

ENWEALTH DOLLAR
MONEY MARKET FUND

FACT SHEET

AUGUST 2024



Fund Objective

The Enwealth Dollar Money Market Fund is a low-risk investment with an objective to

1. Provide Steady growth through re-investment of income earned
2. Provide maximum stability for capital invested.
3. Provide liquidity

This is achieved through investing in interest-earning money market instruments which have a maximum tenor of 18 months.

Fund Investment Principles

1. To invest only in money market instruments spread amongst reputable institutions.
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 maximize 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 Dollar Money Market Fund?

- **US Dollar-Denominated:** This fund is denominated in US dollars, which provides an option for investors looking to hold and transact in this currency as a hedge.
- **Liquidity:** Investors can easily access/redeem their invested funds.
- **Low Risk:** The fund is focused on preserving capital and minimizing investment risk. It primarily invests in high-quality, short-term debt securities.
- **Stable Value:** The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability.
- **Competitive Yields:** While prioritizing safety and liquidity, the Fund strives to provide a yield that is competitive compared to prevailing market interest rates

Fund Details

Risk Profile: Low

Investment Horizon: Short Term

Minimum Initial Investment: USD 1000

Annual Management Fee: 2%+ VAT

Initial Fee: Nil

Suitability: Investors with low risk appetite and High liquidity needs

Weighted Average duration: 8.35 months.

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

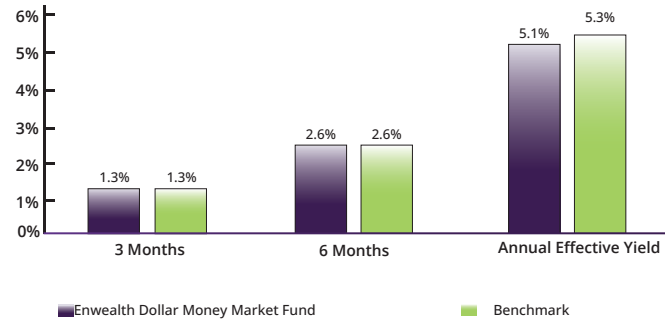
The annual effective yield settled at **5.1%** as the fund manager continued to invest inflows into higher yielding longer duration instruments. The Kenya Eurobond exposures continue to anchor the yield of the fund. Bolstering the case for a Fed rate cut in September, annual U.S. inflation rose by **2.9%** in July, the slowest increase since March 2021 and down from **3%** in June as food and housing prices remained elevated. In addition, there have been signs of a weaker-than-expected jobs growth in July which sparked stock market turmoil and recession fears.

The U.S dollar has fallen **5%** from its 2024 highs, close to its lowest level in about a year against a basket of its peers following a sharp drop in Q3 2024 as anticipated interest rate cuts by the Federal Reserve threaten to curtail the year-to-date strengthening. U.S. Treasury yields continued to drop as investors are factoring in the economic outlook along with the spread between the 2-year and 10-year note yields. The 10-year Treasury yield currently at **3.782%** while the 2-year Treasury is at **3.781%** marking the first time since 2022 that 10-year yield traded above the 2-year paper.

Outlook: Markets anticipate the Fed to start lowering interest rates when they meet on Sept. 17-18 as investors closely monitoring economic data as an indication of the rate cut. Investors expect the most likely outcome from the Fed's forthcoming meeting is a 25-basis point rate cut, although recent economic data appears to have strengthened the case for a bigger cut. In view of this, the fund manager will lengthen duration gradually as it locks in the high yields for a longer period.

Performance (Annualised) As At August 2024

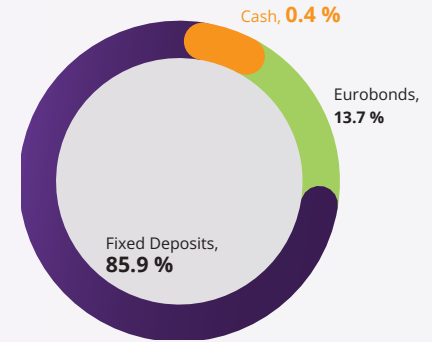
Enwealth Dollar Money Market Fund Performance As At August 2024



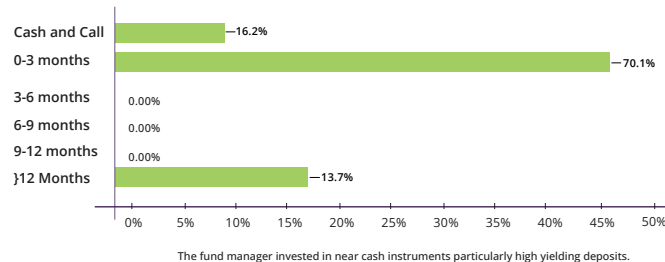
Risk Measures: Last 12 Months

Not Applicable

Asset Allocation



Duration Allocation



Cumulative growth- USD 100 investment

