

Fund Objective

GenCap Hela Imara Fund is a low risk, highly liquid fund that seeks to obtain a high level of current income while protecting investors' capital.

Fund Profile

- **Fund Manager:** Genghis Capital Ltd
- **Risk Profile:** Conservative
- **Launch Date:** June 2017
- **Initial Fee:** Nil
- **Annual Management Fee:** 2.0%
- **Minimum Investment:** Kshs 500
- **Minimum Top Up:** Kshs 500
- **Trustees:** Kenya Commercial Bank
- **Custodian:** Stanbic Bank Kenya

Market Review & Outlook

Liquidity in the money markets eased during the month of October, with the average interbank rate declining to 2.6% from the 3.1% recorded in September. Yields on Treasury bills increased during the month, with the 91-day, 182-day and 364-day T-Bill yields rising by 30 bps, 30 bps, and 20 bps, respectively, to close at 6.7%, 7.0% and 7.9% for the 91-day, 182-day and 364-day T-Bills, respectively.

During the month, the Central Bank of Kenya (CBK) re-opened 2 bonds, FXD1/2011/20 and FXD1/2018/25, looking to raise Kshs 50.0 bn for Budgetary support. The bonds were oversubscribed, with the government receiving bids worth Kshs 69.1 bn, translating to a subscription of 138.3%. The yields came in at 12.0%, and 13.5% for the FXD1/2011/20, and FXD1/2018/25 bonds, respectively.

The inflation rate for the month of October came in at 4.8%, higher than the 4.2% recorded in September, while month on month inflation rose by 1.0%. The m/m increment was driven by a 1.1% increase in the food & non-alcoholic beverages index, owing to higher food prices, and a 0.9% increase in the housing, water, electricity, gas & fuels index, attributed to higher kerosene prices that rose 0.7% during the month. Yields on Treasury bills and bonds increased slightly during the month of October, as the yield curve corrected following the steep decline earlier in the year. The money markets remained liquid during the month, while the CBK remained disciplined in rejecting expensive bids in the market, while also lengthening the government's debt profile by issuing longer

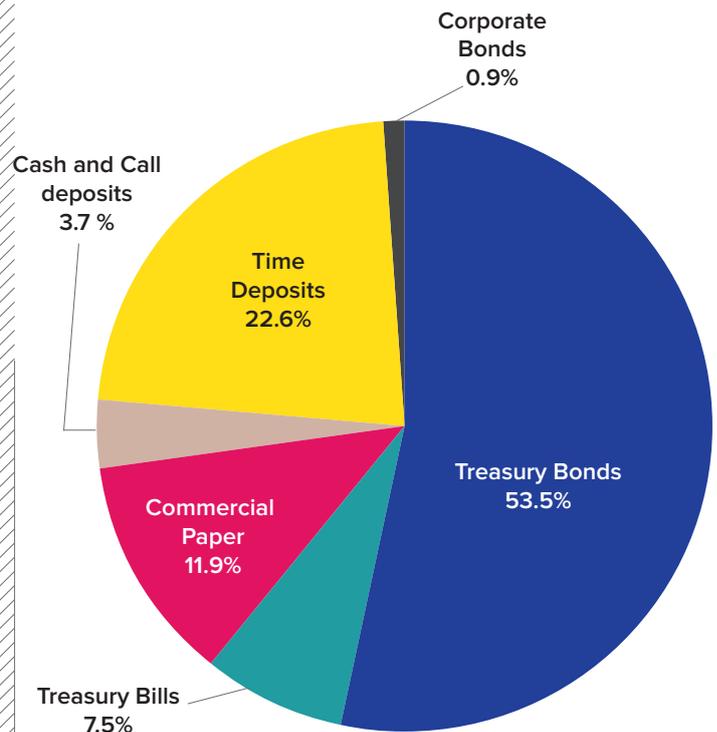
tenured bonds. The Kenyan economy contracted by 5.7% in the second quarter, driven by large contractions in the Education, and Accommodation and Tourism sectors, which declined by 56.2% and 83.3%, respectively owing to the effects of COVID-19 and its containment measures. A bright spot was the Agriculture sector, which recorded a growth of 6.4%, and we expect a pickup in economic activity in the second half of the year supported by the easing of COVID-19 containment measures, and the fiscal support from government measures to cushion businesses and households.

Going forward, the GenCap Hela Imara Fund is well positioned through its optimal asset allocation to continue delivering a high level of current income whilst protecting investors' capital.

Fund Performance

| | Oct - 20 | Δ in AUM YTD |
|-------------------------------|--------------|---------------|
| GenCap Hela Imara Fund | 9.79% | +49.5% |

Asset Allocation



Disclaimer: Past performance is not a guarantee of future performance and the value of the fund will fluctuate from time to time.