

Market Commentary

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Short term rates generally rose in June as investors sought to price in the impact of further inflationary pressures and USD-KES weakness. The interbank rate rose gradually towards the end of the month to close at 5.3%. A sustained increase in the interbank rate is an indication of upward pressure on interest rates.

T-bill	Jun-19	Jun-20	Jun-21	Dec-21	Mar-22	Apr-22	May-22	Jun-22
91-day	6.8%	6.7%	6.9%	7.3%	7.3%	7.7%	7.7%	8.0%
182-day	7.6%	7.4%	7.3%	8.0%	8.1%	8.7%	8.9%	9.2%
364-day	9.1%	8.2%	7.7%	9.3%	9.8%	9.9%	9.9%	10.0%
Headline Inflation	5.7%	4.6%	6.3%	5.7%	5.6%	6.5%	7.1%	7.9%

T-bills on offer recorded an undersubscription in June. The subscription rate recorded during the auctions declined to 79% compared to 92% in May.

Headline inflation rose to a 58-month high of 7.9% due to a sustained increase in food and energy prices.

We expect higher inflation rates due to rising global commodity prices and unfavourable weather conditions in the parts of the country. Therefore, investors are likely to continue bidding for higher interest rates amidst elevated uncertainty.

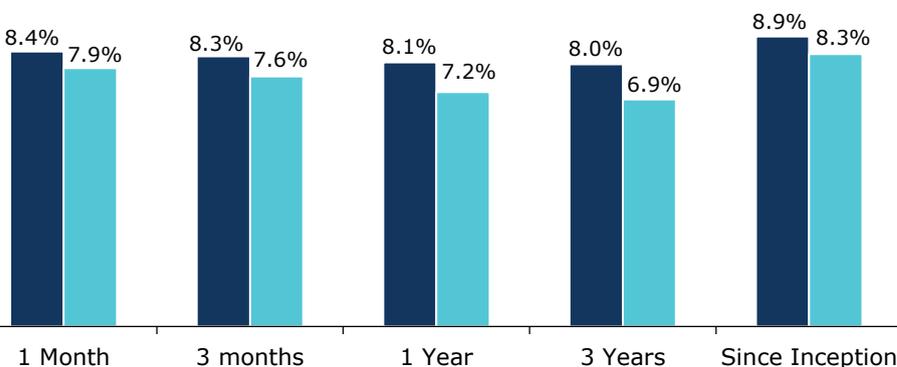
(KES Bn)	Bids Received	Bids Accepted	Bids Received	Bids Accepted	Bids Received	Bids Accepted
T-bill	Apr-22		May-22		Jun-22	
91-day	17	17	27	24	23	18
182-day	19	19	33	32	23	19
364-day	21	21	51	48	30	27
Total Amount	57	57	111	103	76	64

What does this mean for the Money Market Fund?

An increase in short term rates will have a positive impact on the fund. We will continue to position the fund to take advantage of higher short term rates. This strategy will allow us to maintain competitive returns for investors in the ICEA LION Money Market Fund while managing risk exposures.

Annualized Fund Performance

- ICEA LION Money Market Fund
- 91 Day T-bill



Fund Facts

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Fund Size

KES 13 Billion

Inception Date

November 2007

Fund Manager



Custodian



Trustee



Auditor



Minimum Investment

KES 500/=

Minimum Top Up

No Limit
Management Fees
2%

Fund Objective



Achieve optimal returns while preserving capital

Initial Fees

0%

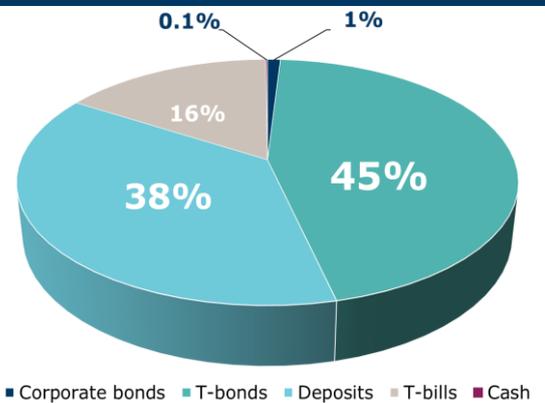
Risk Profile



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.