



JUBILEE FIXED INCOME FUND (KES)

FACT SHEET

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30TH JUNE 2024

FUND OVERVIEW

Investment Objective

The **Jubilee Fixed Income Fund (KES)** aims to achieve a high level of income with moderate capital growth over the medium to long-term through capital appreciation by primarily investing in fixed income securities.

Investment Strategy

The Fund invests in a blend of high-yielding medium to long-term bonds, credit rated and secure private commercial papers/approved public commercial papers, high-quality corporate bonds, and high-quality fixed and call deposits in the Kenyan market, which offer maximum security to investors.

Why JFIF (KES)?

- Liquidity:** The Fund is highly liquid and allows investors to retrieve funds with ease to get cash or to make other investments.
- Competitive Returns:** The Fund delivers higher returns than bank deposits. We are focused on assisting our clients to achieve their financial investments goals while managing risks.
- Stability and safety:** The Funds are required by capital market regulations to invest in short maturity, low risk investments, making them less volatile.
- Tax-exempt Fund:** The Fund is registered as a tax-exempt Fund on income and capital gains. Distributions to investors are subject to 15% withholding tax.

FUND DETAILS

Inception Date	1st November, 2023
Fund Size	KES 448,365,623
Number of Units	4,483,656
Price (Net Asset Value Per Unit)	KES 100
Income Distribution	Monthly
Performance Benchmark	S&P Kenya Sovereign Bond Index (60%) + Average Bank Deposit Rate (40%)
Investment Minimum	KES 5,000 (Initial)
Minimum Top-up	KES 1,000

FUND COSTS

Initial/Exit Fees	0.00%
Management Fees	2.00% p.a. exclusive of VAT
Performance Fees	0.00%
Other Expenses*	0.34% p.a.
VAT on Fees	16.00%
Total Expense Ratio (TER)	2.72% p.a. Inc. of VAT
Transaction Costs (TC)	0.00%
Total Investment Charge (TIC)	2.72% p.a. Inc. of VAT

**This includes the trustee fees, custodian fees, audit fees, legal fees, AGM fees and excise duty tax.*

PORTFOLIO MANAGERS

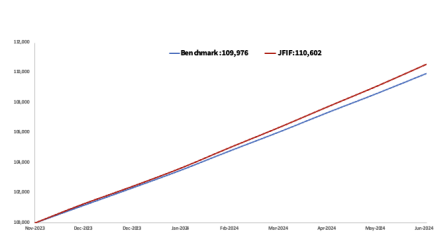


Kevin Gizemba, B.SC(Hons),
MBA, M.SC
Portfolio Manager



Cliff Bakashaba, B.SC(Hons), CFA
Senior Portfolio Manager

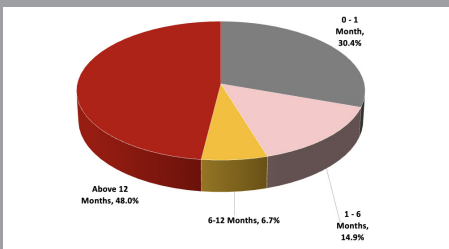
**GROWTH OF HYPOTHETICAL
KES. 100,000 SINCE INCEPTION**



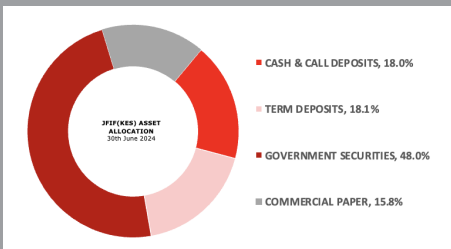
PERFORMANCE (%) - CUMULATIVE

	Fund	Benchmark	Outperformance
Year to Date	8.0%	7.5%	0.5%
1-Month	1.3%	1.2%	0.1%
3-Month	5.3%	5.0%	0.4%
Since Inception	9.3%	8.7%	0.5%

DURATION EXPOSURE



COMPOSITION BY SECURITY TYPE



FUND CHARACTERISTICS

7-Day Yield	15.9%
Weighted Average Maturity (Years)	2.4
Standard Deviation [Since Inception]	0.04%

ISSUER EXPOSURE

ISSUER	% OF NET ASSETS
Government of Kenya	48.0%
Term Deposits	36.1%
Commercial Papers	15.8%
TOTAL	100.0%



RETURN STATISTICS SINCE LAUNCH

RETURN STATISTICS	FUND	BENCHMARK
Annualized Deviation	0.15%	0.10%
Sharpe Ratio	1.74	N/A
Gain since Inception	9.17%	N/A
Positive Months	100.0%	N/A

RISK STATISTICS SINCE LAUNCH

RISK STATISTICS	FUND	BENCHMARK
Highest Annual Return	17.1%	14.7%
Lowest Annual Return	5.5%	13.6%

