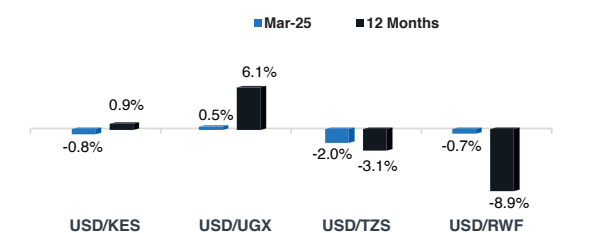


Global Markets Dashboard

	Mar-25	YTD 2025	12 Months
MSCI World	-4.6%	-2.1%	5.6%
MSCI Emerging Markets	0.4%	2.4%	5.6%
Oil-Light Crude	2.1%	0.1%	-14.6%
Gold	9.3%	19.0%	40.1%

Source: Bloomberg. Returns are in US Dollar.

Regional Currency Performance



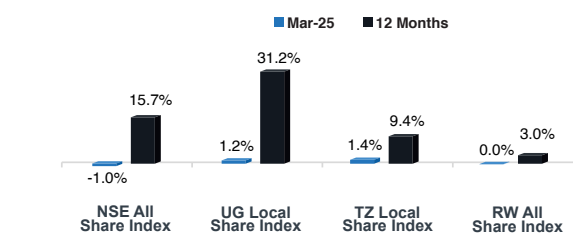
Source: Bank of Uganda, Central Bank of Kenya, National Bank of Rwanda & Bank of Tanzania

Regional Inflation & Key Interest Rates for March 2025

	Kenya	Uganda	Tanzania	Rwanda
Inflation Rate (Feb)	3.5%	3.7%	3.1%	5.7%
Central Bank Rate	10.8%	9.8%	6.0%	6.5%
91 Day Treasury Bill	8.9%	9.5%	7.4%	7.1%
1 Year Treasury Bond Yield	10.4%	14.8%	12.3%	7.9%

*Source: Kenya, Uganda, Rwanda, and Tanzania National Bureau of Statistics & Bloomberg
Rates are in respective local currencies.

Regional Stock Market Performance



Source: Bloomberg. Returns are in respective local currencies.

Market Commentary

Global Markets: In March, equity markets faced a downturn, largely driven by President Trump's reciprocal trade tariffs and ongoing uncertainty surrounding deregulation initiatives. The S&P 500 dropped by 6.3%, while the U.S. Dollar (USD) Index weakened by 3.0% against major developed-market currencies. Global equities as measured by the MSCI World Index declined by 4.6%. The global economic outlook has become more uncertain, driven by concerns over trade tariffs that are expected to weigh down on global growth and inflation expectations.

The US Federal Open Market Committee (FOMC) maintained the short-term federal funds target rate at 4.25% to 4.50%. The market expects a maximum of 50 bps cut as Inflation remains well above the 2% FED target rate at 2.6% y/y in February. The FOMC also projected the economy growth at 1.7% this year, down 0.4% from December's projection. They cited concerns that ongoing economic challenges could hinder growth and make inflation more difficult to manage. These factors reinforced its decision to hold rates steady.

In Europe, the ECB cut key interest rate by 25bps to 2.5%, while the Bank of England maintained its rate at 4.5%, given the uncertainties around trade and benign inflation. Meanwhile, China's economy showed resilience in Q1 2025, with strong retail sales and industrial output supporting asset prices and offering some stability amid global market uncertainty.

Inflation: Kenya's headline inflation edged up to 3.6% in March, from 3.5% in February, marking the fifth consecutive monthly increase. Despite this upward trend, inflation remains within the Central Bank's target range of 2.5% to 7.5%. The increase was mainly driven by higher prices for key food items such as vegetables and maize flour. However, declines in the cost of sugar and beans helped to offset some of these pressures. While there are signs of underlying inflationary pressures, the overall outlook suggests that inflation will remain well-contained in the near term.

In Uganda, headline inflation eased to 3.4% in March, down from 3.7% in February. This decline was driven by a slowdown in core inflation, which fell to 3.6% from 3.9%, and a notable drop in food crop inflation—from 4.3% in February to 3.1% in March.

Elsewhere in the region, Tanzania recorded an annual inflation rate of 3.2% in February, while Rwanda's inflation was higher at 6.3% during the same period.

Currencies: The Kenyan shilling (KES) has remained stable at KES 129–130/USD, backed by healthy foreign exchange reserves of USD 9.96 billion (5.1 months of import cover). However, this stability may be threatened by a potential decline in offshore demand for domestic bonds after Kenya and the IMF agreed to cancel the ninth review of the current loan program. The government has requested a new IMF-backed program, though its outcome is uncertain. With deteriorating fiscal metrics and upcoming external debt repayments, securing the new program is vital. In the medium term, the government's efforts in active debt management and securing bilateral loans, such as the UAE's \$1.5 billion loan, should help support forex reserves.

The Ugandan shilling appreciated 0.5% in March and 6.1% over the past year, making it one of Africa's top-performing currencies over that period. The high real rate of return of 11% is attracting foreign investments. Meanwhile, the Tanzanian shilling depreciated by 2% against the dollar, while the Rwandan shilling remained flat in March.

