

Fund Objective:

Sanlam USD Fixed Income Fund (FIF) aims to generate a regular income stream and preserve capital over the medium term. The fund invests in a diversified portfolio of US dollar-denominated fixed income securities, including Kenya Eurobonds, corporate bonds, and money market instruments.

Why choose this fund:



The fund pays out income monthly in USD.



The fund aims to give a higher interest rate than average bank deposits.



The fund is ideal to use as a "nest egg" or emergency fund, allowing investors to withdraw funds when required.

Fees (Incl. VAT)

	Retail Class (%)
Annual Management Fee	1.5
Expense ratio	1.7

Fees are calculated as a percentage of the asset value.

Fund Information:



Portfolio Size: USD 47.0 Million



Minimum Investment
USD 2,500



Income distribution
Monthly



Risk Profile
Moderate



Benchmark
USD 3 Month SOFR



Inception Date
August 2023



Last two distributions
31st May 2024, 30th Jun 2024



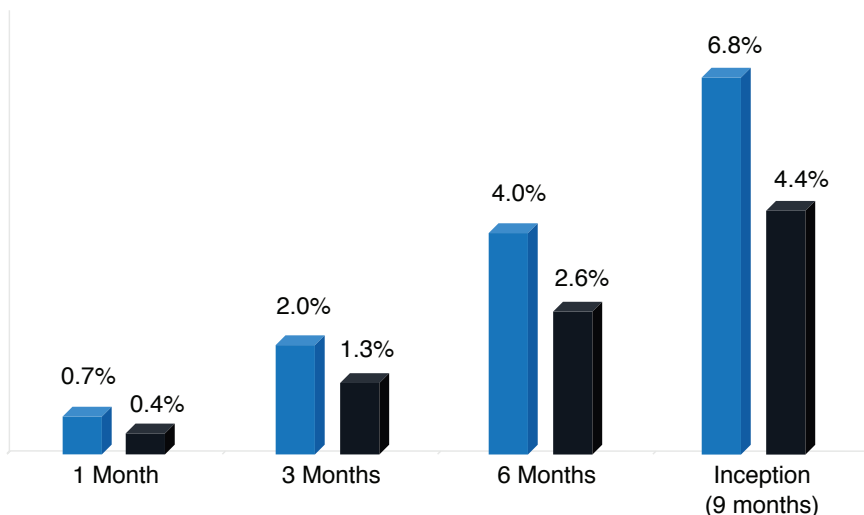
Income price dates
Daily excl. holidays & weekends



Transaction Cut-off Time
09:00 AM

Fund Performance:

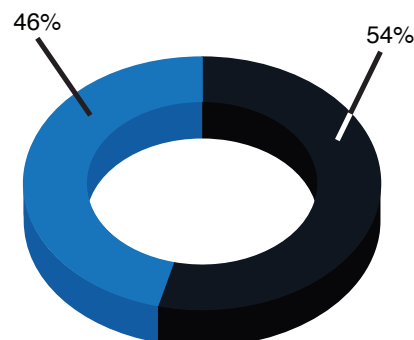
● Sanlam USD Fixed Income Fund ● 3 Month SOFR



1. Return is gross of fees charged.

Asset Allocation

- Cash & Bank deposits
- Eurobonds (Government of Kenya)



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Portfolio Manager's Monthly Comment

The Sanlam USD Fixed Income Fund had a return of 0.7% in June 2024. The fund's performance was supported by investments in high-yielding deposits and Kenya Eurobonds.

Kenya Finance Bill 2024: President Ruto declined to sign into law the proposed Finance Bill 2024 following heightened protests across the country. Rejection of the finance bill could result in the widening of the country's fiscal deficit and increased domestic debt levels, already a concern at an estimated 64.5% of the country's GDP as at March 2024.

External credit rating agency S&P maintained a 'B' foreign currency rating with a negative outlook rating whilst Moody's downgraded Kenya's local and foreign-currency long-term issuer ratings to Caa1 from B3. Kenyan Eurobond yields increased significantly in June, with the 2028 maturity increasing by 115 basis points to 10.4%.

The US core inflation dropped from 2.8% to 2.6% in May 2024, the lowest level since March 2021 resulting in lower month on month movements in US treasury yields.

The US Dollar strengthened against other major currencies with the dollar index (DXY) appreciated by 11.4% in June 2024. Major Central Banks such as the European Central Bank (ECB) and Canadian Central Bank cut interest rates ahead of the US Federal Reserve.

Outlook:

Expectations of interest rate cuts in developed economies and strong corporate earnings in emerging markets should be supportive of US Dollar inflows to emerging and frontier markets in the second half of the year. The fund will consider investing in longer-term USD investments to lock in higher yields.



The effective annual yield is net of fees and gross of withholding tax. Past performance is not an indicator of future performance as price of units may rise or fall. In certain specified circumstances, the right to redeem units may be suspended. The Capital Markets Authority does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard.