



Fund Objectives

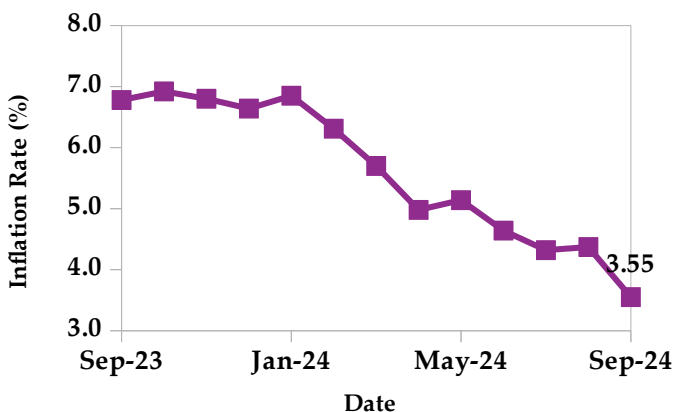
The fund seeks to generate maximum total return by investing in a diversified portfolio of securities offering current income and long-term capital growth.

- 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 3.6% in September 2024 from 4.4% in August, falling below the midpoint of the central bank's target range. The food and non-alcoholic beverages index increased by 0.4%, driven by higher food prices. The housing, water, electricity, gas and other fuels index decreased by 0.1%, mainly due to decreased kerosene and electricity prices. Additionally, the transport index increased by 0.1%, mainly due to elevated city bus fares, despite stable fuel prices.

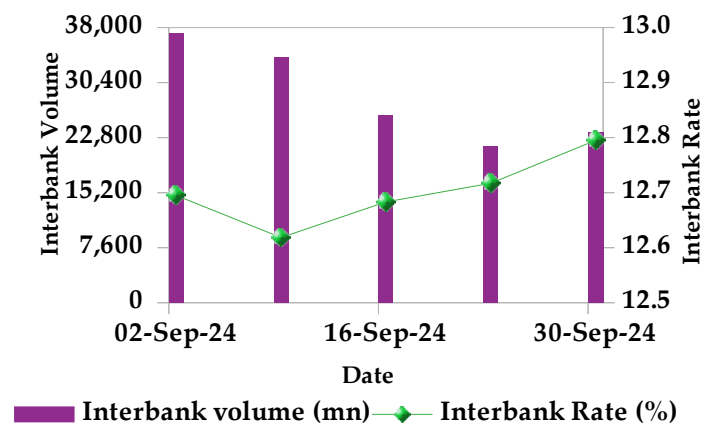


Fund Facts

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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 13.0% to 12.7%. The volume of inter-bank transactions increased from Kshs 22.9 billion to Kshs 26.5 billion. Commercial banks excess reserves decreased from Kshs 20.3 billion to Kshs 12.4 billion



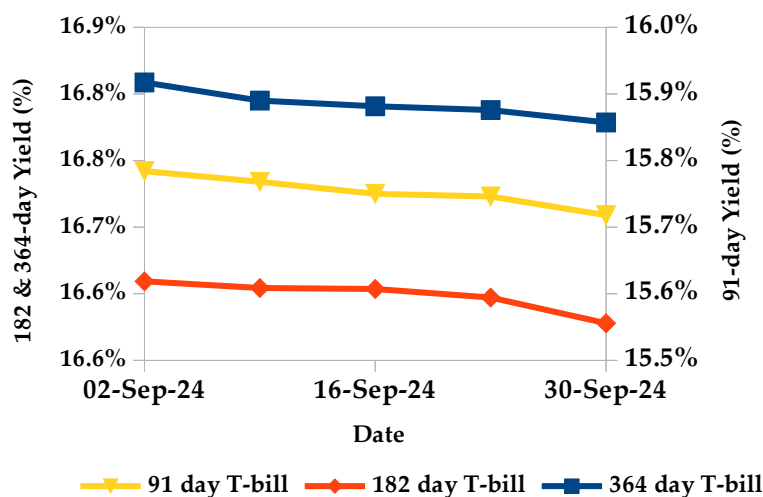
MARKET OVERVIEW

(A) Fixed Income

(1) T-Bills

T-bills recorded an overall subscription rate of 116.2% during the month of September, compared to 112.9% recorded in the previous month. The performance of the 91-day, 182-day and 364-day papers stood at 347.9%, 68.2% and 71.6% respectively. On a monthly basis, yields on the 91-day, 182-day and 364-day papers decreased by 0.4%, 0.3% and 0.3% to 15.7%, 16.6% and 16.8% respectively.

