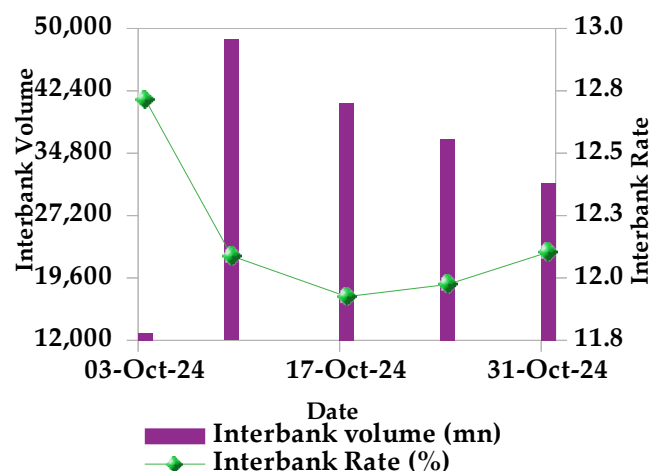


Fund Facts

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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 12.7% to 12.2%. The volume of inter-bank transactions increased from Kshs 26.5 billion to Kshs 34.1 billion. Commercial banks excess reserves increased from Kshs 12.4 billion to Kshs 39.5 billion



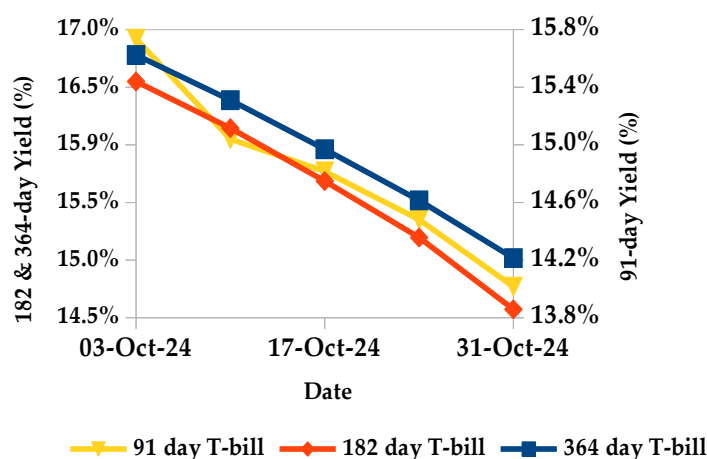
MARKET OVERVIEW

(A) Fixed Income

(1) T-Bills

T-bills recorded an overall subscription rate of 296.6% during the month of October, compared to 116.2% recorded in the previous month. The performance of the 91-day, 182-day and 364-day papers stood at 512.3%, 269.2% and 237.6% respectively. On a monthly basis, yields on the 91-day, 182-day and 364-day papers decreased by 11.2%, 12.5% and 10.9% to 14.0%, 14.5% and 15.0% respectively.

T-BILLS



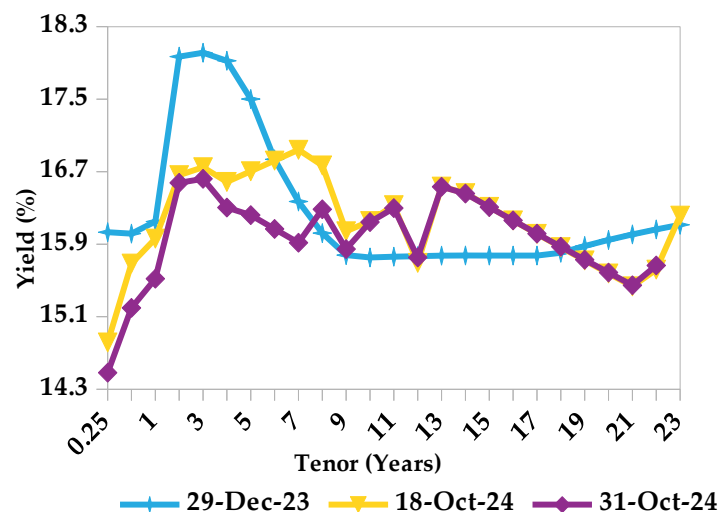
(2) T-Bonds

During the month, T-Bonds registered a total turnover of Kshs 133.2 billion from 2,589 bond deals. This represents a monthly increase of 50.8 and an decrease of 0.2% respectively. The yields on government securities in the secondary market also decreased during the month of September.

In the primary bond market, CBK reopened FXD1/2022/10 for the second time in an effort to raise Kshs 15.0 billion. Additionally, the CBK re-issued three bonds FXD1 /2023/10, FXD1/2022/15 and FXD1/2024/10 with coupon rates of 14.2%, 13.9% and 16.0% respectively, targeting to raise Kshs 45 billion. The period of sale for FXD1/2023/10 and FXD1/2022/15 runs from 25th October to 6th November, while the sale for FXD1/2024/10 runs from 25th October to 13th November.

In the international market, yields on Kenya's Eurobonds increased by an average of 24 basis points.

