

MADISON FIXED INCOME FUND

Factsheet May 2023

Fund Objective

The objective of Madison Fixed Income Fund is to achieve capital growth while earning a steady income stream from investing in fixed income securities in the local and international markets. The Scheme will invest in Government of Kenya securities, fixed deposits with selected banks, other collective investment schemes, offshore investments and other investments.

Fund Features

Registration Date:	15th June 2022
Structure:	Open ended, Unit Trust Fund
Fund Manager:	Madison Investment Managers Ltd
Trustees:	KCB Bank Kenya Ltd
Custodian:	Equity Bank Kenya Limited
Auditors:	Deloitte & Touche LLP
Regulator:	Capital Markets Authority

General Information

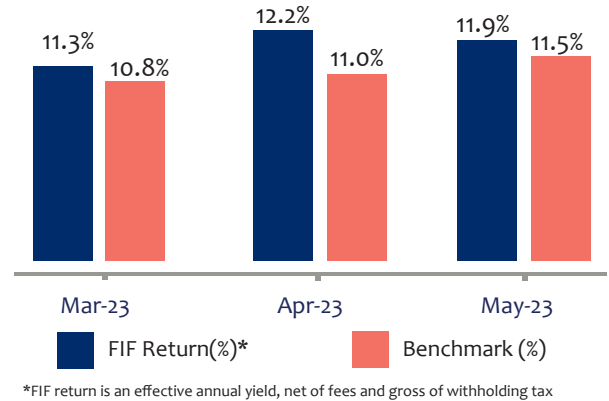
Min. Initial Investment:	KES 5,000.00
Min. Top Up:	KES 1,000.00
Investment Horizon:	Less than one year
Risk Profile:	Moderate
Benchmark Return:	Average 91 Day T Bill + 1%
Income distribution:	30th June & 31st December
Management fees:	2%
Lock-in Period:	6 Months

Asset Allocation

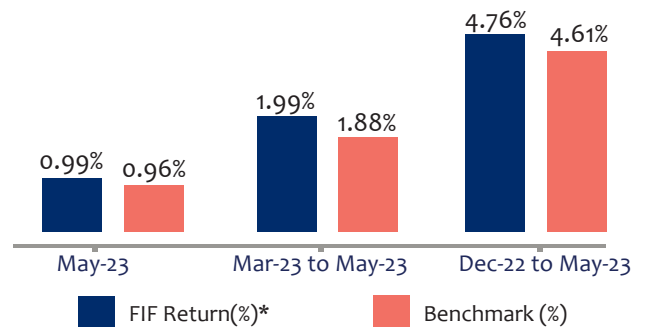
Cash & Equivalents	0.1%
Corporate Debt	11.4%
Treasury Bonds	37.2%
Fixed Deposits	51.3%

Fund Size: KES 13.4 Million

Fund Performance



Periodic Returns



Market Commentary

The Fixed Income Fund delivered an Effective Annual Yield of 11.88% (average daily yield of 11.54%) in the month of May 2023.

Headline inflation rose marginally to 8.0% in May, from the 7.9% reported in the prior month. The upward pressures were mainly attributed to an increase in food prices which went up by 10.2%. Notably, the price of sugar rose the most by 49.0%. Sugar prices have been on the rise amid lower global supply and reduced domestic production as farmers switch to producing other crops. Additionally, the transport index increased by 10.1% in May compared to 9.8% reported in April.

May 2023 saw short term interest rates on the 91-day, 182-day and 364-day treasury bills rise by an average of 0.44%, 0.41% and 0.37%, respectively, and closed the month at 10.83%, 11.11% and 11.46%, respectively. The Kenya Shilling depreciated by 1.90% against the US dollar within the month of May to close at KES 138.49 from KES 135.91 in April. This was partly attributable to increased dollar demand from manufacturers and importers, especially oil and energy sectors against a slower supply of hard currency.

Disclaimer: Past performance is not an indicator of future investment performance, and current fund performance may differ from the figures shown. The fund return is an effective annual yield, quoted net of fees and gross of withholding tax. Unit trust values are calculated on a net asset value basis which is the total of all assets in the portfolio including any income accrual, less any permissible deduction from the portfolio. The funds are held at a custodian account and the activities of the fund are overseen by a trustee.