

ENWEALTH FIXED INCOME FUND



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Fund Objective

The objectives of Enwealth Fixed Income Fund are to:

1. Generate regular interest income
2. Long term stability and capital growth
3. Low liquidity

Universe of investments includes:

- Treasury Bills and Bonds
- Call & fixed deposits

Fund Details

Risk Profile: Moderate

Investment Horizon: Medium Term – Minimum 3 year.

Minimum Initial Investment: KES 1,000

Annual Management Fee: 2%+ VAT

Initial Fee: Nil

Suitability: Investors with medium-risk appetite and Low liquidity needs

Weighted Average duration: 0.50 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: 182-day Tbill

Fund Manager Commentary

The annual effective yield of the fund settled at **7.8%** as of May 2025 driven by positive returns from the fixed income book. The fund manager increased its liquidity in order to take advantage of the attractive yields in the primary and secondary bond auctions.

In the month, the yield curve moved higher in the mid-section driven by secondary market activity and lower across the short & long end section resulting in unrealized capital gains in addition to the coupon return. The yield curve is facing upside risk pressure on the long end as the Treasury continues to reopen long term papers.

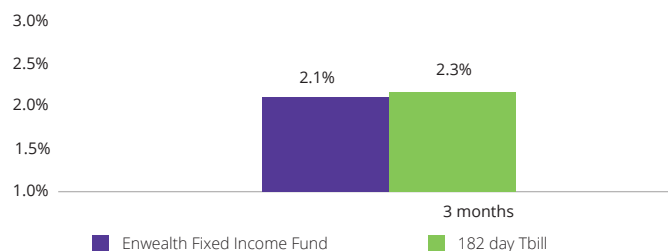
Kenya's year on year inflation fell to **3.8%** in May from **4.1%** in April driven by base effects as the Consumer Price Index continued to rise by **0.5%** month on month in May, up from a **0.3%** increase in the prior month. Year on year food inflation remains the most meaningful upside risk to inflation, albeit subsiding to register **6.3%** from 7.1% in April. Year on year core inflation continued to climb, rising to **2.8%** from **2.5%** in April mostly attributable to the upward pressure from prices of processed food, that are included in core inflation.

Treasury Bill yields declined slightly by an average of **0.1%** across all tenors as the 91,182 and 364-day Treasury bills closed the month at **8.32%, 8.58% & 10.0%** from **8.44%, 8.62% & 10.02%** respectively in the previous month.

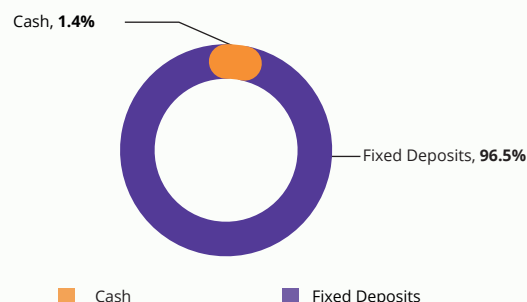
Outlook: Inflation pressures are well-contained. It still looks likely that headline inflation will gradually climb towards **5%** closer to the year-end as base effects lessen. Currency and inflation stability should result to 1 year Treasury bill yield moving below 10%. Increased liquidity in the bonds market should skew bond yields lower in the last month of the quarter.

Fund Performance

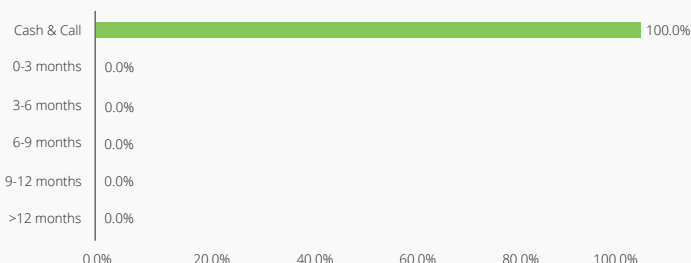
Enwealth Fixed income fund vs Benchmark



Asset Allocation

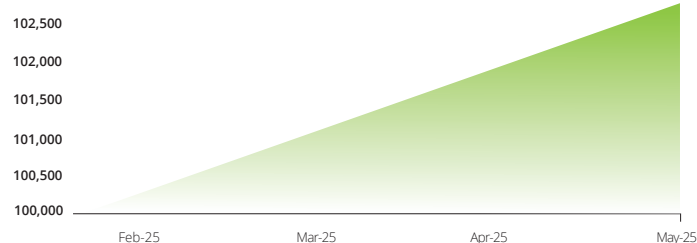


Duration Allocation



Cumulative Growth

Cumulative growth of KES 100,000 invested



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