

STANBIC UNIT TRUST FUNDS (PROMOTED BY SBG SECURITIES LIMITED)

KEY INVESTOR INFORMATION DOCUMENT

[22 November 2024]

“PERMISSION HAS BEEN GRANTED BY THE CAPITAL MARKETS AUTHORITY TO OFFER TO THE PUBLIC THE SECURITIES WHICH ARE THE SUBJECT OF THIS ISSUE. AS A MATTER OF POLICY, THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS OR OPINIONS MADE OR REPORTS CONTAINED IN THIS KEY INVESTOR INFORMATION DOCUMENT”

This **Key Investor Information Document** will be reviewed and may be revised, to take into account any change or new matter, other than a matter which reasonably appears to the Fund Manager to be insignificant. A revision of the key investor information document may take the form of a complete substitution of the previous key investor information document or a supplement to the key investor information document. The date of the change shall be prominently displayed. This statement is valid as of 22 November 2024.

KEY INVESTOR INFORMATION DOCUMENT

If you are in any doubt about the contents of this Key Investor Information Document, you should seek independent financial advice.

This Key Investor Information Document comprises information relating to Stanbic Unit Trusts Funds (the “Trust”), a unit trust established under Capital Markets (Collective Investment Schemes) Regulations, 2023 under the Capital Markets Act Cap 485A of the laws of Kenya (“the Act”), by trust deed dated 1st August, 2023.

The Manager has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. Accordingly, the Manager accepts responsibility for the information contained in this Key Investor Information Document.

This Key Investor Information Document may be updated from time to time.

Intending applicants for units should ask the Manager if any supplements to this Key Investor Information Document or any later Explanatory Document have been issued.

Units are offered on the basis only of the information contained in this Key Investor Information Document. Any information given or representations made by any dealer, agent, broker, salesman or other person and (in either case) not contained in this Key Investor Information Document should be regarded as unauthorized and accordingly must not be relied upon.

This Key Investor Information Document has been approved by the Capital Markets Authority in Kenya (the “CMA”) but authorization does not imply official approval or recommendation by the CMA.

Potential applicants for units in the Trust should inform themselves as to: (a) possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence, or domicile and which might be relevant to the subscription, holding or disposal of units in the Trust.

DEFINITIONS

In this Key Investor Information Document, unless otherwise specifically stated, words defined in the Act bear the meanings therein assigned to them, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

In this Key Investor Information Document, unless inconsistent with the context, the following expressions shall have the following meanings:

"business day" excludes Saturday, Sunday, and public holidays and falls between 08.00am and 05.00pm.

"custodian" means a company approved by the Authority to hold in custody funds, securities, financial instruments or documents of title to assets of the Stanbic Unit Trust Funds.

"dealing" means an act of buying, selling or agreeing to buy or sell or trade units by the Fund Manager.

"income accruals" for an accounting period means any dividend, interest, or other income for distribution received by or accrued to the Stanbic Unit Trust Funds, the custodian, herein Standard Chartered Bank Kenya Limited, or the Fund Manager, on behalf of the unit holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.

"made-up price" of a unit means the Net Asset Value price described in the Trust deed, plus the initial charges.

"management fee" means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate the Fund Manager for managing the Stanbic Unit Trust funds, expressed as a percentage of the average month-end market value of the total assets comprising the Stanbic Unit Trust Funds during the accounting period for which the charge is levied.

"portfolio" means a group of securities in which members of the public are invited to acquire units pursuant to the collective investment scheme and includes any amount in cash forming part of the assets pertaining to such portfolio (herein also known as the fund.)

"Trust Deed" Or **"Deed"** means the trust deed and any other deeds supplemental thereto in relation to the Stanbic Unit Trust funds that sets out the trusts governing the unit trust and includes every instrument that varies those trusts or effects the powers, duties or functions of the Trustee or manager of the unit trust.

"Trustee" the Trustee is responsible for holding the money, investments, and other assets within the Unit Trust portfolio, as outlined in the trust deed. KCB Bank Kenya Limited acts as the Trustee for the Stanbic Unit Trust funds.

"Stanbic Unit Trust Funds" is a collective investment scheme consisting of five sub-funds: the Stanbic Money Market Fund, Stanbic Fixed Income Fund (KES), Stanbic Fixed Income Fund (USD), Stanbic Balanced Fund and Stanbic Equity Fund.

