

ENWEALTH
MONEY MARKET FUND
FACT SHEET

January 2025



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

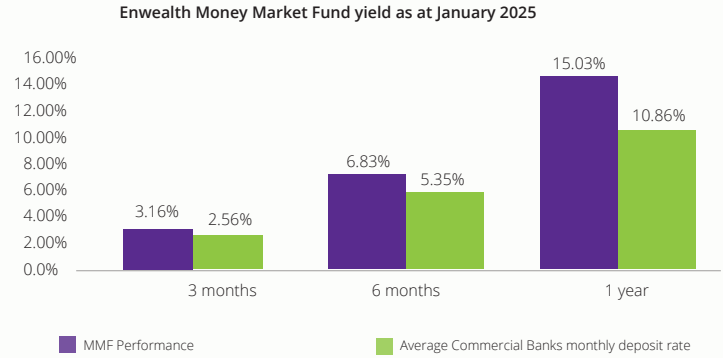
The annual effective yield settled at **13.0 %** as at the end of December 2024 as the fund manager continued to lengthen the duration of the book to lock in decent yields in view of the interest rate outlook. The fund manager's aim is to sustain a double digit annual effective and above treasury bill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

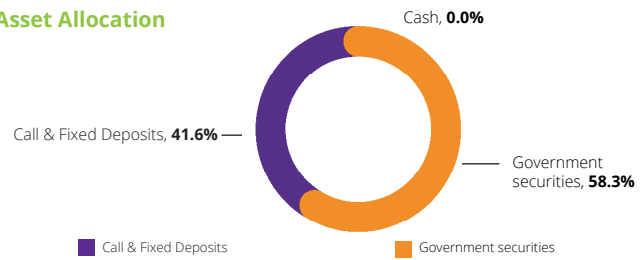
With the Central Bank of Kenya gaining control of interest rate movements amid the stable macroeconomic environment, Treasury Bill yields continued to decline sharply by an average of **2.1 %** across all tenors as the **91,182** and **364-day** Treasury bills closed the month at **9.89 %**, **10.02%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

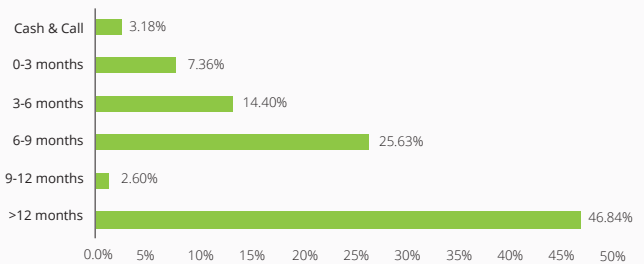
Performance (Annualised) As At January 2025



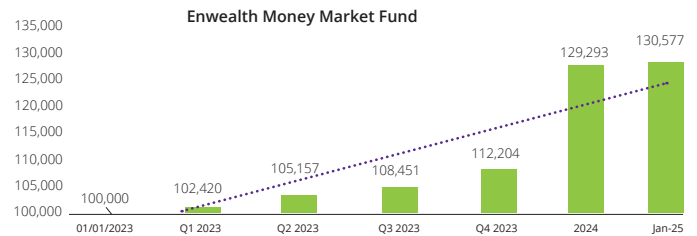
Asset Allocation



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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Past performance is not necessarily a guide to future performance. There are no guarantees on the investor's capital as the value of the investment can fall as well as rise depending on the performance of underlying investment.

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