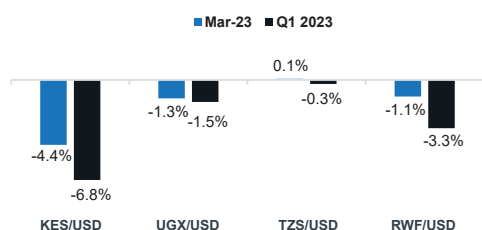


Global Markets Dashboard

	Mar-23	Q1 2023
MSCI World Index	2.8%	7.3%
MSCI Emerging Markets Index	2.7%	3.5%
Brent Crude Oil	-4.9%	-7.1%
Gold	7.9%	8.0%

Source: Bloomberg

Regional Currency Performance



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

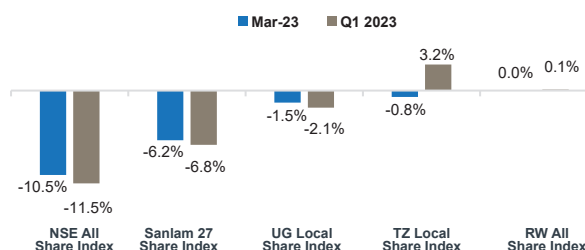
Regional Inflation & Key Interest Rates, March 2023

	Kenya	Uganda	Tanzania	Rwanda
Overall Inflation Rate (latest)	9.2%	9.0%	4.8%	20.8%
Central Bank Rate	9.5%	10.0%	5.0%	6.5%
Average 91 Day Treasury Bill	9.9%	10.0%	4.0%	8.1%
Average 2 Year Treasury Bond Yield	12.6%	14.0%	9.4%	9.9%

*Rwanda and Tanzania inflation as of February 2023

Source: Kenya, Uganda, Rwanda, and Tanzania National Bureau of Statistics & Bloomberg

Regional Stock Market Performance



Source: Nairobi Securities Exchange & Bloomberg

Market Commentary

Global Markets: Global equities recovered in Q1 2023 following renewed investor confidence as inflation started to ease off in the developed markets. Optimism about China's economic recovery and monetary support by its Central Bank also supported gains. The depreciating regional currencies and diversification from the local macroeconomic risks continue to support global dollar investments. Cheaper valuation metrics on global equities further provides a case to build up on the current allocation to drive medium term return.

Inflation: Kenya's headline inflation marginally increased by 0.8% month-on-month (m/m) in March 2023. The year-on-year inflation for March 2023 was 9.2%. This increase in inflation was driven by higher food and non-alcoholic beverages prices that rose by 13.4% year-on-year. Uganda's consumer inflation eased from 9.2% to 9.0% due to lower laundry soap prices that declined to 4.4% in March from 21.5% in February 2023. Core inflation declined from 7.8% to 7.6%. Tanzania's inflation declined to 4.8% y/y in February 2023 from 4.9% in January 2023, driven by lower food and non-alcoholic beverages prices. Rwanda's urban inflation edged up to 20.8% y/y in February 2023 from 20.7% y/y in January. The drivers of higher prices were food, transport, and energy.

Currencies: The Kenyan Shilling, Ugandan Shilling, Tanzania Shilling, and Rwandan Franc depreciated by 6.8%, 1.5%, 0.8%, and 3.3% respectively against the US Dollar (USD) in Q1 2023. We expect further downward pressure due to a strong USD and mismatch in dollar supply and demand.

Interest Rates: The Central Bank of Kenya issued a 17-year infrastructure bond in March at an average yield of 14.4%. Average bond yields increased by 22 basis points during Q1 2023.

The CBK Monetary Policy Committee raised the Central Bank Rate (CBR) to 9.5% from 8.8%. The committee cited the sustained inflationary concerns, the elevated global risks and their potential impact on the domestic economy. It concluded that there was scope for further tightening of the monetary policy rate.

The Bank of Uganda (BOU) issued several bonds with varying tenors to replace the treasury bond maturing in April 2023. The BOU re-opened 3-year and 15-year bonds in March at average yields of 14.0% and 17.0% respectively.

The Bank of Tanzania issued 15-year and 25-year bonds at average yields of 11.6% and 13.0% respectively. The National Bank of Rwanda re-opened a 10-year bond at a weighted average rate of 12.2%.

Equities: The Kenya and Uganda bourses fell by 11.5% and 2.1% respectively in Q1 2022 as investors maintained a risk-off sentiment despite the positive FY2022 company earnings growth. International investors shied away from stocks due to US Dollar liquidity shortages and the difficulty in repatriating dividends. Local investors preferred government securities that offered high yields. The Tanzania stock exchange gained 3.2% on strong demand on banking stocks while the Rwanda equity market was flat.

Outlook: The stronger US Dollar and higher US Treasury yields have led to further risk aversion towards Emerging and frontier markets. Global central banks are expected to continue increasing interest rates in order to reduce inflation. This could however ease in H2 2023 and support equity markets. The salient headwinds are fiscal, currency, and inflationary pressure, debt repayments and the twin deficits (current account & budget).

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.

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

Disclosure Statement

Sanlam Investments East Africa Limited (“the manager”) is regulated by Capital Markets Authority in Kenya and Uganda to provide investment advisory and management services. The firm has been operational in Kenya since 1998 and in Uganda since 2004 and is a leading fund manager in the region with a strong record of accomplishment in service delivery and performance.

Readership: This document is intended solely for the addressee(s) and may not be redistributed without the prior written permission of Sanlam Investments East Africa. Its content may be confidential, proprietary, and/or contain trade secret information. The Sanlam Group and its subsidiaries are 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 Group, 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 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 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.

Sanlam Investments East Africa forms part of the larger Sanlam Group and is subsidiary of Sanlam Emerging Markets, the business cluster responsible for the Sanlam Group’s financial businesses in emerging markets outside South Africa. Within the Sanlam Group all entities are registered and authorized per local laws and regulations with the appropriate Regulatory Authorities. Further details on Sanlam’s entities and their regulatory authorizations are available on request.

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