"Stanbic Money Market Fund" invests in cash and various money market instruments, held or considered to be held under trust in accordance with the trust deed that established the fund or its offering document, and the applicable Act.

‘Stanbic Fixed Income Fund (KES)’ primarily invests in government and corporate bonds, held or considered to be held under trust in accordance with the trust deed that established the fund or its offering document, and the Act.

“Stanbic Fixed Income Fund (USD)” invests in US Dollar-denominated cash and instruments, held or considered to be held under trust in accordance with the trust deed that established the fund or its offering document, and the Act.

“Stanbic Equity Fund” primarily invests in equities, focusing on stocks across various sectors of the economy. These equity instruments are held or deemed to be held under trust as per the trust deed that established the fund or its offering document, and the Act.

“Stanbic Balanced Fund” primarily invests across asset classes in equities, bonds and other securities, in a mix of low to medium risk held or considered to be held under trust in accordance with the trust deed that established the fund or its offering document, and the Act.

"The Act" refers to the Capital Markets Act and any Regulations issued there-under.

"the Auditors" means a person or firm qualified for appointment as auditor of a public Company in Kenya and appointed by the Fund Manager as its' auditor and as auditor of the Trust, subject to the provisions of the Act. A person shall not be qualified for appointment as auditor unless he is a member of and holds a valid practicing certificate issued by the Institute of Certified Public Accountants of Kenya.

"the Authority" means the Capital Markets Authority.

"underlying securities", in relation to a unit portfolio, means the securities comprised in or constituting the unit portfolio concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the Stanbic Unit Trust funds, the Fund Manager or the Trustee for the benefit of the unit holders in that unit portfolio.

"unit" means one undivided unit in the unit trust portfolio of the Stanbic Unit Trust Funds.

"unit holder" means any person (other than the Fund Manager) who has purchased units and is a holder of units in the Stanbic Unit Trust funds and is registered in the register of unit holders evidencing that he has an interest in the fund.

THE UNIT TRUST SCHEME - THE UMBRELLA SCHEME

The name of the umbrella scheme is Stanbic Unit Trust Funds.

The duration of the umbrella scheme and the sub funds there-under are unlimited subject to laws of Kenya.

ELIGIBILITY

To be eligible to invest in the Stanbic Unit Trust Funds:

- You must be aged over 18 years.
 - For parents or legal guardians wishing to open unit trust accounts for their children and/or dependants under the age of 18, they can open the account under their name until the beneficiary attains age of 18 years.
 - You must not be resident in any jurisdiction where such an investment would be unlawful.
 - You should satisfy yourself that you are permitted to make this investment under any tax regulations or other legislation, which might affect you.
 - You can either be a private investor or an institutional investor (i.e. companies, trusts, retirement benefits schemes etc)
 - If the plan is to be held in joint names, all investors must conform to the above requirements for eligibility.
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RISK FACTORS

The Fund's investments are exposed to typical market fluctuations and inherent investment risks. The value of securities and the income they generate can vary over time, leading to changes in the price of units of the Fund and the income derived from them.

Investors who are uncertain about the risks involved in investing in the Fund should seek independent advice from their Financial Advisor.

MANAGEMENT AND ADMINISTRATION

Fund Manager	SBG Securities Limited
Trustee	KCB Bank Kenya Limited
Custodian	Standard Chartered Bank Kenya Limited
Auditors	Deloitte Kenya

SUBSCRIPTION AND REDEMPTION OF UNITS

Subscriptions and redemptions of units will be processed on the applicable Dealing Day, which is any business day when banks in Kenya are open for regular operations, excluding Saturdays, Sundays, and public holidays. The business hours for processing transactions are between 08:00 AM and 05:00 PM, with a cutoff time of 09:00 AM for same-day processing. Transactions received after 09:00 AM will be processed on the next business day.

To clarify, redemption or liquidation requests submitted after the 9 AM cutoff will take up to 48 working hours to process. Similarly, investments into the fund made after the 9 AM cutoff will take up to 48 working hours for value date recognition.

