

Who are the investment managers?

STANLIB Uganda Limited, who are regulated and licensed by the Uganda Retirement Benefits Regulatory Authority and the Capital Markets Authority of Uganda, manage the investments of the fund.



Simon Ikua
MBA, CIFA, BA (Maths & Economics)
Portfolio Manager

Simon joined STANLIB Kenya in 2015. He has over 10 years' experience in the investment management industry. He is responsible for the day-to-day management of STANLIB Kenya Bond Fund, including security selection and rebalancing. Simon is also responsible for the management of two Ugandan domiciled funds and the Swaziland Money Market Fund.

Fund review

Individual

The STANLIB Uganda Money Market Fund is designed for individuals who have cash available to invest over the short-term to medium-term. 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 Uganda Money Market Fund is designed for investors who traditionally hold large cash balances but need to remain liquid while earning extra returns at low risk. Institutional Investors benefit from a well-diversified 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

Bond market: rates on the 10-year and 15-year papers closed Q3 2019 at 14.4% and 14.5% respectively. There was increased demand for these tenors due to a lower tax rate of 10% which took effect in FY2019/20. The medium portion of the yield curve increased at the end of September as investors favoured the shorter tenors ahead of the pre-election year (2020).

Interest rates: Bank of Uganda maintained the central bank rate at 10% in the Monetary Policy Committee meeting held in August. Inflation was projected to stay close to 5% over the next four quarters. Short-term interest rates fell during the period, with the 91-day, 182-day and 364-day closing September at 8.4%, 10.3% and 10.6% respectively.

Currency: the local currency strengthened in the third quarter of 2019, ending September at Shs3,680/\$ compared with Shs3,695/\$ at the end of June. The shilling's stability has been attributed to improved inflows from coffee and gold exports, coupled with muted low demand from importers. Healthy inflows from portfolio investors have also supported the currency. The shilling has posted a marginal appreciation of 0.7% so far this year. The stock of reserves at the end of June 2019 was estimated at \$3.3 billion, slightly lower than the \$3.4 billion at the end of April.

Inflation: Year-on-year headline inflation averaged 2.2% in the three months to September 2019. This was attributed to lower food prices during the period supported by sustained favourable weather patterns. Annual food inflation dropped to -3% in September compared with -0.8% in July 2019. Core inflation also came off during the quarter, averaging 2.9% from 4.7% in the second quarter. Year-on-year electricity, fuel and utilities inflation was 2.5% at the end of September, driven by higher prices of charcoal. Subdued inflation witnessed so far in 2019 has been attributed to stable food prices and local currency.

Looking ahead

Short-term interest rates are forecast to remain stable in Q4 2019 as investors focus on this portion of the curve in anticipation of better re-investment opportunities at maturity. Focus will be maintained on short-term investment-grade instruments that offer stable returns to investors.

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	24.56	18.45	6.11
Domestic Fixed Interest	75.44	81.55	-6.11

Fund classes

Class	Type	Price (cpu)	Units	NAV (Shilling)
A	Retail	100.00	11,606,941,074.50	11,606,941,074.78

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 units may go down as well as up and past performance is not necessarily a guide to future performance. Unit Trusts (UTs) are traded at ruling prices and can engage in borrowing and scrip lending.

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

The manager of the Scheme is STANLIB Uganda Limited (the Manager). The Manager is licensed by the Capital Market Authority, license number SIMS 1112 (FM) and the Uganda Retirement Benefits Regulatory Authority. 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.

The trustee of the Scheme is KCB Bank Uganda Limited.

The investments of this portfolio are managed by the Manager, who is regulated and licensed by the Uganda Retirement Benefits Regulatory Authority and the Capital Markets Authority of Uganda.

Prices are calculated and published on each working day, these prices are available on the Manager's website (<http://ww2.stanlib.com/Uganda>). 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/figures quoted are shown in US\$ 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, prospectus, 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/Uganda>).

Contact details

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