

**Market Commentary**

Equities: Kenya, Tanzania, and Rwanda stock markets posted positive returns during the month of 0.3%, 2.5%, and 0.2% respectively. Uganda local stocks attained a negative performance of 1.4%, however, the all-share index that includes cross-listed stocks gave a positive performance because of a strengthening Kenya shilling against the Uganda shilling

The refinancing of the Kenya Eurobond and improved US dollar liquidity could attract investor interest to quality names that are trading at historically cheap valuations.

Outlook: The increase in Kenya's CBR rate could result in short-term securities yields staying elevated over the short term. The support received from the IMF, the World Bank, and other supranational organizations continues to shore up FX reserves. In our view, this could curb additional pressure on interest rates and the Kenya shilling over the short term. The major risk to global assets remains higher than expected inflation for developed markets, which could delay expected Fed rate cuts. High external debt servicing costs continue to undermine the FX reserves in some frontier markets, resulting in pressure on regional currencies. US Dollar assets against this macroeconomic backdrop remain attractive.

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

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 Rwandese 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 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
- **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 last trade information from NSE's Automated Trading System.
- **The 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.
- **Tanzania Local Share Index** is a market cap weighted index. It includes only domestic listed companies.
- **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.

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Disclosure Statement

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