



Fund Objectives

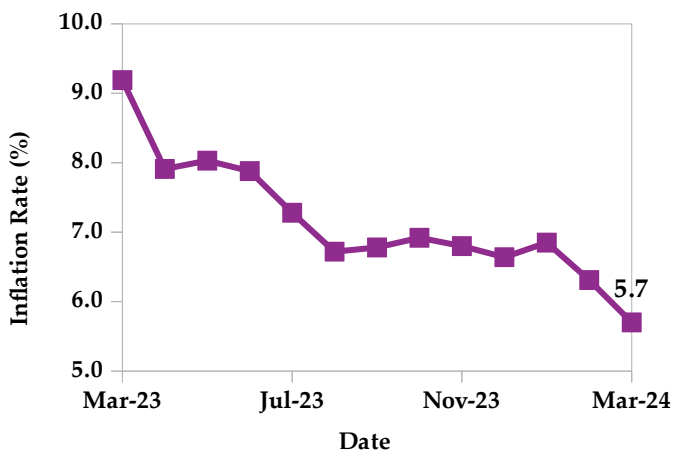
The fund seeks to generate maximum total return by investing in a diversified portfolio of securities offering current income and long-term capital growth.

- 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 5.7% in March from 6.3% in February, primarily driven by lower fuel prices. The food and non-alcoholic beverages index edged 0.5% higher. The housing, water, electricity, gas and other fuels index increased by 0.2%, mainly due to the increase in gas/LPG prices. Transport index decreased by 0.6% due to a decrease in petrol and diesel prices.

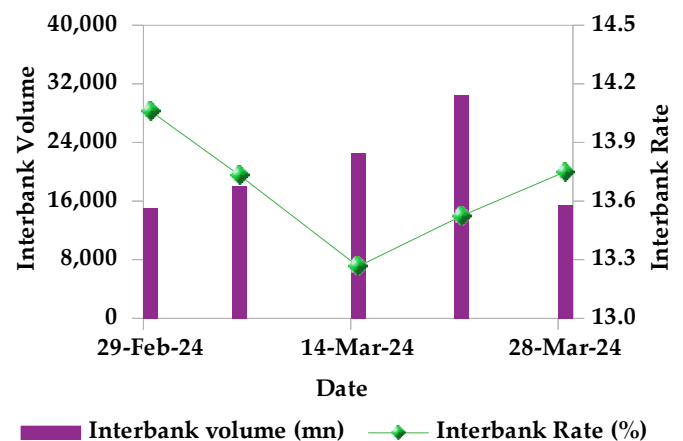


Fund Facts

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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 inter-bank rate decreased from 13.7% to 13.5%. The volume of inter-bank transactions increased from Kshs 25.0 billion to Kshs 26.6 billion. Commercial banks excess reserves decreased from Kshs 27.4 billion to Kshs 18.3 billion.

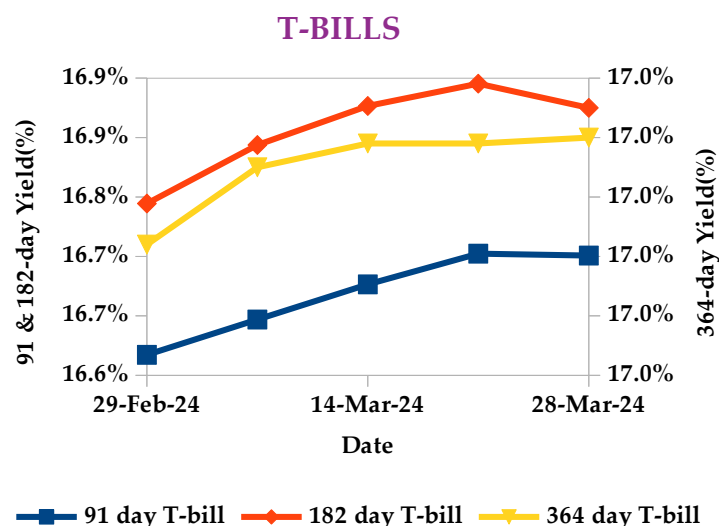


MARKET OVERVIEW

(A) Fixed Income

(1) T-Bills

T-bills recorded an overall subscription rate of 109.1% during the month of March, compared to 161.1% recorded in the previous month. The performance of the 91-day, 182-day and 364-day papers stood at 323.2%, 51.1% and 81.5% respectively. On a monthly basis, yields on the 91-day, 182-day and 364-day papers increased by 0.6%, 0.6% and 0.1% to 16.7%, 16.9% and 17.0% respectively.



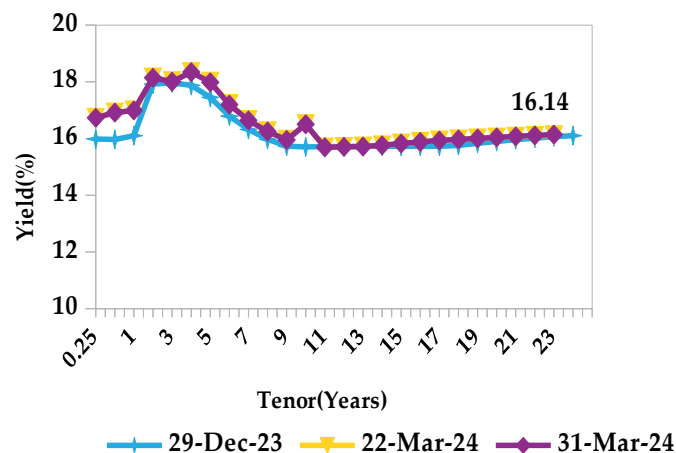
(2) T-Bonds

During the month, T-Bonds registered a total turnover of Kshs 125.5 billion from 3,084 bond deals. This represents a monthly decrease of 53.7% and 3.8% respectively. The yields on government securities in the secondary market increased during the month of March.