Minimum Investment

The minimum investment amount for the Stanbic Kenya shilling denominated Unit Trust Funds is KES 1,000, and for Stanbic Dollar-denominated Funds is USD 100. There is no maximum contribution, provided regulatory requirements for the source of funds are met.

Regular investment plans

An investor may want to make regular contributions to the Stanbic Unit Trust Funds. This option can be secured via Bank standing orders on the client Bank account.

TYPE OF ACCOUNTS

The following types of accounts are available for unit holders:

- **Individual Accounts:** Held by a single investor.
- **Joint Accounts:** Co-owned by two or more parties, all having joint ownership of the units. This option should be selected on the Application Form, and specimen signatures of each joint holder must be provided.
- **Corporate and Business Accounts:** Designed for investments for companies, associations, groups, cooperatives, sole proprietors, and similar entities. This option should be selected on the Application Form.

CHARGES AND EXPENSES

Management Fees

The fund will charge a management fee of 2% per annum plus VAT for KES-denominated funds and 1% per annum plus VAT for USD-denominated funds.

Other Fees and Charges

Other fees and charges that shall be permitted as deductions from the amount available for distribution in the Unit Trust are listed below.

- a) A sum which, in the opinion of the Fund Manager and the Auditor, is required to meet any liability for taxation and Auditor's fees in respect of the accounting period;
- b) The remuneration of the Trustee and the custodian of the assets of the Unit Portfolio;
- c) All costs incurred in respect of meetings of Unit holders and Trustees;
- d) Any legal and other professional fees in connection with the Unit Trust Scheme;
- e) All costs reasonably incurred in respect of the publication of prices of Units and in respect of the publication and distribution of the annual reports and accounts and of marketing documents relating to the Unit Portfolio; and
- f) Any insurance or other general expenses arising in the normal course of business.

STATEMENTS

A statement will act as evidence of entitlement for the unit holder. The statements will be sent by email every month free-of-charge to all unit holders. Unit Holders may also access their statements via USSD phone application.

ACCOUNT CLOSURE

Account closure shall be deemed to have taken place upon the unit holder issuing a notice to close the Account and the redemption of all units in the Account.

GENERAL INFORMATION

Accounts and Reports

The Trust's financial year end is 31st December in each year. Audited accounts will be available for electronic access at the Manager's website within Four months at the end of each financial year.

The reports can be inspected and copies obtained from:

SBG Securities Limited
2nd Floor
Stanbic Centre
58 Westlands Road
NAIROBI.

Trust Deed

The Trust was established under the laws of Kenya by a Trust Deed dated [13 March 2024] made between SBG Securities Limited as Fund Manager and KCB Bank Kenya Limited as Trustee.

Unit holders and intending applicants are advised to consult the terms of the Trust Deed. In the event of any conflict between any of the provisions of this Key Investor Information Document and the Trust Deed, the provisions of the Trust Deed will prevail.

Trust deed can be accessed via below link

<https://www.stanbicbank.co.ke/kenya/asset-management>

Additional Information

- There are no guarantees on the client's capital as the performance of units and interest-bearing investments in the underlying unit trust determines the value of your unit trust investment.
- Price of units can go up as well as down as a result of changes in the value of the underlying investments and currency movements.
- Past performance is not a guarantee of future performance and should not be relied upon as an indicator for future investment outcomes.

- Unit trusts should be recognized as short, medium to long term investments;
- The units are priced daily and deals on a future pricing basis;

SUB-FUND DETAILS

STANBIC MONEY MARKET FUND

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The Stanbic Money Market Fund aims to achieve both stable income generation and capital preservation by investing 100% of the portfolio assets in a range of treasury, corporate debt securities and fixed deposits in the Kenyan market.

Investment Risk Profile

The fund is suitable for individuals who want to start their investment journey or are looking for a place to build an emergency fund - normally considered three to six months of monthly expenses. This fund is also suitable for a corporate or an individual who seeks to grow their capital while ensuring investment risk is contained.

Risk Rating		
Low	Medium	High

Investment Policies

The Stanbic Money Market Fund will endeavour to maintain the unit price constant at KES 1 (one Kenya Shilling) by:

- ◆ Accounting for all increases in unit holders value by declaring a daily yield on the unit portfolio, which may be expressed as an annualized yield.
- ◆ Accounting for interest income on an accrual basis
- ◆ Marking holdings to market and adjusting the daily yield distributions by recognizing capital gains or losses.
- ◆ The weightings of different asset classes and different securities will be adapted to create a portfolio that achieves the best risk-adjusted returns.
- ◆ The currency of denomination of the unit portfolio is the Kenya Shilling.

