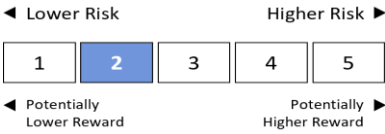




Fund Particulars



Launch Date:

May 2005

Total Assets:

317,421,031.19

Unit price (per unit):

10.25

Total Units:

30,793,102.70

Fund Size:

315,546,307.13

Fund Strategy:

Fixed Income

Dealing:

Monthly on the first business day

Distributions:

Semi-annually

Last date of distribution:

30 June 2024

Management Fee (Incl. VAT)

2.00%

TER (Incl. VAT)

2.90%

The African Alliance Group

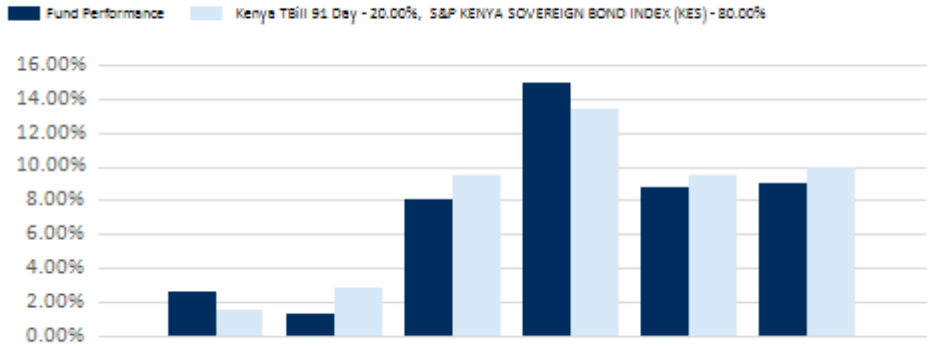
Founded in 1996, the African Alliance Group is a specialist pan-African asset manager and investment bank approaching two decades of on-the-ground investment expertise across the African continent.



Fund Strategy

The primary objective of this Fund is to outperform a regular short-term money market investment over time. The Fund aims to provide maximum income and relative capital stability from a portfolio of Kenyan interest-bearing investments. It aims to pay out a high level of income without putting the investor's money at undue risk, although there will be a degree of price fluctuation caused by movements in the bond market.

Gross Annualised Fund Performance

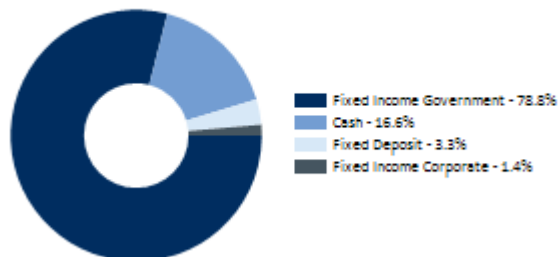


* Gross Annualised Performance	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	2.57%	1.30%	8.10%	14.90%	8.83%	9.02%
Benchmark	1.57%	2.82%	9.48%	13.44%	9.51%	9.96%

Country Exposure (By Domicile)



Instrument Type Exposure



Investment Options

Minimum lump sum investment	100,000.00
Minimum monthly top up	50,000.00

Risk Measures

	Fund	Benchmark
Highest Annualized Return	14.90%	13.44%
Lowest Annualized Return	4.88%	5.37%



Fund Commentary

During the week, T-bills were undersubscribed, with the overall undersubscription rate coming in at 87.2%, a reversal from the oversubscription rate of 126.4% recorded the previous week. Investors' preference for the shorter 91-day paper persisted, with the paper receiving bids worth Kshs 6.9 bn against the offered Kshs 4.0 bn, translating to an oversubscription rate of 173.0%. The 91-day T-bill closed the month of September at 15.7% while the 182-day T-bill rate settled at 16.5% & the 364-day T-bill stood at 16.7% in September

In the primary bond market, the government is looking to raise Kshs 30.0 bn through the two reopened ten-year fixed coupon bonds FXD1/2016/10 and FXD1/2022/010 with the tenor to maturity of 1.8 years and 7.6 years respectively, and fixed coupon rates of 15.0% and 13.5% respectively. Interest rates in the fixed income market have been on an upward trend given the continued high demand for cash by the government and the tight liquidity in the money markets.

On a month-on-month basis, the biggest upward shift of was experienced on the 9-year bond (+0.3%) while the biggest downward shift of was on the 5-year bond (-1.4%). The inversion of the yield curve remains persistent, with short-term interest rates surpassing the long-term rates on government securities. We expect the yield curve to normalize in the medium to long-term and investors to shift towards the long-term papers to lock in the high yields prospectively.

Glossary

Term	Description
12-month yield	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
Annualized performance	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
Cumulative performance graph	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
Income distribution	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
Total Expense Ratio (TER)	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated for the year to the end of the most recent completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.
Unit Classes	African Alliance's funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes.



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