

ENWEALTH

MONEY MARKET

# FUND FACT SHEET

DECEMBER 2023



**FUND OBJECTIVE**

The objective of the Enwealth Money Market Fund is a low risk investment with an objective to :

1. Generate reasonable level of current income,
2. Provide Steady growth through re-investment of income earned
3. Provide maximum stability for capital invested.
4. Provide liquidity

This is achieved through investing in interest-earning money market instruments which have a maximum tenor of 13 months.

**FUND INVESTMENT PRINCIPLES**

1. To invest only in money market instruments spread amongst institutions of repute.
2. To manage the portfolio according to best practice of prudent investing.
3. To administer the portfolio according to best practice by treating the generation of income as a higher priority than capital growth.
4. To minimize losses, while maximizing on investment returns, by investing in near cash or cash deposits.
5. To ensure the Fund retains an acceptable level of liquidity to meet any liquidation obligations with the promised timelines.

**WHY INVEST IN THE MONEY MARKET FUND?**

1. This fund is ideal for use as an emergency fund.
2. It is ideal for risk-averse investors
3. It could form the core fund of your portfolio's cash component.
4. The fund should produce higher returns than call deposits while interest rates are declining.
5. The fund pays out income monthly.
6. In rising interest rate environments, the fund benefits from attractive deposit rates.

**FUND DETAILS**

Risk Profile: Low
Investment Horizon: Short Term
Minimum Initial Investment: Kshs 1,000
Annual Management Fee: 2%+ VAT
Initial Fee: Nil
Suitability: Investors with low risk appetite and High liquidity needs
Weighted Average duration: <b>3.11 months.</b>
Trustee: Co-operative Bank of Kenya Ltd
Custodian: SBM Bank Kenya Ltd
Fund Administrator: Enwealth Capital Limited
Fund Manager: Old Mutual Investment Group
Benchmark Returns: Average Commercial Banks monthly deposit rate

**PORTFOLIO MANAGER COMMENTARY**

The annual effective yield settled at 14.97% as at the end of December 2023 as the fund manager continued to reprice maturities and inflows into higher yielding shorter duration instruments.

Kenya's inflation came in at 6.6% year on year in December, down from 6.8% in November 2023. The transport index increased by 11.7% due to the higher fuel prices and public transport fares. The housing, water & electricity and food indices increased by 8.3% and 7.7% respectively.

The Monetary Policy Committee (MPC) increased the CBK rate to 12.5% from 10.5% to tame inflation and currency weakness.

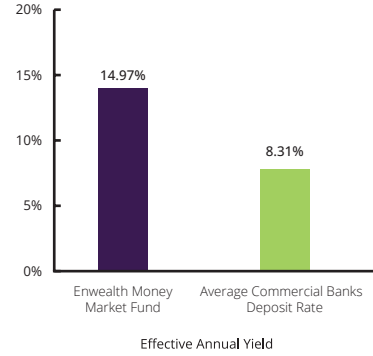
Treasury Bill yields continued to edge upwards by an average of 0.43% across all tenors as the yields are highly likely to breach the 16% mark. The 91,182 and 364-day Treasury bills closed the year at 15.88%, 15.97% and 15.90% respectively.

**Outlook:**

Inflation still faces significant upside risks stemming from higher global commodity prices, final finance bill tax increases, continued currency weakness as well as adverse weather conditions. It is against this backdrop that we expect yields to remain at elevated levels.

**PERFORMANCE (ANNUALISED) AS AT 31<sup>ST</sup> DECEMBER 2023**

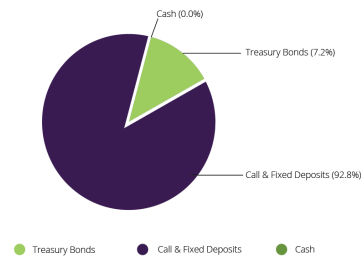
Enwealth Money Market Fund yield against benchmark for December 2023



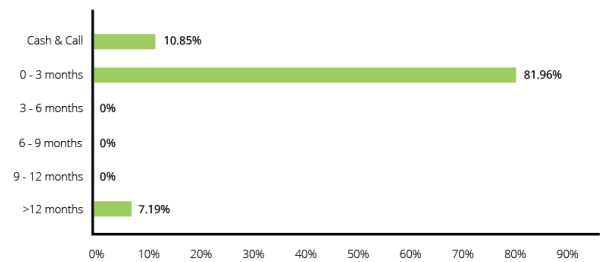
**RISK MEASURES: LAST 12 MONTHS**

Not applicable

**ASSET ALLOCATION**

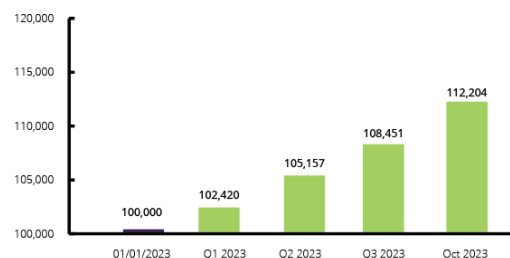


**DURATION ALLOCATION**



The fund manager invested in near cash instruments particularly high yielding deposits.

**CUMULATIVE PERFORMANCE**



The chart reflects the growth of a KES 100,000 investment at the start of the year with 100% reinvestment of distributions.