In the primary bond market, CBK re-opened FXD1/2023/005 and FXD1/2024/010 through a tap sale, seeking to raise Kshs 25.0 billion from the two treasury bonds. Furthermore, CBK re-opened FXD1/2023/002 which seeks to raise Kshs 40 Billion. The period of sale for the FXD1/2024/005 and FXD1/2024/010 runs from 27/03/2024 to 04/04/2024 while FXD1/2023/002 runs from 28/03/2024 to 17/04/2024 and their coupon rates are 16.8%, 16.0% and 17.0% respectively.

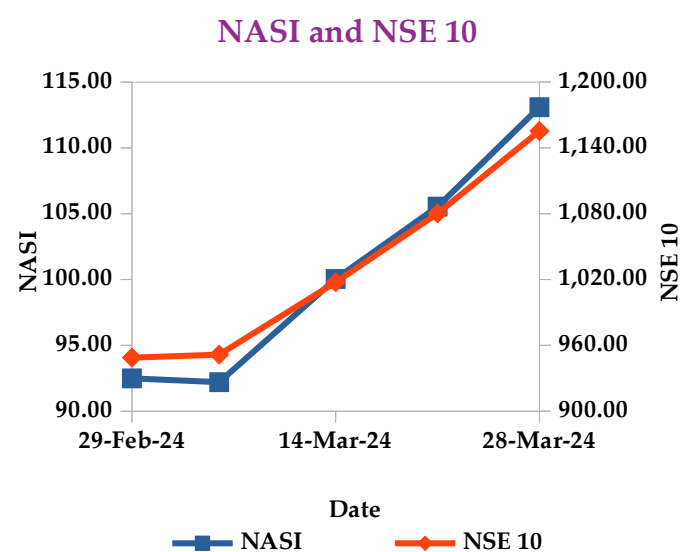
In the international market, yields on Kenya's Eurobonds decreased by an average of 62 basis points.

YIELD CURVE (%)

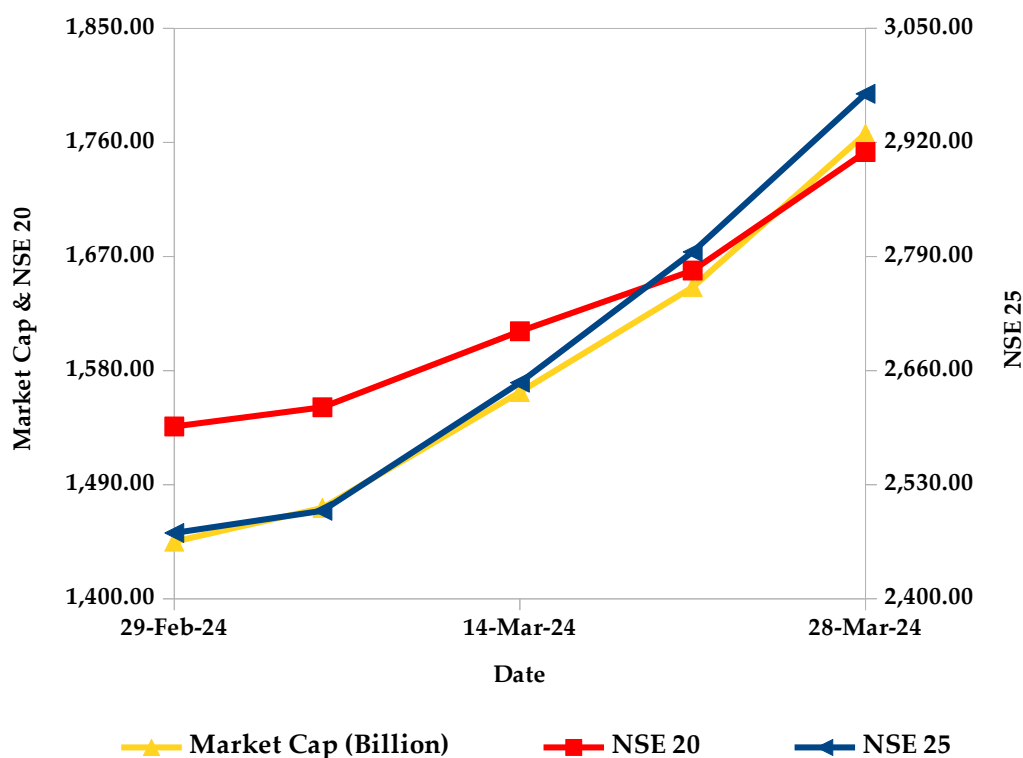


(B) Equities

On a monthly basis, NASI, NSE 20, NSE 25 and NSE 10 settled 22.3%, 14.1%, 20.2% and 21.8% higher. The performance was as a result of gains recorded by large cap stocks such as KCB, Safaricom, EABL and Standard Chartered. At the close of the month, market capitalization gained 22.3% to settle at Kshs 1.8 trillion. Total shares traded increased by 132.6% to 642.0 million shares and equity turnover also increased by 144.0% to close at Kshs 11.2 billion



Market Capitalization, NSE 20 and NSE 25



MONTHLY HIGHLIGHTS

- Inflation declined for the second month in a row to a two-year low of 5.7% in March 2024, down from 6.3% in February and below market expectations of 6.0%. This was primarily driven by lower fuel prices.
- The president signed the Affordable Housing Bill 2023 into law. This law provides a 15% tax benefit for employees while establishing the Affordable Housing Levy (AHL) of 1.5% collected by employers.
- CBK issued licenses to 19 new Digital Credit Providers (DCPs), bringing the total to 51, in an effort to address concerns about high-cost credit and broaden access to potentially more competitive loan options.