Nothing contained in this Key Investor Information Document shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit. The Fund Manager is not limited from varying the ratio of securities in the portfolio.

INVESTMENT RESTRICTIONS

Investment Restrictions

- a) Invests only in interest-earning money market instruments which have a maximum weighted average tenor of eighteen months and includes credit rated or guaranteed commercial papers, Government securities, call deposits, certificate of deposit including fixed deposits in commercial banks and deposit taking institutions and any other like instruments as specified by the Central Bank of Kenya from time to time.
- b) The underlying securities of the unit portfolio will have the following characteristics:
 - ◆ Be consistent with the objectives of the unit portfolio and applicable laws
 - ◆ Be transferable
 - ◆ Have a ready price or value
 - ◆ Have adequate proof of title or ownership to allow proper custodial arrangements to be made
- c) These investment categories shall be made provided that:
 - ◆ The book value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty five percent (25%) of the Stanbic Money Market Fund and net asset value;
 - ◆ The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Stanbic Money Market Fund, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

Benchmark Return

Monthly Average *182 Day Treasury Bill Rate.

Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Stanbic Money Market Fund.

<https://www.stanbicbank.co.ke/kenya/asset-management/money-market-funds>

STANBIC FIXED INCOME FUND (USD)

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The Stanbic Fixed Income Fund (USD) aims to provide currency diversification, income generation, and stable growth. It seeks to achieve this by investing in high-quality Eurobonds, short term USD deposits and offshore assets.

Investment Risk Profile

The fund is suitable for individuals who want long-term capital growth and periodic income return from a well-diversified USD based Portfolio. Investors who typically plan to invest for a period of over two years with a medium to long term horizon might consider this fund.

Risk Rating		
Low	Medium	High

Investment Policies

The Stanbic Fixed Income Fund USD will endeavour to maintain the unit price constant at USD 1 (one United States Dollar) by:

- ◆ Accounting for all increases in unit holders value by declaring a daily yield on the unit portfolio, which may be expressed as an annualized yield
- ◆ Accounting for interest income on an accrual basis
- ◆ Marking holdings to market and adjusting the daily yield distributions by recognizing capital gains or losses.
- ◆ The weightings of different asset classes and different securities will be adopted to create a portfolio that achieves the best risk-adjusted returns.
- ◆ The currency of denomination of the unit portfolio is the Unit States Dollar.

Nothing contained in this Key Investor Information Document shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit. The Fund Manager is not limited from varying the ratio of securities in the portfolio.

INVESTMENT RESTRICTIONS

Investment Restrictions

- a) The fund shall invest a minimum of sixty per cent of the market value of its asset under management in fixed income securities at all times. Any funds not invested in fixed income instruments shall only be invested in cash and cash equivalents. Fixed-income securities refer to financial instruments with a fixed maturity and may or may not make periodic payments of interest and the principal is paid at maturity. The underlying securities of the unit portfolio will have the following characteristics:
- ◆ Be consistent with the objectives of the unit portfolio and applicable laws
 - ◆ Be transferable
 - ◆ Have a ready price or value
 - ◆ Have adequate proof of title or ownership to allow proper custodial arrangements to be made

b) These investment categories shall be made provided that:

- ◆ The book value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty five percent (25%) of the Stanbic Fixed Income Fund USD and net asset value;
- ◆ The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Stanbic Fixed Income Fund USD, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

Benchmark Return

180 Day Average Secured Overnight Financing Rate (SOFR)

Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Stanbic Fixed Income Fund USD.

<https://www.stanbicbank.co.ke/kenya/asset-management/fixed-income-dollar-fund>

STANBIC BALANCED FUND

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The objective of the Stanbic Balanced Fund is to achieve total return by investing in a diversified portfolio of asset classes, including equities, bonds, and other securities, as well as near cash and cash, both in the Kenyan market and offshore. The fund seeks to provide an appropriate balance between risk and return for the investor while pursuing these returns.

Investment Risk Profile

This is a high-risk investment fund. It is actively managed with a significant focus on managing duration, yield, credit, liquidity, and equity market risks.

