Enwealth
For a better tomorrow

ENWEALTH
MONEY MARKET FUND
FACT SHEET

December 2024

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FACT SHEET AS AT DECEMBER 2024

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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 18 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: KES 1,000
Annual Management Fee: 2%+ VAT
Initial Fee: Nil
Suitability: Investors with low-risk appetite and High liquidity needs
Weighted Average duration: 17.2 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

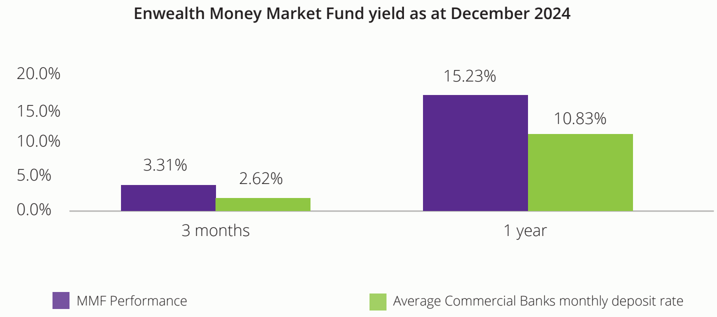
The annual effective yield settled at **13.0%** as at the end of December 2024 as the fund manager continued to lengthen the duration of the book to lock in decent yields in view of the interest rate outlook. The fund manager's aim is to sustain a double digit annual effective and above treasury bill yields for longer.

Kenya's year on year inflation rose for the second consecutive month to **3.0%** in December from **2.8%** in November driven by rising food and transport prices resulting to the Consumer Price Index increasing by **0.6%** on a month-on-month basis due to the seasonal price increases.

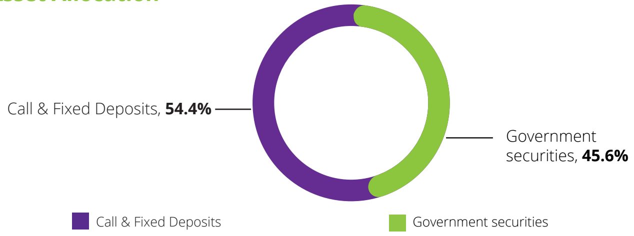
With the Central Bank of Kenya gaining control of interest rate movements amid the stable macroeconomic environment, Treasury Bill yields continued to decline sharply by an average of **2.1%** across all tenors as the **91,182** and **364-day** Treasury bills closed the month **at 9.89%, 10.02% & 11.41% from 12.03%, 12.21% & 13.29%** respectively in the previous month.

Outlook: We believe that Inflation bottomed out in Q4 2024 driven by base effects and lower food and fuel prices compared to last year. In the first quarter of 2025, we expect inflation to remain below 5% on base effects and increased food supply from the short rains harvest. However, risks such as the looming La Nina weather phenomenon, which could disrupt food supply, remains. We still see a significant cut in the next Monetary Policy Committee meeting in 2025 of between 0.25% to 0.50% amid stable currency and inflation.

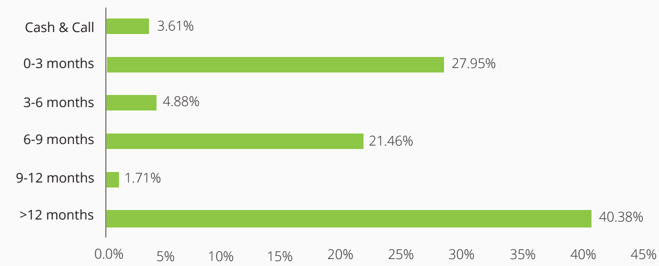
Performance (Annualised) As At November 2024



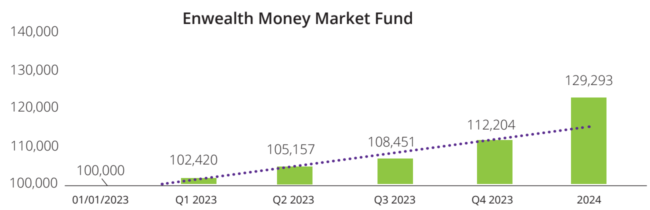
Asset Allocation



Duration Allocation



Cumulative Performance



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

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