

Market Commentary

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The 91-day and 182-day T-bill rates rose in August while the 364-day T-bill yield declined. During the T-bill auctions, Central Bank continues to reject high aggressive bids from investors pricing in the impact of rising inflation and USD-KES weakness.

Meanwhile, the interbank rate moderated from 5.3% at the end of July to 5.0% in August. A decline in the interbank rate is indicative of easing pressure on liquidity.

T-bill	Aug-19	Aug-20	Aug-21	Dec-21	Mar-22	Jun-22	Jul-22	Aug-22
91-day	6.4%	6.3%	6.7%	7.3%	7.3%	8.0%	8.3%	8.8%
182-day	7.0%	6.6%	7.2%	8.0%	8.1%	9.2%	9.4%	9.5%
364-day	9.25%	7.51%	7.49%	9.27%	9.77%	9.97%	9.97%	9.91%
Headline Inflation	5.0%	4.4%	6.6%	5.7%	5.6%	7.9%	8.3%	8.5%

T-bills on offer recorded an undersubscription in August. The subscription rate recorded during the auctions declined to 73% compared to 97% in July.

Headline inflation rose to a 62-month high of 8.5% due to a sustained increase in food and fuel prices. Constrained food supply arising from unfavourable weather conditions and the government's unwinding of the fuel subsidy program may keep local inflation elevated. Therefore, investors are likely to continue bidding for higher interest rates.

(KES Bn)	Bids Received	Bids Accepted	Bids Received	Bids Accepted	Bids Received	Bids Accepted
T-bill	Jun-22		Jul-22		Aug-22	
91-day	23	18	44	42	56	54
182-day	23	19	30	30	20	17
364-day	30	27	19	17	11	11
Total Amount	76	64	93	88	88	82

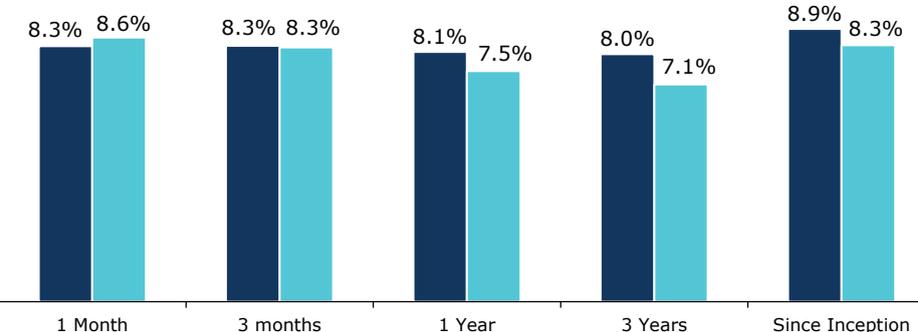
What does this mean for the Money Market Fund?

An increase in short-term rates has had a positive impact on the fund. We will continue to take advantage of the higher short-term rates to maintain competitive returns for investors in the ICEA LION Money Market Fund while managing credit risk exposures.

Annualized Fund Performance

■ ICEA LION Money Market Fund

■ 91 Day T-bill



Fund Facts

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Fund Size

KES 13.9 Billion

Inception Date

November 2007

Fund Manager



Custodian



Trustee



Auditor



Minimum Investment

KES 500/=

Minimum Top Up

No Limit

Management Fees
2%



Achieve optimal returns while preserving capital

Initial Fees

0%

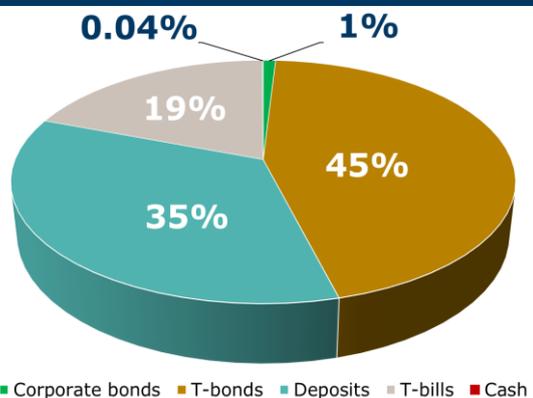
Risk Profile



Benchmark

91 day T-bill

Fund Assets



■ Corporate bonds ■ T-bonds ■ Deposits ■ T-bills ■ Cash

Disclaimer: 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 investments.

All returns are net of fund management fees and gross of withholding tax.