





Table of contents

Trustee and advisors to the Fund	4
Trustee's report	5 - 7
Fund manager's report	8
Report of the custodian	9
Financial statements:	
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11

Trustee and Advisors to the Fund

FUND MANAGER

Britam Asset Managers (Kenya) Limited Britam Centre, 5th Floor Junction of Mara and Ragati Roads Upper Hill P.O. Box 30375-00100 Nairobi, Kenya

TRUSTEE

KCB Bank Kenya Limited KCB Tower, 7th Floor, Upper Hill P.O. Box 30664-00100 Nairobi, Kenya

CUSTODIAN

Standard Chartered Bank Kenya Limited Standard Chartered @ Chiromo, Level 5 48 Westlands Road P O Box 40984-00100 Nairobi, Kenya

AUDITOR

Ernst & Young LLP Certified Public Accountants (Kenya) Kenya Re Towers, Upper Hill off Ragati Road P.O. Box 44286 - 00100 Nairobi, Kenya

LAWYER

CMS Daly Inamdar Advocates ABC Place Waiyaki Way P.O. Box 40034-00100 Nairobi, Kenya

Trustee's Report

The Trustee has the pleasure of submitting its report together with the audited financial statements of British-American Money Market Fund (the "Fund") for the year ended 31 December 2024.

INVESTMENT OBJECTIVES

The investment objective of the British-American Money Market Fund is to achieve a level of yield while protecting investor's capital.

To achieve this, the portfolio is invested in fixed income securities of various durations at attractive yields to ensure the return on the Fund is maximised.

CHANGES TO INCORPORATION DOCUMENTS

There were no changes made to the incorporation documents (Prospectus, Trust Deed and Rules of the Fund) during the year.

FUND PERFORMANCE

The highest and lowest absolute yields for the last 5 years were as per the table below:

Year	2024	2023	2022	2021	2020
Highest yield %	13.89	10.33	8.71	8.75	9.96
Lowest yield %	8.71	8.75	5.75	6.11	7.71

INCOME DISTRIBUTION

The profit realised by the Fund for the last 5 years has been distributed to the unit holders as per the table below.

Year	2024	2023	2022	2021	2020
Amount (Shs '000)	1,133,418	1,086,961	978,473	859,329	667,032

Trustee's Report (continued)

TOTAL VALUE OF THE FUND

The total book value of the Fund for the last 3 years is as per the below table.

Year	2024	2023	2022
Amount (Shs '000)	9,545,508	9,946,593	11,788,700

Total Expense Ratio (TER)

The total expense ratio of the Fund provides a measure of the total costs incurred to manage and operate the Fund. The TER for the year is as per below table.

	Amount
Total expenses for the year	159,284
Management fees for the year	130,968
Percentage management fee	1.37%
Total expense ratio	1.67%

AUDITOR

Ernst & Young LLP were appointed in accordance with the Fund's Trust Deed and Section 60 (1) of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2023.

The Trustee monitors the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

By order of the Trustee,

KCB Bank Kenya Limited



Fund Manager's Report

Dear Unit Holder,

The fundamental investment objective of the British-American Money Market Fund is to generate a high level of interest income while aiming for the preservation of capital. The Fund does this by investing primarily in fixed income securities of various terms issued by the Kenyan Government and fundamentally sound companies with a strong credit quality.

Britam Asset Managers (Kenya) Limited adopts an investment philosophy that ensures high risk adjusted returns for investors while optimizing overall portfolio risk. We employ a two-pronged strategy to achieve this objective. Firstly, the average term and duration of the portfolio are adjusted based on prevailing interest rate trends, within the acceptable tenors. Thus, as interest rates rise, the average term and duration of the portfolio are shortened, and as interest rates reach a peak or fall, the portfolio's duration and average term are extended.

Secondly, we strive for diversification through investing in corporate bonds and commercial papers which offer attractive spreads above treasury instruments while cushioning the portfolio against interest rate risk. The strategy involves purchasing these securities when the spreads are at their widest points and reducing holdings when corporate bond rates are at their narrowest point relative to rates on treasury instruments. This is all done in an environment of rigorous risk management by investing in fundamentally sound corporates to protect against default risk.

Global GDP grew by 3.2% for 2024 and 3.3% projected for 2025; GDP growth is seen averaging 3.1% in 2026-2028. Global economic activity has shown resilience amid high inflation and a prolonged period of high interest rates. Kenya's economy grew by 4.7% in 2024. This was a slower growth than what was recorded in 2023 at 5.3%. The slowdown was amid a challenging economic environment characterized by disposable income squeeze and normalization of the agriculture and tourism sectors. Looking forward, we expect the accommodative monetary stance adopted by the CBK to support economic activity as the anticipated depreciation of the KES and the forecasted drier conditions in the country offset some of anticipated gains. Headline inflation came in at 3.0% in December 2024 compared to a reading of 2.8% in November 2024, and 6.6% in December 2023. Ample harvests in the country continued to pull food prices lower as

the tight monetary policy saw activity drag to place the core inflation index at **3.2%** in December 2024.

