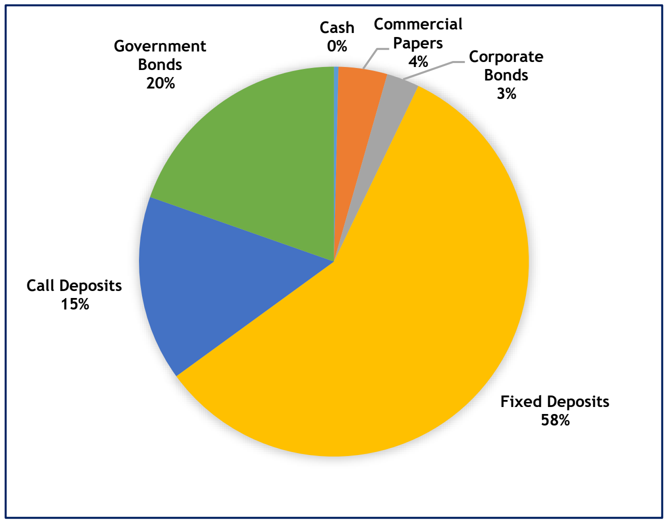
GENGHIS MONEY MARKET FUND FACT SHEET – OCTOBER 2024

Fund Objective

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

Asset Allocation



General Fund Profile

Fund Manager:	Genghis Capital Ltd
Risk Profile:	Conservative
Launch Date:	June 2017
Initial Fee:	Zero
Annual Management Fee:	2.00%
Minimum Investment:	Kshs 500
Trustee:	Kenya Commercial Bank1
Custodian:	Stanbic Bank Kenya
Benchmark:	91-Day T-Bill
Assets Under Management:	Kshs 693.6 mn

Gross Performance *

Fund Performance	2024 October	2024 September	YTD 2024	FY'2023	3 Year
Genghis Money Market Fund	14.52%	15.14%	15.17%	11.00%	9.76%
Benchmark (91-Day T-bill)	14.97%	15.75%	15.95%	12.26%	9.18%

**Performance is net of Management Fee but Gross of Withholding Tax*

Market Review and Outlook

In the month of October 2024, liquidity in the money market improved with the average interbank rate decreasing to 12.15%, from 12.68% in September 2024.

The average yields on the government papers continued to witness declines with the average yields on the 91-day, 182-day, and 364-day papers decreasing by 1.29%, 1.44%, and 1.33% to 14.43%, 15.15%, and 15.47% from 15.72%, 16.59% and 16.80% in September 2024 respectively. Furthermore, there was a significant increase in the oversubscription of T-bills with the overall average subscription rate coming in at 305.93%, from 116.24% recorded in September 2024. The average subscription rate for the 91-day decreased to 432.3% from 434.9% in September 2024. The average subscription rate for the 182-day and 364-day paper increased to 88.2% from 68.9% and 74.1% from 58.1% recorded in September 2024.

Inflation in the month of October 2024 declined marginally to 2.7%, from the 3.6 recorded in September 2024. Headline inflation in October 2024 was driven most significantly by a decrease in the housing, water, electricity, gas, and other fuels' and transport indexes and a marginal increase in the food and non-alcoholic beverages index.

Stanbic Bank also released the October edition of its monthly Purchasing Manager's Index (PMI). The index for October came in at 50.4, up from 49.7 in September 2024. This indicated a slight improvement in overall business conditions, with output and new orders increasing within the construction, wholesale & retail, and agriculture sectors. The improvement was on the back of diminishing political and inflationary risk with the youth-led anti-government protest having ceased and declining fuel prices having offset increases in material and tax expenditure for businesses. Businesses, however, maintain a cautiously optimistic outlook as companies and households continue to grapple with cashflow challenges in a challenging macroeconomic setting.

As inflationary pressures ease and the exchange rate remains stable, business activity continues to face challenges due to diminished consumer purchasing power caused by high taxes and elevated interest rates. During the October Monetary Policy Committee (MPC) meeting, the committee noted a significant drop in private-sector lending, which fell to a low of 1.3% in August from 3.7% in July. In response, the MPC decided to ease monetary policy by 75 basis points to stimulate economic activity. We believe this rate cut may help enhance consumer and business spending by making credit more affordable, but more substantial cuts are necessary for a meaningful impact. Meanwhile, the government has proposed additional tax measures to boost revenue, which we see as a potential obstacle to recovery, given the current tax burden on businesses and households. We expect macroeconomic recovery to remain sluggish in the short term, with major interest rate adjustments likely to occur by Q2 2025, potentially setting the stage for a stronger recovery.