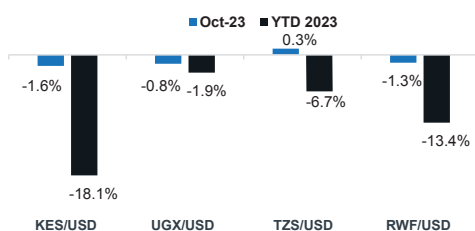


### Global Markets Dashboard

	Oct-23	YTD 2023
MSCI World Index	-3.0%	6.4%
MSCI Emerging Markets Index	-3.9%	-4.3%
Brent Crude Oil	-8.3%	1.7%
Gold	7.3%	8.8%

Source: Bloomberg

### Regional Currency Performance



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

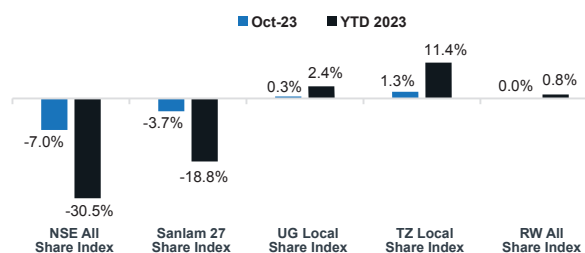
### Regional Inflation & Key Interest Rates for October 2023

	Kenya	Uganda	Tanzania	Rwanda
Overall Inflation Rate (latest)	6.9%	2.4%	3.3%*	13.9%*
Central Bank Rate	10.5%	9.5%	5.0%	7.5%
Average 91 Day Treasury Bill	15.1%	9.0%	7.8%	8.7%
Average 2 Year Treasury Bond Yield	17.8%	13.5%	9.6%	10.9%

\*Rwanda and Tanzania inflation as at September 2023

Source: National Bureaus of Statistics & Bloomberg. Rates are in respective local currencies.

### Regional Stock Market Performance



Source: Nairobi Securities Exchange & Bloomberg. Returns are in respective local currencies.

## Market Commentary

**Global Markets:** Stock prices fell globally as the markets anticipate the high interest rate environment to persist for longer. Additionally, the heightened geopolitical uncertainty in the Middle East dampened risk appetite. Developed market equities fell 3.0% on the month, while emerging market stocks fell 3.9%.

**Inflation:** Kenya's headline inflation rose to 6.9% y/y in October from 6.8% in September 2023. The uptick was driven by increases in housing & utilities (+1.9%), transport (+1.5%), and food & non-alcoholic beverages (1.3%). Uganda's consumer inflation slowed to 2.4% y/y from 2.7% y/y. This is attributable to the slowdown in core inflation from 2.4% to 2.0%.

Tanzania's headline inflation was unchanged for a third consecutive month at 3.3% y/y in September 2023, supported by a decline in clothing & footwear, housing & utilities, furnishings, and insurance & financial services. Rwanda's urban inflation was 13.9% y/y in September 2023 from 12.3% y/y in August. The increase in inflation was driven by higher food and non-alcoholic beverages prices

**Currencies:** The Kenyan Shilling, Ugandan Shilling and Rwandan Franc depreciated by 1.6%, 0.8% and 1.3% respectively against the US Dollar (USD) in the month of October. The Tanzania Shilling appreciated by 0.3%, attributable to improved dollar flows from the tourism and commodities sectors. We project continued gradual depreciation on account of a strong USD demand driven by elevated USD yields in global markets.

**Interest Rates:** In Kenya, the average yields on the government papers maintained an upward trend. The average yields on the 364-day, 2-year and 5-year papers increased by between 12 bps and 33 bps to 15.4% and 17.8% and 17.4% respectively in October.

The Central Bank of Kenya (CBK) re-opened 2-year and 5-year bonds in October. The weighted average yields of accepted bids were 17.7% and 18.0% respectively. CBK also issued a tap sale on a 2-year and a 3-year bond. The Bank of Uganda (BOU) re-opened 3-year and 20-year bonds in October at average yields of 13.5% and 15.5% respectively. The Bank of Uganda (BOU) also issued several bonds with varying tenors as a switch for the treasury bond maturing in January 2024. Yields declined by an average of 30 basis points (bps) across the maturity spectrum.

The Bank of Tanzania issued a 10-year bond at average yields of 11.9%. The auction was undersubscribed with investors' preference continuing to remain in favor of securities with longer tenures. The National Bank of Rwanda re-opened a 5-year bond at a weighted average rate of 11.8% and the auction was oversubscribed.

**Equities:** The NSE All-Share Index was down -7.0% in October 2023. International investors selloff persisted exacerbated by concerns around foreign exchange illiquidity, higher global interest rates and tough macro conditions.

**Outlook:** The stronger US Dollar and higher US Treasury yields have led to further risk aversion towards Emerging and Frontier markets. We maintain our recommendation to hold and selectively accumulate high-quality stocks. Fixed income assets are still expected to provide a modest return over the long-term despite the prevailing challenges in the macroeconomic environment.

### 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](http://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](http://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](http://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](http://www.sanlameastafrica.com)