The Central Bank's Monetary Policy Committee cut the benchmark rate at by **1.50%** in 2024 to **11.25%** noting improved inflation levels and a stabilized exchange rate. Similarly, yields on treasury bills declined in the last quarter of the year signalling moderation in interest rate movements. The Government. The 3-month T-bill closed the year at **9.8%** compared to **15.9%** at the end of 2023, while the yield curve fell by **2.5%** on average, which positively affected fixed income returns.

The Kenya Shilling gained 17.4%, 22.7% and 34.4% against the US Dollar, Euro and Pound Sterling, respectively, to close the year at 129.29/USD, Shs 134.29/EUR and Shs 162.67/GBP. The stable Kenya Shilling performance was largely due to improved investor sentiments on the currency and the country following the successful repayment of the 2024 Eurobond, elevated official forex reserve position and deceleration in economic activity.

The equities market recorded gains in stock prices as macroeconomic concerns around Kenya eased. The recovery in equities was triggered by the partial repayment of the 2024 Eurobond which saw a significant improvement in the Kenyan macro-economic outlook, improvement in US Dollar liquidity, robust earnings performance and the increase in Kenya's allocation in frontier indices. Fed rate cuts in the last quarter of the year also supported the equity market performance. The NSE All Share Index was up by **34.1%** in the year.

The Fund generated a return of **11.0**% percent during the year, compared to the benchmark return of **16.2**% percent. Our disciplined investment strategy, coupled with the philosophy of investing in high-quality fixed income investments with attractive yields, will continue to benefit investors who invest in the Fund in the medium term.

We thank you for choosing to invest in British-American Money Market Fund. The team at Britam Asset Managers (Kenya) Limited looks forward to working closely with you in meeting and exceeding your financial and investment objectives.

We extend our best wishes for 2025

Report of the Custodian

In accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2023 (the Regulations) and the Custody Agreement between Standard Chartered Bank of Kenya Limited as the Custodians and Britam Asset Managers (Kenya) Limited as the Fund Manager, we confirm that for the year ended 31 December 2023:

- We have discharged the duties prescribed for a Custodian under Section 68 of the Regulations, to the British-American Money Market Fund;
- We have held the assets for the British-American Money Market Fund, including securities and income that accrue
 thereof, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the
 instructions received from the Fund Manager.

For the year ended 31 December 2024 we have held the assets of the British-American Money Market Fund, which include title deeds, securities and income that accrue thereof, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager in accordance with the provisions of the Capital Markets (Collective Investment Schemes) Regulations, 2023.

By order of the custodian **Standard Chartered Bank Kenya Limited**

Statement of profit or loss and other comprehensive income

		Year ended 31 December
	2024	2023
	Shs '000	Shs '000
Income		
Interest income	979,442	1,299,233
Realised gains on investments	41,321	14,951
Unrealised gains on Investments	265,384	-
Total Income	1,286,147	1,314,184
Service fees	(159,284)	(241,353)
Expected credit loss / (write back) on investments	6,555	14,130
Total expenses	(152,729)	(227,223)
Profit before tax	1,133,418	1,086,961
Income tax expense	-	
Profit for the year	1,133,418	1,086,961
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	1,133,418	1,086,961

The above Statement of Comprehensive Income is an extract from the Financial Statements which have been audited by Ernst & Young LLP and have received an unqualified opinion.

Statement of financial position

		As at 31 December 2024
	2024	2023
	Shs '000	Shs '000
Assets		
Government securities at amortized cost	-	9,758,059
Government securities at fair value through profit and loss	8,909,239	-
Corporate bonds at amortized cost	201,134	200,641
Deposits with financial institutions at amortized cost	468,821	-
Cash and bank balances	2,612	17,807
Total assets	9,581,806	9,976,507
Liabilities		
Current liabilities		
Accrued expenses	22,996	19,162
Withholding tax payable	13,302	10,752
Liabilities	36,298	29,914
Net assets attributable to unit holders	9,545,508	9,946,593
Fund Balance		
Unit holder balances	9,545,508	9,946,593

The above Statement of Financial Position is an extract from the Financial Statements which have been audited by Ernst & Young LLP and have received an unqualified opinion.

By order of the trustee **KCB Bank Kenya Limited**



Head Office: Britam Center, Junction of Mara & Ragati Roads, Upper Hill Tel: 0705-100100 |W hatsApp: 0793-304927 |E mail: customerservice@britam.com







Regulated by the Capital Markets Authority