African Alliance Kenya Balanced Fund

June 2026

Fund Particulars

◄ Lower Risk — Higher Risk ►

1	2	**3**	4	5

◄ Potentially Lower Reward — Potentially Higher Reward ►

Launch Date:
May 2007

Fund Currency:
KES

Total Assets:
434,650,796.07

Unit price (per unit):
23.00

Total Units:
18,825,561.54

Fund Size:
432,946,708.94

Fund Strategy:
Balanced

Distributions:
Semi-annually

Last date of distribution:
30 June 2026

Management Fee (Incl. VAT)
2.00%

The African Alliance Group

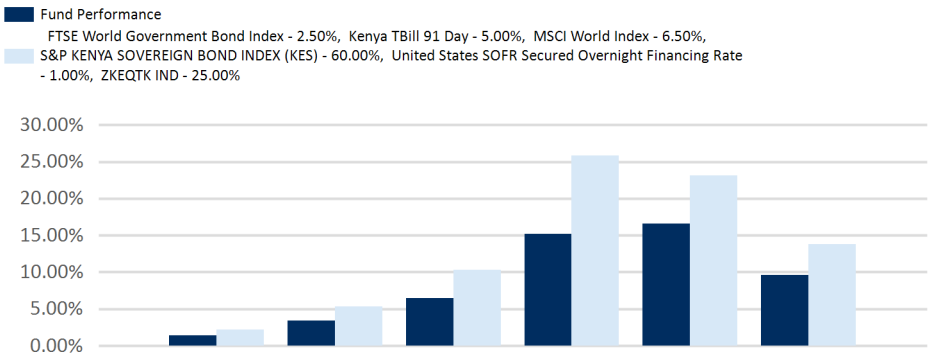
Founded in 1996, the African Alliance Group is a specialist pan-African asset manager and investment bank approaching two decades of on-the-ground investment expertise across the African continent.



Fund Strategy

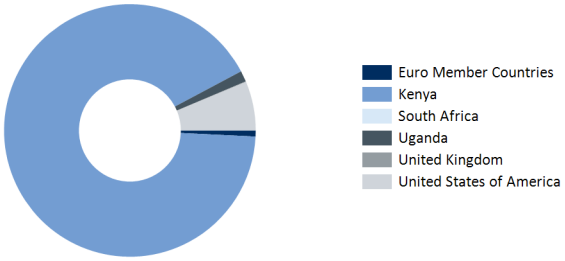
The primary objective of this Fund is to seek long-term capital growth consistent with higher than moderate investment risk and a reasonable level of current income.

Net Fund Performance

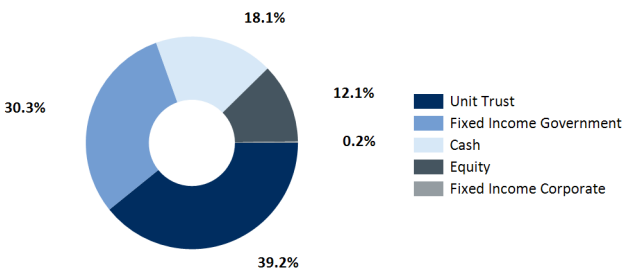


* Net Annualised Performance	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	1.38%	3.40%	6.44%	15.21%	16.54%	9.57%
Benchmark	2.18%	5.35%	10.30%	25.86%	23.12%	13.75%

Currency Exposure (By Domicile)



Instrument Type Exposure



Investment Options	
Minimum Initial Investment	100,000.00
Minimum top-up	50,000.00

Risk Measures	Fund	Benchmark
Period: Over the last 10 years		
Highest Annualised Return	25.53%	33.41%
Lowest Annualised Return	-4.04%	-4.49%



Fund Commentary

In June 2026, inflation in Kenya eased slightly from 6.7% in May to 6.4%, reflecting a moderation in price pressures after reaching a two-year high the previous month. The slowdown was supported by lower electricity and fuel prices, with diesel and petrol prices declining on a month-on-month basis. However, inflation remained elevated, primarily driven by food and non-alcoholic beverages, whose prices rose by 8.6% year-on-year, and transport costs, which remained high at 16.1%. While inflation stayed within the Central Bank of Kenya's target range of 2.5%–7.5%, persistent increases in food and transport costs continued to pose risks to household purchasing power and broader cost-of-living pressures.

The Kenya shilling remained broadly stable against the US dollar in June 2026, trading within a narrow range of Kes 129.32–129.66 per dollar and closing the month at Kes 129.50 per dollar, compared to Kes 129.45 per dollar at the start of the month. This reflected a marginal depreciation of 0.04%, underscoring continued resilience in the foreign exchange market despite ongoing global uncertainties. The currency's stability was supported by adequate foreign exchange liquidity and steady external inflows, helping cushion it against potential external shocks.

Interest rate conditions remained unchanged in June 2026, with the Central Bank of Kenya maintaining the Central Bank Rate (CBR) at 8.75%. The Monetary Policy Committee retained a cautious stance, noting that while inflation had risen due to higher energy costs linked to global supply disruptions, it remained within the target range and was expected to ease over the near term. Market attention remains focused on the inflation outlook and global oil price developments, which will likely influence the timing of any future monetary policy adjustments.

Treasury bills recorded strong investor demand during the month, particularly for the shorter-dated 91-day paper. The yields edged up across all tenors over the period, with rates averaging between 8.4% and 9.0%, reflecting evolving market conditions and inflation expectations. In the primary bond market, the government remained active in the domestic debt market through reopened medium and long-term bonds and subsequent tap sales. Investor participation remained robust and improved from the previous month, supported by attractive yields and continued confidence in government securities.

At the end of June 2026, the Nairobi Securities Exchange continued its positive performance, supported by strong investor demand for large-cap stocks, particularly in the banking and telecommunications sectors. Market sentiment remained favorable despite elevated inflationary pressures, reflecting continued confidence in corporate earnings prospects and the broader economic outlook. Market capitalization increased by 27.8% YTD to Kes 3.76 trillion and all the indices recorded gains.

Glossary

Term	Description
12-month yield	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
Annualised performance	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
Income distribution	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
Unit Trust Funds	African Alliance's funds are offered to allow different types of investors (individuals and institutions) to invest in the preferred unit trust fund. Different investment minimums and fees apply to different unit funds.



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Contact us

African Alliance Kenya Asset Management Limited
Fourth Floor, Kenya Re Towers, Upper Hill, Off Ragati Road, PO Box 27639-00506, Nairobi

www.africanallianceassetmanagement.com