Risk Rating		
Low	Medium	High

Investment Policies

To achieve its investment objective, the assets of the Stanbic Balanced Fund will be invested according to the following policies:

- ◆ The universe of investments includes: interest-bearing securities such as bank deposits, treasury bills, commercial paper, whether listed or unlisted treasury bonds, corporate bonds and equity whether listed or unlisted.
- ◆ Income yield and capital gains will be primary drivers of investment returns.
- ◆ The portfolio may contain an allocation to offshore investments as a hedge against the domestic currency and a diversification tool from local investments.
- ◆ The weightings of different asset classes and different securities will be adapted to create a portfolio that achieves the best risk-adjusted returns.
- ◆ The currency of denomination of the unit portfolio is the Kenya Shillings.

Nothing contained in this Key Investor Information Document shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit. The Fund Manager is not limited from varying the ratio of securities in the portfolio.

INVESTMENT RESTRICTIONS

Investment Restrictions

The fund shall invest in all eligible asset classes at all times provided that investments in money market, equities and fixed income instruments shall each have a maximum exposure of sixty per cent of the market value of assets under management.

a) The underlying securities of the unit portfolio will have the following characteristics:

- ◆ Be consistent with the objectives of the unit portfolio and applicable laws
- ◆ Be transferable
- ◆ Have a ready price or value
- ◆ Have adequate proof of title or ownership to allow proper custodial arrangements to be made

b) These investment categories shall be made provided that:

- ◆ Investments in unlisted securities in East African Community partner states shall be up to a maximum of ten per cent of Assets Under Management;
- ◆ A fund may invest in a money market fund or another fund of similar constituent assets subject to a maximum limit of up to twenty per cent;
- ◆ Investments in off-shore listed securities shall be a maximum of ten per cent of Assets under Management
- ◆ Investments in off-shore unlisted securities shall be a maximum of five per cent of Assets under Management
- ◆ Other alternative investments to a maximum of ten per cent where applicable
- ◆ The market value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty-five per cent of the Assets under Management
- ◆ The market value of a collective investment scheme's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the collective investment scheme's properties Assets under Management;
- ◆
- ◆ The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Stanbic Balanced Fund, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

Benchmark Return

S&P Kenya Bond Index 60%, NASI Index 30% and Monthly average *91 Day Treasury Bill 10%

Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Stanbic Balanced Fund.

<https://www.stanbicbank.co.ke/kenya/asset-management>

STANBIC EQUITY FUND

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The primary investment objective of the Stanbic Equity Fund is to offer investors an effective investment vehicle that aims to achieve the highest possible total return, through a combination of income and capital appreciation. This objective will be pursued primarily through investments in equities.

Investment Risk Profile

This fund carries a high level of risk due to its significant allocation to equities compared to safer, less volatile investments. The fund is actively managed with a focus on equity market risks, making it generally more volatile than funds that primarily invest in money market and fixed income assets.

Risk Rating		
Low	Medium	High

Investment Policies

To achieve its investment objective, the assets of the Stanbic Equity Fund will be invested according to the following policies:

- ◆ Investment is primarily in stocks and interest-bearing securities such as call and fixed deposits.
- ◆ The fund will invest in a diversified portfolio of stocks across various companies, sectors, and include offshore investments to enhance portfolio diversification.
- ◆ Income yield and capital gains will be primary drivers of investment returns.
- ◆ The portfolio may contain an allocation to offshore investments as a hedge against the domestic currency and a diversification tool from local investments.
- ◆ The weightings of different asset classes and different securities will be adapted to create a portfolio that achieves the best risk-adjusted returns.
- ◆ The currency of denomination of the unit portfolio is the Kenya Shilling.

Nothing contained in this Key Investor Information Document shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit. The Fund Manager is not limited from varying the ratio of securities in the portfolio.