Kenya Contact Information:

Sanlam Investments East Africa Limited
Africa Re Centre, 5th Floor, Hospital Rd,
P.O Box 67262, 00200 Nairobi, Kenya
Telephone: +254 719 067 000
Website: www.sanlameastafrica.com

Uganda Contact Information:

Sanlam Investments East Africa Limited
Workers House, 7th Floor, Pilkington Road, Kampala,
P.O Box 9831, Kampala, Uganda,
Telephone: +256 771 452 573
Website: www.sanlameastafrica.com

Tanzania Contact Information:

Sanlam Investments East Africa Limited
Amani Place, 5th Floor, Ohio Street,
P.O Box 4795, GPO, Dar es Salaam, Tanzania
Telephone: +255 760 800 006
Website: www.sanlameastafrica.com



Market Commentary Cont'd

Interest Rates: In Kenya, Treasury bill rates continued to decline in March, although the pace of the drop was more gradual compared to the sharp declines observed in January and February. In the March bond auction, the CBK raised KES 35.25 billion through the reopening of a 25-year bond (FXD1/2018/25). The bond attracted strong investor interest, with a subscription rate of 188%.

This strong demand for long-term bonds highlighted investor confidence in Kenya's fixed income market. It also reflects the CBK's cautious strategy in managing the country's debt profile—focusing on lengthening maturities to reduce refinancing risks and control borrowing costs over time. In the secondary bond market, yields initially moved lower in early March, continuing the downward trend seen in recent months. However, this trend reversed due to increased global volatility.

In Uganda, interest rates on government securities have risen to their highest levels since March of last year. This increase is driven by heightened political risk as the country approaches its upcoming general elections, with investors demanding higher yields to offset the potential instability.

Equities: In March 2025, the Nairobi Securities Exchange (NSE) All-Share Index saw a decline of 1.0%, reflecting broader market pressures. In contrast, both Uganda and Tanzania's stock markets posted positive performances, rising by 1.2% and 1.4%, respectively.

Kenya's top banks reported strong financial results for FY 2024. The average dividend yield across these banks stood at a healthy 9.7%. However, loan book growth declined by 8.4%, partly due to the attractive yields on government securities and a shift towards short-term lending. Despite the challenging macroeconomic environment, profitability remained resilient, with an average return on equity (ROE) of 20.2%. Interestingly, banks continue to trade below their book value, even as ROE has recovered to pre-COVID levels.

MTN announced plans to spin off its financial technology operations in Uganda (MTN Mobile Money Uganda Limited). This will separate the fintech business from the GSM-listed entity on the Uganda Securities Exchange (USE). The company released a strong set of results with a dividend yield of 8.4%.

Outlook: Kenya's economy continues to show stability, with the currency holding steady and inflationary pressures remaining moderate. Ongoing discussions between Kenya and the IMF regarding a new program are likely to result in some economic reforms, including fiscal consolidation. Additionally, investor sentiment will be influenced by political developments in Uganda and Tanzania, particularly with the approaching elections in both countries.

On the global front, we expect continued uncertainty, with the April 1 report on reciprocal trade tariffs and President Trump's 'Liberation Day' tariffs likely marking the start of a new phase in trade tensions. While global markets face turbulence due to U.S. trade policies, the long-term economic outlook remains generally supportive of growth and investment, with prospects for recovery once these challenges are addressed.

Important Information

- **Basis points (bps)** - A basis point is a standard measure for interest rates and other percentages in finance, representing one one-hundredth of one percent.
- **Central Bank Rate** refers to the interest rate at which a nation's central bank lends money to domestic banks, often in the form of very short-term loans. The Central Bank may increase or decrease the discount rate to slow down or stimulate the economy.
- **Currencies:** KES/USD refers to the Kenya Shilling exchange rate with the US Dollar. UGX/USD refers to the Uganda Shilling exchange rate with the US Dollar. TZS/USD refers to the Tanzania Shilling exchange rate with the US Dollar. RWF/USD refers to the Rwandan Franc exchange rate with the US Dollar.
- **MSCI**, the acronym stands for Morgan Stanley Capital International.
- **MSCI World Index**, is a broad global equity index that represents large and mid-cap equity performance across twenty-three developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
- **The MSCI Emerging Markets Index** is used to measure the financial performance of companies in fast-growing economies around the world. The index tracks mid-cap and large-cap stocks in 27 countries, dominated by Chinese, Taiwanese, and South Korean companies.
- **NSE All Share Index**, is a market cap-weighted index consisting of all the securities on the Nairobi Securities Exchange. Prices are based on the latest trade information from NSE's Automated Trading System.
- **Purchasing Managers Index (PMI)** is a measure of the prevailing direction of economic trends in manufacturing. The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%).
- **Quarter to date (QTD)** refers to the period beginning the first day of the current quarter up to the current date. QTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry.
- **Rwanda Stock Exchange All Share Index** is a market cap-weighted index that includes all non-domestic Rwanda listings.
- **Sanlam 27 Share Index** is a market cap-weighted index. The index universe is the Nairobi Securities Exchange. The index is managed by Sanlam Investments East Africa Limited.

