

IMARA 6 MONTH SOVEREIGN PORTFOLIO FACT SHEET

INVESTMENT OBJECTIVE

The portfolio's investment objective is generate competitive return through investment in fixed income instruments ideal for capital preservation, as well as maximize return through capital gains and interest accumulation.

INVESTMENT STRATEGY

The portfolio will predominantly invest in high-yielding fixed income securities (government bonds and Collective Investment Schemes) in the Kenyan capital markets. An active portfolio strategy shall be employed to generate return.

The portfolio may attain periods of high liquidity for periods of time, to take advantage of optimum investment options in the markets.

PORTFOLIO BENEFITS

The portfolio allows for steady capital appreciation through investments proving positive real return. Portfolio risk is mitigated through constant market surveillance.

AAAM has a detailed due diligence process conducted on potential investment opportunities. This is aimed at selecting investment grade investments for the portfolio with minimal risk exposure. Our aim is not only return optimization but protection of client's investments.

PORTFOLIO CHARACTERISTICS

Risk Profile	Medium	Investment Objective	Return Maximization
Liquidity	Moderate	Investment Type	Domestic - Fixed Income

KES. 5,000,000

Minimum Investment

182 Day T-Bill +2%

Benchmark

At Maturity

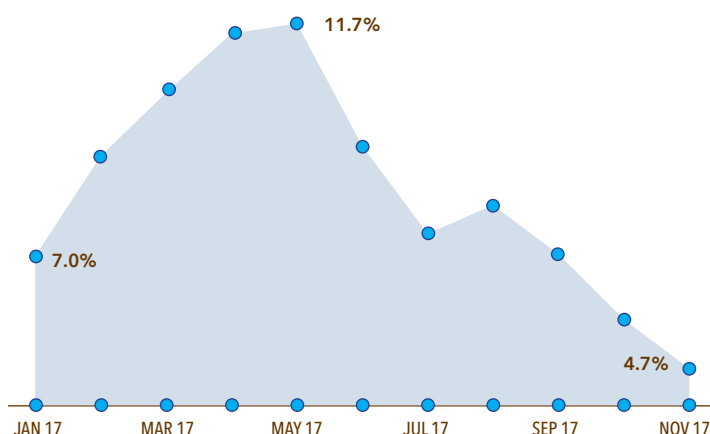
Interest Payment & Redemption

6 Months

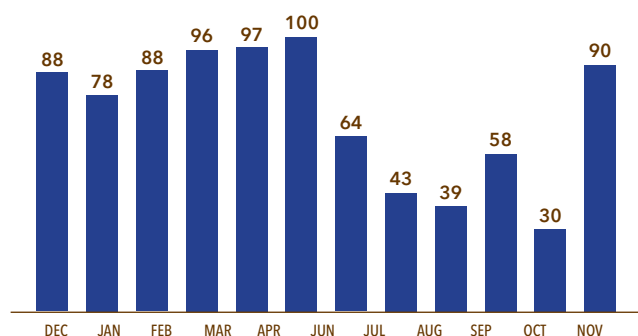
Tenor

MARKET COMMENTARY

INFLATION RATE



2018 DEBT MATURITIES SCHEDULE (KES BN)



- Inflation has been on a general downward trajectory mainly driven by a sustained easing in food prices. Increased imports of grains has enhanced supply of staples, contributing to price stability.
- Likely stable inflation outlook despite mounting pressure from energy components driven by upward swings in global oil pricing.
- With lower government spending since July-17, owing to slower tax revenue collections, money supply has shown signs of volatility.

- Effects of the interest Rate Cap continue to drive private credit decisions as private credit growth retracted by 1.1% YTD to Kes 2,252 Bn as at July 2017.
- We expect private sector credit growth to remain dampened, due to non-lending by commercial banks due to narrow spreads brought about by the rate cap.
- Consequent action is an increase in subscriptions of government securities and upward bond trading activity.

Past performance is not necessarily a guide to future performance. There are no guarantees on the investor's capital as the value of investments can fall as well as rise depending on the performance of underlying investment.

*Interest from investments attract a withholding tax of 15%

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