INVESTMENT RESTRICTIONS

Investment Restrictions

- a) The fund shall invest a minimum of sixty per cent of the market value of its asset under management in equities listed locally on a securities exchange, listed in other regulated exchanges or unlisted equities at all times. Any funds not invested in equities shall only be invested in cash and cash equivalents; The underlying securities of the unit portfolio will have the following characteristics:
- ◆ Be consistent with the objectives of the unit portfolio and applicable laws
 - ◆ Be transferable
 - ◆ Have a ready price or value
 - ◆ Have adequate proof of title or ownership to allow proper custodial arrangements to be made
- b) These investment categories shall be made provided that:
- ◆ Investments in unlisted securities in East African Community partner states shall be up to a maximum of ten per cent of Assets Under Management;
 - ◆ A fund may invest in a money market fund or another fund of similar constituent assets subject to a maximum limit of up to twenty per cent;
 - ◆ Investments in off-shore listed securities shall be a maximum of ten per cent of Assets under Management
 - ◆ Investments in off-shore unlisted securities shall be a maximum of five per cent of Assets under Management
 - ◆ Other alternative investments to a maximum of ten per cent where applicable
 - ◆ The market value of an investment in an interest-bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty-five per cent of the Assets under Management
 - ◆ The market value of a collective investment scheme's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the collective investment scheme's properties Assets under Management;
 - ◆ The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Stanbic Equity Fund, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

Benchmark Return

Nairobi All Share Index 60% and Monthly average *91 Day Treasury Bill rate 40%

Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Stanbic Equity Fund.

<https://www.stanbicbank.co.ke/kenya/asset-management>

STANBIC FIXED INCOME FUND (KES)

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The objective of the Stanbic Fixed Income Fund KES is to deliver total returns by investing in interest-bearing securities, including debt instruments, fixed deposits, near-cash holdings, and offshore assets, while prioritizing the highest level of security for the investor.

Investment Risk Profile

This is a medium-risk investment fund, actively managed with a focus on balancing duration, yield, credit, and liquidity risks.

Risk Rating		
Low	Medium	High

Investment Policies

The Stanbic Fixed Income Fund KES will endeavour to maintain the unit price constant at KES 1 (one Kenya Shilling) by:

- ◆ Accounting for all increases in unit holders value by declaring a daily yield on the unit portfolio, which may be expressed as an annualized yield
- ◆ Accounting for interest income on an accrual basis
- ◆ Marking holdings to market and adjusting the daily yield distributions by recognizing capital gains or losses.
- ◆ The weightings of different asset classes and different securities will be adapted to create a portfolio that achieves the best risk-adjusted returns.
- ◆ The currency of denomination of the unit portfolio is the Kenya Shilling.

Nothing contained in this Key Investor Information Document shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit. The Fund Manager is not limited from varying the ratio of securities in the portfolio.

INVESTMENT RESTRICTIONS

Investment Restrictions

- a) The fund shall invest a minimum of sixty per cent of the market value of its asset under management in fixed income securities at all times. Any funds not invested in fixed income instruments shall only be invested in cash and cash equivalents. Fixed-income securities refer to financial instruments with a fixed maturity and may or may not make periodic payments of interest and the principal is paid at maturity. The underlying securities of the unit portfolio will have the following characteristics:
- ◆ Be consistent with the objectives of the unit portfolio and applicable laws
 - ◆ Be transferable

- ◆ Have a ready price or value
 - ◆ Have adequate proof of title or ownership to allow proper custodial arrangements to be made
- c) These investment categories shall be made provided that:
- ◆ Investments in unlisted securities in East African Community partner states shall be up to a maximum of ten per cent of Assets Under Management;
 - ◆ A fund may invest in a money market fund or another fund of similar constituent assets subject to a maximum limit of up to twenty per cent;
 - ◆ Investments in off-shore listed securities shall be a maximum of ten per cent of Assets under Management
 - ◆ Investments in off-shore unlisted securities shall be a maximum of five per cent of Assets under Management
 - ◆ Other alternative investments to a maximum of ten per cent where applicable
 - ◆ The market value of an investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed twenty-five per cent of the Assets under Management
 - ◆ The market value of a collective investment scheme's holding of securities relating to any single issuer shall not exceed twenty-five per cent of the collective investment scheme's properties Assets under Management;
 - ◆ The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the Stanbic Fixed Income Fund KES, but a five percent (5%) allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.

Benchmark Return

S&P Kenya Bond Index 60% Monthly average *91 Day Treasury Bill 40%

Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the Stanbic Fixed Income Fund KES.

<https://www.stanbicbank.co.ke/kenya/asset-management>