INCOME DISTRIBUTIONS

DECLARATION DATE	PAYMENT DATE	AMOUNT DISTRIBUTED PER UNIT (KES)	YIELD
30 Jun 2024	06 Jul 2024	1.21	15.8%
31 May 2024	06 Jun 2024	1.28	15.6%
30 Apr 2024	06 May 2024	1.20	15.6%
30 Mar 2024	05 Apr 2024	1.25	15.6%
29 Feb 2024	06 Mar 2024	1.15	15.2%
31 Jan 2024	05 Feb 2024	1.21	14.8%
31 Dec 2023	05 Jan 2024	1.18	14.2%
30 Nov2023	05 Dec 2023	1.13	14.8%



MARKET COMMENTARY

Fixed Income Commentary

In June 2024, the Central Bank of Kenya (CBK) accepted bids to the tune of KES 84.9 Bn through the reopening and tap sale of four Treasury Bonds, i.e., FXD1/2023/02, FXD1/2024/03, FXD1/2023/05 and FXD1/2023/10 with coupon rates of 16.972% p.a., 18.385% p.a., 16.844% p.a. and 14.151% p.a. respectively. The two auctions were both oversubscribed, with total bids amounting to KES 99.5 Bn against an offered amount of KES 80.0 Bn. The Weighted Average Rate of Accepted Bids (WARAB) of the four Treasury Bonds auctions was 17.122% p.a., 17.586% p.a., 18.277% p.a. and 16.571% p.a. respectively.

In the primary bond market, the government has announced a new auction seeking to raise KES 30.0 Bn for budgetary support through the reopening of multiple fixed-coupon issues: FXD1/2024/10 and FXD1/2008/20, with coupon rates of 16.000% p.a. and 13.750% p.a. respectively. The auction is slated to close on Wednesday, 17th July 2024.

Following the rejection of the Finance Bill 2024/25 by the President, the Government of Kenya will seek to plug a financing gap of KES 346 Bn that was meant to be filled by the repealed Bill. The Government plans to achieve this by reducing expenditure by KES 177.0 Bn and borrowing an additional KES 169.7 Bn than earlier projected for FY2024/25.

This implies yields are likely to remain elevated due to increased government borrowing, potentially signalling a challenging environment for both public and private sector borrowing. This could lead to higher costs of capital and widening of the fiscal deficit, potentially dampening economic growth.

Review of Inflation

Headline inflation declined to 4.6% year-on-year in June 2024, compared to the 5.1% year-on-year rate recorded in May 2024. These levels were last seen in October 2020, when headline inflation was 4.8%. This decline was primarily attributed to the decrease in prices of oranges, sugar, and sifted maize flour, which dropped by 2.5%, 2.4% and 2.0% month-on-month, respectively, within the Food and Non-Alcoholic Beverages Index. Additionally, the Transport Index dropped by 0.2% between May 2024 and June 2024, mainly due to a decrease in petrol and diesel prices by 1.6% and 3.4% month-on-month respectively.

Review of the Exchange Rate

The Kenyan Shilling appreciated against the US Dollar, registering a 0.5% month-on-month gain to close at KES 129.52, up from KES 130.23 at the end of May 2024. On a year-to-date basis, the Kenyan Shilling has strengthened by 17.2% against the US Dollar. This appreciation is primarily driven by increased inflows from agricultural exports and a reduced demand for dollars among importers. The currency appreciation is a positive indicator of economic stability, following the implementation of tighter monetary policy aimed at boosting investment inflows into the country.

At the end of June 2024, Kenya's official foreign exchange reserves increased to USD 7,800 Mn, equivalent to 4.1 months of import cover, from USD 6,975 Mn at the end of May 2024, equivalent to 3.6 months of import cover. The current usable reserve level is above the statutory requirement of maintaining a minimum of 4.0 months of import cover.

This increase is attributable to the disbursement of the USD 1.2 Bn financing facility obtained from the World Bank Development Policy Operation that was partly used to retire the outstanding balance of USD 557 Mn of the USD 2.0 Bn Eurobond on 21st June 2024.

FUND COMMENTARY**Fund Performance**

The Jubilee Fixed Income Fund (KES) registered a return of 1.32% for the month of June 2024, with an annualized return of 15.78% p.a. The Fund continued to outperform its benchmark – [S&P Kenya Bond Index (60%) and Average Bank Deposit Rate (40%)]- which yielded 1.21% in June 2024, and an annualized return of 14.47% p.a.

The Fund strategically deployed its capital into high-yielding Fixed-Term deposits and a high-quality secured Commercial Paper, driving outperformance against the benchmark. Maintaining a high level of liquidity remains a key priority of the Fund Manager's strategy as outlined by an 18.0% allocation to cash and call deposits.

