

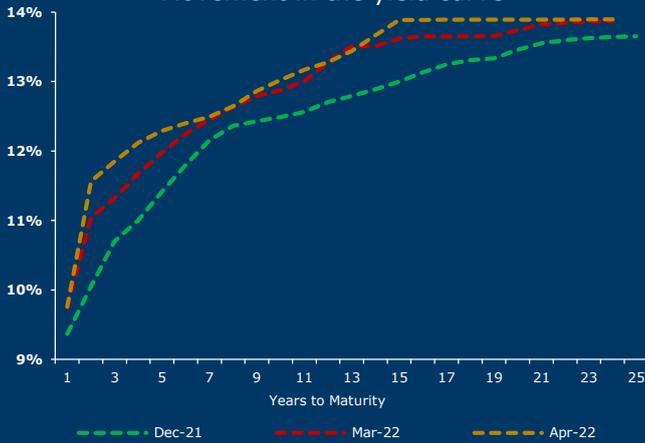
Market Commentary

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Portfolio Manager



The Central Bank auctioned 5-year and 15-year treasury bonds at interest rates of 11.8% and 13.9% respectively. The bond sale recorded a 95% subscription rate as CBK received investor bids worth KES67bn out of KES70bn on offer.

Movement in the yield curve

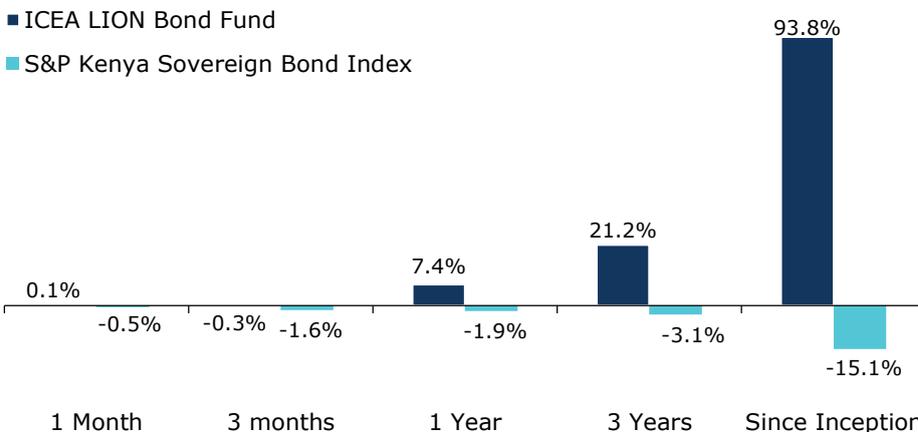


Interest rates on short term, medium term and long term bonds generally rose month- on-month in April.

What does this mean for the Bond Fund?

A rise in rates would decrease bond prices. Bonds may continue to face pressure from rising inflation and further USD-KES weakness. However, the Central Bank's strategy of maintaining stable interest rates by rejecting highly aggressive investor bids during auctions is likely to avert a spike in bond yields. Therefore, we anticipate stable but increasing bond rates in the near term. We shall bid aggressively for bonds and pursue trading opportunities in a bid to enhance the return of the ICEA LION Bond Fund.

Fund Performance



Fund Facts

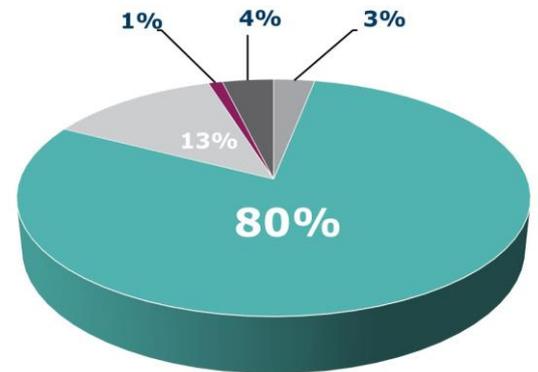
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Fund Size

KES 72 Million

Inception Date October 2010	Fund Manager ICEA LION ASSET MANAGEMENT Investment Security	Custodian Standard Chartered
Trustee KCB	Auditor Deloitte.	Minimum Investment KES 500/=
Minimum Top Up No Limit	Management Fees 2%	Fund Objective Achieve long term capital growth and a reasonable level of income
Initial Fees 0%	Risk Profile MEDIUM	Benchmark S&P Kenya Sovereign Bond Index

Fund Assets



■ Corporate bonds ■ T-bonds ■ Deposits
■ Cash ■ Mutual Funds

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 inclusive of distribution income, net of fund management fees and gross of withholding tax.