

Who are the investment managers?

STANLIB Kenya Limited, an authorised Financial Services Provider under the Collective Investments Schemes Regulations Act and Retirement Benefits Act 3 of 1997, manage the investments of the fund.



John Kihara
GEMBA, CIFA, CAIA, BSc(Actuarial Science)
Senior Portfolio Manager

John joined STANLIB Kenya in 2010. He has over 10 years' experience in the fund management industry. He is responsible for the day-to-day management of the STANLIB Money Market Fund including security selection & rebalancing of the Fund.

Fund review

Individual

The STANLIB Money Market Fund is designed for individuals who have cash available to invest over the medium term, even though the money may be required at relatively short notice. The fund effectively provides an investment opportunity for individuals who require low risk, security and yields in excess of traditional banking products.

Institutional

The STANLIB Money Market Fund is designed for investors who traditionally hold large cash balances but need to remain liquid for operational reasons. Investors benefit from institutional money market investment at marginal fees. The fund is suitable for institutional investors who require undivided participation in a well-diversified portfolio of market instruments.

Market overview

Money Market: In 2019, the liquidity levels in the money market improved compared to 2018. The interbank rate averaged 4.3% in 2019 compared to 5.2% recorded in 2018 mainly due to increase in Government payments.

The 91 and 182 day paper declined by 17 and 28 basis points to settle at 7.18% and 8.15% respectively while the 364 day paper rate increased by 4 basis points to close the year at 9.80%.

Inflation: Overall inflation averaged 5.2% in 2019 compared to 4.7% recorded in 2018. The slight spike in 2019 is mainly due to increase in food inflation underpinned to rise in food prices in the course of the year.

Looking ahead

The fund will continue investing in high-yielding short-term investment grade securities. We expect it will continue to offer competitive risk-adjusted returns.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

Change in allocation of the fund over the quarter

| Asset type | Q4 2019 | Q3 2019 | Change |
|-------------------------|---------|---------|--------|
| Domestic Cash & Mny Mkt | 8.70 | 20.86 | -12.16 |
| Domestic Fixed Interest | 91.30 | 79.14 | 12.16 |

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Shilling) |
|-------|---------------|-------------|------------------|------------------|
| B2 | Institutional | 100.00 | 1,479,996,398.68 | 1,479,996,387.81 |
| B3 | Institutional | 100.00 | 64,524,437.80 | 64,524,438.24 |

All data as at 31 December 2019.

Units – amount of participatory interests (units) in issue in relevant class.

Disclosures

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending.

The STANLIB Kenya Money Market Fund is a portfolio of the STANLIB Unit Trust Funds Scheme(the Scheme).

The manager of the Scheme is STANLIB Kenya Limited(the Manager). The Manager is authorised in terms of the Capital Markets Collective Investment Schemes Regulations 2001 Act (CMA) and the Retirement Benefits Act (RBA) 3 of 1997 to administer Collective Investment Schemes (CIS) in Securities. The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a CIS portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager. STANLIB Kenya is owned by Liberty Holdings who is the principal shareholder of Liberty Kenya Holdings Limited, a company which is listed on the Nairobi Securities Exchange and whose other local subsidiaries are Heritage Insurance and CFC Life Assurance Limited.

The trustee of the Scheme is Kenya Commercial Bank.

The investments of this portfolio are managed, by the Manager, company registration number C.9522, under the Capital Markets (Collective Investment Schemes) Regulations, 2001, CMA Licence 043 and RBA Licence RBA/1/14/001.

Prices are calculated and published on each working day, these prices are available on the Manager's website (<http://ww2.stanlib.com/Kenya>) and in Kenyan printed news media. This portfolio is valued at 16h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 13h00.

This portfolio is a Money Market portfolio. A Money Market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, however, in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield (if shown) is a current 7-day average effective yield calculated daily. Excessive withdrawals from the portfolio could place the portfolio under liquidity pressures and, under such circumstances, a process of rein-fencing of withdrawal instructions and managed pay-outs over time may be followed.

All performance returns and ranking figures quoted are shown in Ksh and are based on data sourced from Morningstar or Statpro and are as at 31 December 2019.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for all periods of 1 year or longer, where blank no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Manager and from the Manager's website (<http://ww2.stanlib.com/Kenya>).

Contact details

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Investment Manager

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