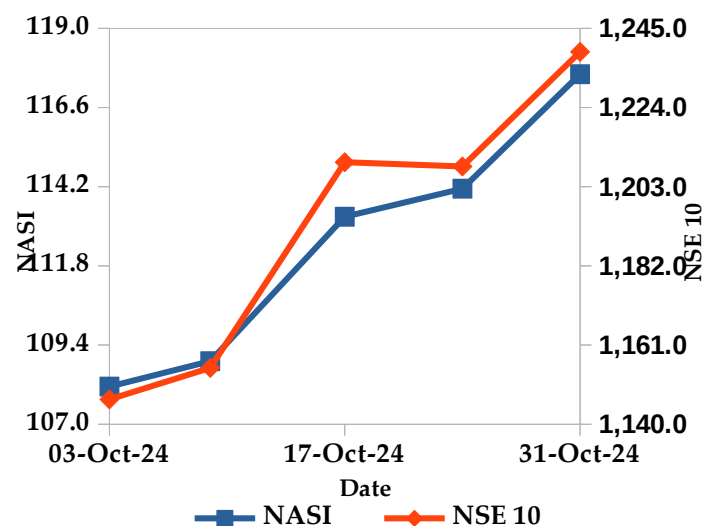
YIELD CURVE (%)



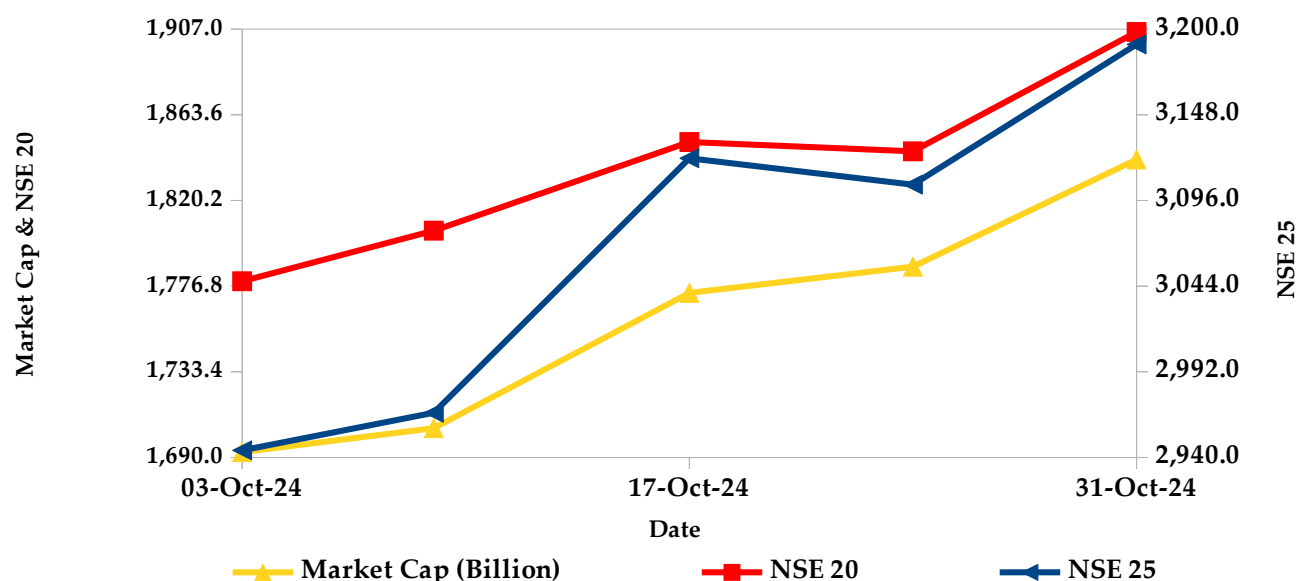
(B) Equities

On a monthly basis, NASI, NSE 20, NSE 25 and NSE 10 settled 9.8%, 7.3%, 10.1% and 10.1% higher respectively. The performance was as a result of gains recorded by large cap stocks such as EABL, Safaricom, KCB, Standard Chartered and Stanbic of 18.26%, 11.67%, 10.95%, 10.48 and 10.02% respectively. At the close of the month, market capitalization gained 9.8% to settle at Kshs 1.8 trillion. Total shares traded increased by 14.4% to 382.2 million shares and equity turnover decreased by 1.6% to close at Kshs 4.9 billion.

NASI and NSE 10



Market Capitalization, NSE 20 and NSE 25



MONTHLY HIGHLIGHTS

- Inflation eased to 2.7% in October 2024 from 3.6% in September, falling below the central bank's target range of 5%.
- The (MPC) of the Central Bank of Kenya lowered the benchmark lending rate rate to 12% from 12.75%. The next committee meeting is scheduled for December 2024.
- Kenya secured a \$606 million loan from the IMF to support its economic recovery and build fiscal buffers.
- Kenya's GDP fell to a 2-year low, growing 4.6% year-on-year in the second quarter of 2024, from a 5% expansion in the previous quarter.
- The IMF projects Kenya's economic growth as measured by real GDP, to decline from 5.6% in 2023 to 5.0% in both 2024 and 2025, making Kenya the only middle-income African economy not expected to rebound by 2025.

ARIMA FUND

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