

JUBILEE FIXED INCOME FUND (KES)

FACT SHEET

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31ST MAY 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 370,565,873
Number of Units	3,705,659
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*	0.36% p.a.
VAT on Fees	16.00%
Total Expense Ratio (TER)	2.74% p.a. Inc. of VAT
Transaction Costs (TC)	0.00%
Total Investment Charge (TIC)	2.74% p.a. Inc. of VAT

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

PORTFOLIO MANAGERS

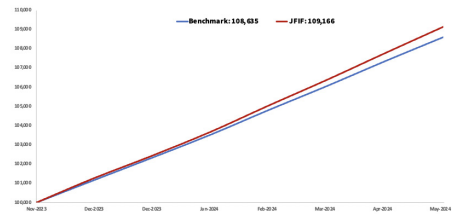


Kevin Gizemba, B.SC(Hons),
MBA, M.SC
Portfolio Manager



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

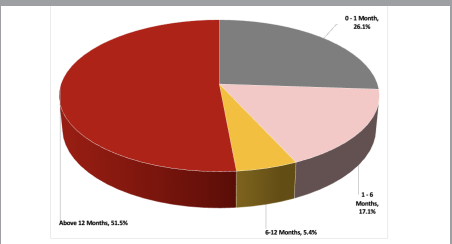
GROWTH OF HYPOTHETICAL
KES. 100,000 SINCE INCEPTION



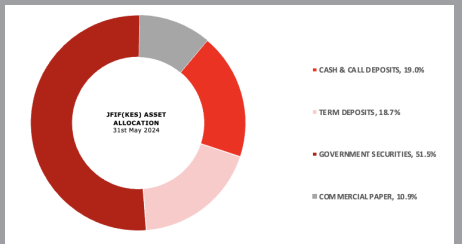
PERFORMANCE (%) - CUMULATIVE

	Fund	Benchmark	Outperformance
Year to Date	6.6%	6.2%	0.4%
1-Month	1.3%	1.2%	0.1%
3-Month	5.3%	4.9%	0.4%
Since Inception	9.2%	8.6%	0.5%

DURATION EXPOSURE



COMPOSITION BY SECURITY TYPE



FUND CHARACTERISTICS

7-Day Yield	16.1%
Weighted Average Maturity (Years)	2.7
Standard Deviation [Since Inception]	0.04%

ISSUER EXPOSURE

ISSUER	% OF NET ASSETS
Government of Kenya	51.5%
Term Deposits	37.7%
Commercial Papers	10.9%
TOTAL	100.0%



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RETURN STATISTICS SINCE LAUNCH

RETURN STATISTICS	FUND	BENCHMARK
Annualized Deviation	0.14%	0.09%
Sharpe Ratio	2.08	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	16.9%	14.7%
Lowest Annual Return	5.5%	13.6%

INCOME DISTRIBUTIONS

DECLARATION DATE	PAYMENT DATE	AMOUNT DISTRIBUTED PER UNIT (KES)	YIELD
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 Nov 2023	05 Dec 2023	1.13	14.8%



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Income Fund**

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MARKET COMMENTARY

Fixed Income Commentary

In May 2024, the Central Bank of Kenya (CBK) accepted bids to the tune of KES 18.0 Bn through the re-opening and tap sale of the FXD1/2024/10 Government Treasury Bond which carries a coupon rate of 16.000% per annum. The two auctions were both undersubscribed, with total bids amounting to KES 22.1 Bn against an offered amount of KES 40.0 Bn. The Weighted Average Rate of Accepted Bids (WARAB) for the FXD1/2024/10 Treasury Bond auctions was 16.227%.

In the primary bond market, the government is seeking to raise KES 60.0 Bn for budgetary support through the reopening of multiple fixed-coupon issues: 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. Notably, the government has exceeded its domestic borrowing target by 14.2%, raising KES 429.1 Bn against a prorated target of KES 375.7 Bn. Therefore, a potential decline in fixed-income securities' yields is anticipated as the government's appetite for additional domestic debt diminishes.

Review of Inflation

Headline inflation exhibited a slight uptick to 5.1% year-on-year in May 2024, compared to the 5.0% year-on-year rate recorded in April 2024. This marginal increase is primarily attributed to a 2.0% month-on-month increase in the food and alcoholic beverages index. Within this category, notable price escalations were observed in essential food items, with spinach, kale, tomatoes, and Irish potatoes experiencing significant year-on-year price increases of 18.2%, 15.0%, 14.0% and 6.2% respectively.

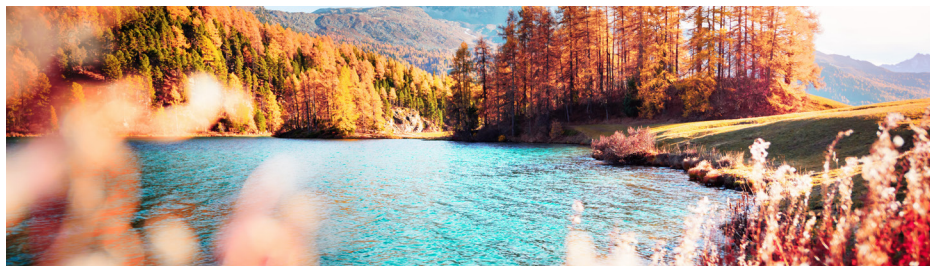
Conversely, May 2024 saw a slight deflationary trend in energy prices as the prices of Liquefied Petroleum Gas (LPG) and kerosene decreased by 0.6% and 1.0% respectively, month-on-month. This reduction aligns with the Energy and Petroleum Regulatory Authority's (EPRA's) downward price revision in May 2024, which resulted in a decrease in the prices of super petrol, diesel and kerosene by 0.5%, 0.7% and 0.8% respectively to KES 192.84, KES 179.19, and KES 168.00 per litre. This regulatory adjustment has played a role in moderating the overall inflationary pressure in May 2024.

Review of the Exchange Rate

The Kenyan Shilling appreciated against the US Dollar in May 2024, gaining by 2.3% month-on-month to close at KES 130.23 against the US Dollar, compared to KES 133.27 at the end of April 2024. On a year-to-date basis, the Kenyan Shilling has appreciated by 17.0% against the US Dollar.

At the end of May 2024, Kenya's official foreign exchange reserves shrunk to USD 6,975 Mn, equivalent to 3.6 months of import cover, from USD 7,179 Mn at the end of April 2024, equivalent to 3.8 months of import cover. The current usable reserve level remains below the statutory requirement of maintaining a minimum of 4.0 months of import cover.

The domestic currency is expected to be supported by strong diaspora remittances and improving tourism inflow receipts. However, pressure arising from Kenya's foreign debt servicing obligations, notably the coupon payments from KENINT 2027 and KENINT 2032 Eurobonds due in May 2024, coupled with the Central Bank of Kenya's (CBK's) interventions to stabilize the Kenyan Shilling currency through tight monetary policy, are poised to create downward pressure on the Kenyan Shilling currency.



FUND COMMENTARY**Fund Performance**

The Jubilee Fixed Income Fund (KES) registered a return of 1.30% for the month of May 2024, with an annualized return of 15.63% p.a. The Fund continued to outperform its benchmark – [S&P Kenya Bond Index (60%) and Average Bank Deposit Rate (40%)]- which yielded 1.19% in May 2024, and an annualized return of 14.33% 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 a 37.7% allocation to cash and term deposits.

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

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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)