

MADISON FIXED INCOME FUND

Factsheet June 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

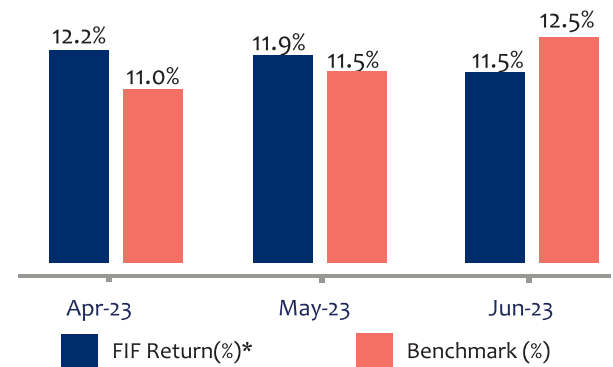
Min. Initial Investment:	KES 5,000.00
Min. Top Up:	KES 1,000.00
Investment Horizon:	Less than one year
Risk Profile:	Moderate
Benchmark Return:	Average 91 Day T Bill + 1%
Income distribution:	30th June & 31st December
Management fees:	2%
Lock-in Period:	6 Months

Asset Allocation

Cash & Equivalents	0.0%
Corporate Debt	10.5%
Government Securities	34.0%
Fixed Deposits	55.5%

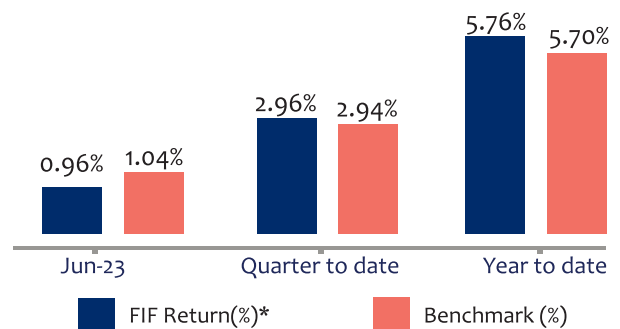
Fund Size: KES 14.9 Million

Fund Performance



*FIF return is an effective annual yield, net of fees and gross of withholding tax

Periodic Returns



Market Commentary

The Fixed Income Fund delivered an Effective Annual Yield of 11.48% (average daily yield of 11.16%) in the month of June 2023.

Annual inflation slightly declined to 7.9% in June, from the 8.0% reported in the month of May. The marginal drop was mainly attributed to a reduction in the transportation index (9.4% vs 10.1% in May). Meanwhile, food prices, which constitute a third of the consumer price index remained elevated (10.3% vs 10.2%), thereby preventing a steeper decline in the headline inflation.

June 2023 saw short term interest rates on the 91-day, 182-day and 364-day treasury bills rise by an average of 1.01%, 0.72% and 0.41%, respectively, and closed the month at 11.79%, 11.86% and 11.93%, respectively.

The Kenya Shilling depreciated by 1.47% against the US dollar within the month of June to close at KES 140.52 from KES 138.49 in May. This was partly attributable to the elevated inflationary pressures which lead to expensive importation, high debt servicing costs that continue to dwindle foreign exchange reserves, and monetary policy tightening by advanced economies.

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.