T-BILLS



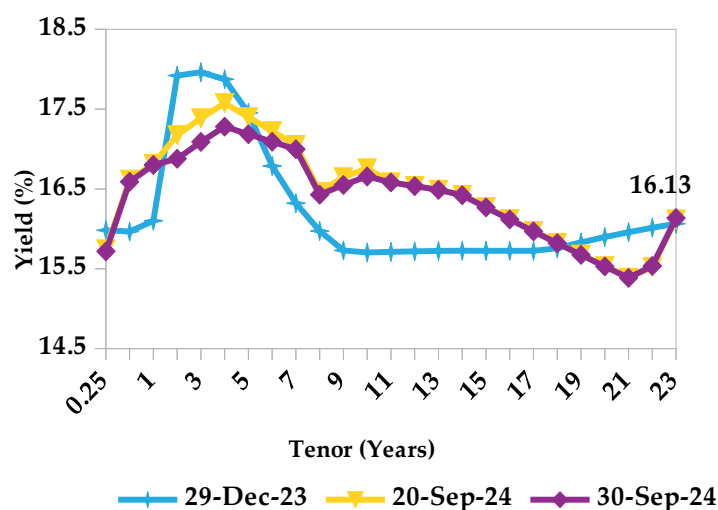
(2) T-Bonds

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 re-issued FXD1/2024/010 and FXD1/2016/020 bonds with coupon rates of 16.0% and 14.0% respectively, targeting to raise Kshs 30 billion. Additionally, CBK reopened the FXD1/2016/10 and FXD1/2022/10 treasury bonds in an effort to raise Kshs 50.0 billion. The respective coupon rates of the bonds are 15.0% and 13.5%. The sale runs from 25/09/2024 to 09/10/2024.

In the international market, yields on Kenya's Eurobonds decreased by an average of 119 basis points.

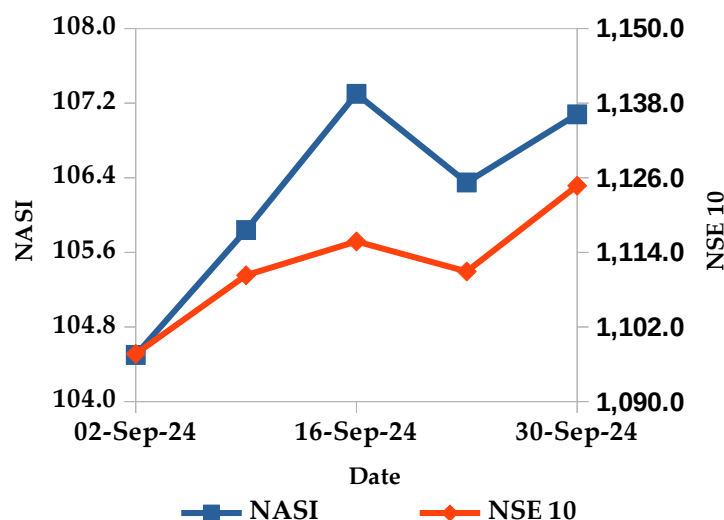
YIELD CURVE (%)



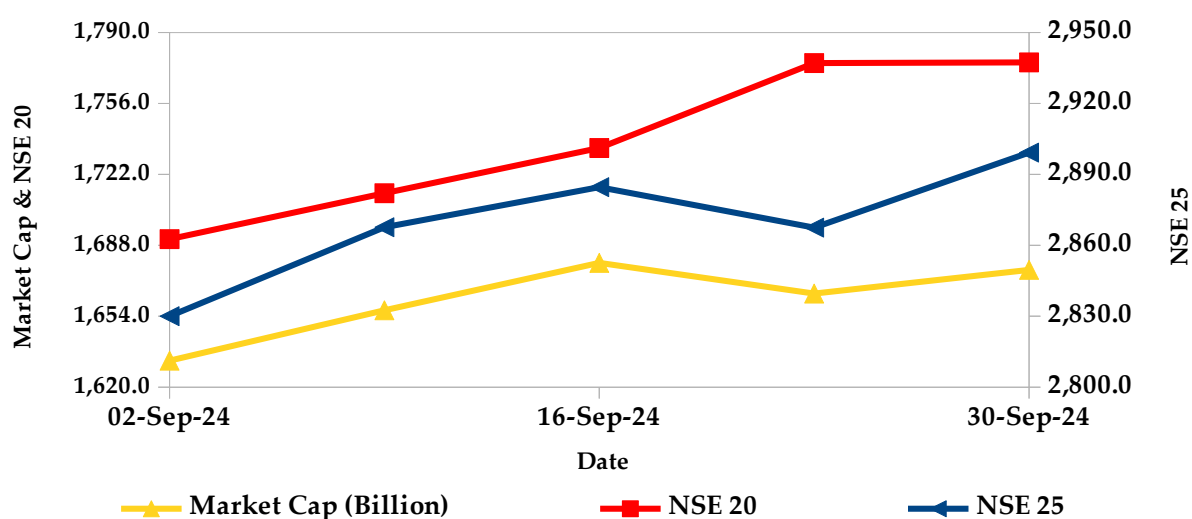
(B) Equities

On a monthly basis, NASI, NSE 20, NSE 25 and NSE 10 settled 3.3%, 5.8%, 3.1% and 3.4% higher respectively. The performance was as a result of gains recorded by large cap stocks such as KCB, Equity, Standard Chartered and Safaricom. This was however weighed down by the losses recorded by Stanbic and ABSA. At the close of the month, market capitalization gained 3.5% to settle at Kshs 1.7 trillion. Total shares traded decreased by 14.8% to 334.0 million shares and equity turnover decreased by 22.9% to close at Kshs 5.0 billion.

NASI and NSE 10



Market Capitalization, NSE 20 and NSE 25



MONTHLY HIGHLIGHTS

- Inflation eased to 3.6% in September 2024 from 4.4% in August, falling below the central bank's target range of 5%.
- The National Assembly's investments committee halted Kenya Airports Authority's (KAA) dealings with Adani Group until a forensic audit is completed.
- NSE implemented a new requirement for listed companies to disclose a forward-looking calendar of corporate events.
- Kenya officially became a full member of the Asian Infrastructure Investment Bank (AIIB), a multilateral development institution.

ARIMA FUND

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