The Fund distributed KES 1.21 per unit for the month of June 2024.

The Fund Manager remains committed to ensuring the Fund performance is optimised to ensure maximization of returns on capital invested by the Unitholders.

**IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING
IN THE JUBILEE FIXED INCOME FUND (KES)**

The Jubilee Unit Trust Collective Investment Scheme is an Umbrella Unit Trust Scheme registered with the Capital Markets Authority, through the Certificate of Registration number 6/22 dated 21 September 2022.

The Jubilee Fixed Income Fund (KES) presents a low-risk investment profile, making it an ideal choice for investors pursuing low-risk strategies across short to long-term investment horizons. Risk mitigation is achieved through a diversified approach to asset allocation, spreading investments across various asset classes that offer uncorrelated returns over time. This diversification strategy ensures a broadened array of potential sources for returns throughout market cycles.

Moreover, the Fund employs tactical asset allocation techniques to capitalize on short-term opportunities, further enhancing its potential for generating favourable returns. Investors should carefully assess these factors and their own investment objectives before considering participation in the Jubilee Fixed Income Fund (KES).

The Trustee and Custodian of the Jubilee Unit Trust Scheme is Standard Chartered Bank Kenya Limited.

Rationale for the Fund's Benchmark

The benchmark for the Jubilee Fixed Income Fund (KES) is weighted as follows: the S&P Kenya Sovereign Bond Index (60%) and the Average Bank Deposit Rate (40%). This blend reflects a balanced approach, aligning with the fund's investment strategy and asset allocation.

The S&P Kenya Sovereign Bond Index offers a representation of the performance of Kenyan sovereign bonds, providing a core reference for Fixed Income investments. Meanwhile, the inclusion of the Average Bank Deposit Rate acknowledges the importance of liquidity and capital preservation, which are key considerations in Fixed Income investment.

This benchmark combination provides a comprehensive yardstick for evaluating the fund's performance across both bond market exposure and liquidity management.

How are Units Priced?

Unit prices are calculated on a Net Asset Value (NAV) basis, which is the total market value of all assets in the portfolio, including any income accruals and less any permissible deductions from the Fund, divided by the number of units in issue.

Forward pricing is used, and fund valuations take place at approximately 12:00 pm each business day. Redemption requests should be provided before 9.00 am on a Business Day to be eligible for that day's value date and if received after this time it will be valued at the next Business Day.

Cumulative Investment Performance

Cumulative Investment Performance is provided for illustrative purposes only. It is determined by factoring in all ongoing fees for the indicated amount, with income reinvested on the specified reinvestment date.

Fees

Permissible deductions may include Management Fees, Custody Fees, Trustee Fees, Annual General Meeting (AGM) Fees and Auditor's Fees. A schedule of fees and charges is available on request from Jubilee Asset Management Limited.

What is the Total Expense Ratio (TER) and Transaction Costs (TC)?

The Total Expense Ratio (TER) encompasses the annual management fee levied by Jubilee Asset Management Limited and other expenses borne by the Fund, and reflects the actual expenses borne by the Fund over one year on an annualized basis. Notably, Fund returns are stated after the deduction of these expenses.

Transaction Costs (TC) refer to the expenses associated with buying and selling securities within the Fund. The Fund does not impose transaction costs on clients when withdrawing funds.

The Total Investment Charge (TIC) is calculated as the sum of the Total Expense Ratio (TER) and Transaction Costs, although in this case, Transaction Costs do not apply.

Where can I find Additional Information?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees can be requested via the Client Service Centre on www.jubileeinsurance.com or through email on Jamcustomerservice@jubileekenya.com

**FUTURE-PROOF YOURSELF WITH
JUBILEE FIXED INCOME (KES) FUND.**

Benefits:

- High returns on your investment
- Convert idle cash to work for you

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Jubilee
ASSET MANAGEMENT



Disclaimer

The effective annual yield is net of fees and gross of withholding tax. The indicative rate of return shall not be guaranteed, and past performance does not guarantee future investment performance. In certain circumstances, the right to redeem units may be suspended. The Capital Markets Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard. Jubilee Asset Management Limited is licensed as a Fund Manager by the Capital Markets Authority.

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JUBILEE ASSET MANAGEMENT LIMITED

Jubilee Insurance Centre, Wabera Street
P.O. Box 30376 - 00100 GPO, Nairobi, Kenya
Tel: +254 20 328 1000
Call Centre: +254 709 949 000
Email: jamlcustomerservice@jubileekenya.com



LICENSED AS A FUND MANAGER BY KENYA'S CAPITAL MARKETS AUTHORITY (CMA)