Kenya Contact Information:

Sanlam Investments East Africa Limited
Africa Re Centre, 5th Floor, Hospital Rd,
P.O Box 67262, 00200 Nairobi, Kenya
Telephone: +254 719 067 000
Website: www.sanlameastafrica.com

Uganda Contact Information:

Sanlam Investments East Africa Limited
Workers House, 7th Floor, Pilkington Road, Kampala,
P.O Box 9831, Kampala, Uganda,
Telephone: +256 771 452 573
Website: www.sanlameastafrica.com

Tanzania Contact Information:

Sanlam Investments East Africa Limited
Amani Place, 5th Floor, Ohio Street,
P.O Box 4795, GPO, Dar es Salaam, Tanzania
Telephone: +255 760 800 006
Website: www.sanlameastafrica.com

Important Information cont'd

- **Tanzania Local Share Index** is a market cap-weighted index. It includes only domestic listed companies.
- **Tap Sale:** A tap issue is a procedure that allows borrowers to sell bonds or other short-term debt instruments from past issues. The bonds are issued at their original face value, maturity, and coupon rate but are sold at the current market price. A tap issue is also referred to as a bond tap or tap sale.
- **Uganda Local Share Index** is a market cap-weighted index. It includes only domestic listed companies.
- **Year to date (YTD)** refers to the period beginning the first day of the current calendar year or fiscal year up to the current date. YTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry.
- **Year-over-year (Y/Y)** is a method of evaluating two or more measured events to compare the results at one period with those of a comparable period on an annualized basis.

Disclosure Statement

Sanlam Investments East Africa Limited ("the manager") is regulated by the Capital Markets Authority (CMA) in Kenya and Uganda, and by the Capital Markets and Securities Authority (CMSA) in Tanzania to provide investment advisory and management services. The firm has been operational in Kenya since 1998, in Uganda since 2004, and in Tanzania since 2024. It is a leading fund manager in the region with a strong record of accomplishment in service delivery and performance. Sanlam Investments East Africa is a subsidiary of Sanlam Allianz Africa PTY Limited.

Readership: This document is intended solely for the addressee(s) and may not be redistributed without the prior permission of Sanlam Investments East Africa. Its content may be confidential, proprietary, and/or contain trade secret information. Sanlam Investments East Africa is not responsible for any unlawful distribution of this document to any third parties, in whole or in part.

Opinions: Any opinions expressed in this document represent the views of the manager, are valid only as of the date indicated, and are subject to change without notice. There can be no guarantee any of the opinions expressed in this document or any underlying position will be maintained beyond the time this presentation is made. We are not soliciting or recommending any action based on this material. Although all reasonable steps have been taken to ensure the information on this presentation is accurate, neither the Sanlam Allianz Africa, nor Sanlam Investments East Africa accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information contained in this presentation. No member of Sanlam Allianz Africa gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy or validity of any of this information.

Risk Warning: All investments involve risk, including possible loss of principal. Past performance is not indicative of future results. If applicable, the offering document should be read for further details including the risk factors. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The total return to the investor is made up of interest and/or dividends received, and any gain or loss made on the fair market value of any particular instrument. There may be times when fair market value cannot be determined due to the illiquidity of a security. Under such conditions, the manager will value the securities using a best practice pricing hierarchy. Investment risks vary between different types of instruments and the value of investments may fall suddenly and substantially when these risks materialize. In making an investment decision, prospective investors must also rely on their own examination of the merits and risks involved as part of their fiduciary duty to beneficial owners of assets.

Performance Notes: Past performance is not indicative of future results. There can be no assurance that any investment objective will be met. Benchmarks are used for illustrative purposes only, and any such references should not be understood to mean there would necessarily be a correlation between investment returns of any investment and any benchmark. Any referenced benchmark does not reflect fees and expenses associated with the active management of a portfolio. There is no assurance that any returns can be achieved, that the strategy will be successful or profitable for any investor, or that any industry views will come to pass. Actual investors may experience different results than other investors and any benchmark or model referenced.

Information is unaudited unless otherwise indicated, and any information from third-party sources is believed to be reliable, but Sanlam Investments East Africa cannot guarantee its accuracy or completeness.

Kenya Contact Information:

Sanlam Investments East Africa Limited
Africa Re Centre, 5th Floor, Hospital Rd,
P.O Box 67262, 00200 Nairobi, Kenya
Telephone: +254 719 067 000
Website: www.sanlameastafrica.com

Uganda Contact Information:

Sanlam Investments East Africa Limited
Workers House, 7th Floor, Pilkington Road, Kampala,
P.O Box 9831, Kampala, Uganda,
Telephone: +256 771 452 573
Website: www.sanlameastafrica.com

Tanzania Contact Information:

Sanlam Investments East Africa Limited
Amani Place, 5th Floor, Ohio Street,
P.O Box 4795, GPO, Dar es Salaam, Tanzania
Telephone: +255 760 800 006
Website: www.sanlameastafrica.com