

MINUTES OF THE 16TH ANNUAL GENERAL MEETING OF THE NCBA UNIT TRUST HOLDERS HELD ON FRIDAY 10TH JUNE 2022 AT 10.00 A.M HELD VIA ELECTRONIC MEANS

AGM CHAIRMAN PRESENT:

John Gachora

Group Managing Director-NCBA Group Plc

The Chairman called the meeting to order at 10.00 a.m.

MINUTE NO.	DISCUSSION																
MIN 01/2022	<p><u>CONSTITUTION OF THE MEETING</u></p> <p>The Chairman welcomed the Unitholders to the 16th Annual General Meeting and confirmed that for the third year in a row, with the approval by the Trustee and the Capital Markets Authority., we are holding the Annual General Meeting electronically.</p> <p>The Notice, Agenda, Minutes and Annual Reports for the meeting, having been circulated to the Unit Holders, were taken as read.</p> <p>The Chairman then invited the company secretary to confirm that the meeting was quorate before commencement. Cynthia Sagini, representative of the Company Secretary, confirmed that 527 Unit Holders were logged into the meeting with the quorum for the meeting being 25 Unit Holders attending.</p> <p>Having confirmed that a quorum was present, the Chairman declared the meeting properly convened and constituted.</p>																
MIN 02/2022	<p><u>WELCOME NOTE AND INTRODUCTION OF STAKEHOLDER REPRESENTATIVES</u></p> <p>The Chairman acknowledged the presence of the following officials representing various stakeholders:</p> <table border="0"> <tr> <td>1. Anastacia Kimata</td> <td>Capital Markets Authority</td> </tr> <tr> <td>2. Agatha Nduva</td> <td>KCB Bank Kenya Ltd - The Fund Trustee</td> </tr> <tr> <td>3. Eva Mwangi</td> <td>NCBA Bank Kenya PLC - The Fund Custodian</td> </tr> <tr> <td>4. Charles Luo</td> <td>Deloitte & Touche LLP - the Fund Auditors</td> </tr> <tr> <td>5. Kathure Nyamu</td> <td>MD, NCBA Investment Bank Limited</td> </tr> <tr> <td>6. Paul Gicheru</td> <td>Chief Investment Officer- Fund Manager</td> </tr> <tr> <td>7. Steven Maleche</td> <td>Senior Investment Manager- Fund Manager</td> </tr> <tr> <td>8. Cynthia Sagini</td> <td>Representing the Company Secretary</td> </tr> </table> <p>The Chairman encouraged all Unit Holders in attendance to log their questions on the Q&A tab on the portal or via the USSD code displayed at the bottom of their screens. He informed Unit Holders that questions shall be addressed at the end of all the presentations.</p>	1. Anastacia Kimata	Capital Markets Authority	2. Agatha Nduva	KCB Bank Kenya Ltd - The Fund Trustee	3. Eva Mwangi	NCBA Bank Kenya PLC - The Fund Custodian	4. Charles Luo	Deloitte & Touche LLP - the Fund Auditors	5. Kathure Nyamu	MD, NCBA Investment Bank Limited	6. Paul Gicheru	Chief Investment Officer- Fund Manager	7. Steven Maleche	Senior Investment Manager- Fund Manager	8. Cynthia Sagini	Representing the Company Secretary
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<p>MIN 03/2022</p>	<p><u>APPROVAL OF THE MINUTES OF THE 15TH ANNUAL GENERAL MEETING HELD ON 18TH JUNE 2021</u></p> <p>The minutes of the previous AGM held on 18th June 2021 having been circulated to Unit Holders, were taken as read.</p> <p>The minutes of the previous AGM were confirmed having been proposed by Victoria Mututu and seconded by Beatrice Awiti.</p>
<p>MIN 04/2022</p>	<p><u>A. FUND MANAGER REPORT BY NCBA INVESTMENT BANK LIMITED</u></p> <p>The Chairman advised Unit Holders that during the year 2021, the names of the NCBA Money Market fund and the NCBA Dollar Investment Fund were changed to the NCBA Fixed Income Fund and the NCBA Dollar Fixed Income fund, respectively. The name changes were to ensure compliance with the Guidance for Collective Investment Schemes issued by the Capital Markets Authority in 2020. The NCBA Equity Fund's name was retained. The chairman further confirmed that the Scheme's Trustee and the Capital Markets Authority approved the changes.</p> <p>The chairman further advised that in order to meet your investment needs better, we also obtained approval from the trustee and regulator to launch two new sub-funds under the NCBA Unit Trust Scheme. These are; NCBA Fixed Income Basket Note Kenya Shilling and NCBA Fixed Income Basket Note USD Fund. The funds were launched on 1 January 2022.</p> <p>The chairman then welcomed Steven Maleche, representing the Fund Manager, to present the market and fund performance report, giving an overview & highlights over the last financial year and the outlook for 2021</p> <p>Steven Maleche's presentation highlighted the following:</p> <p>Summary of the Duties of the Fund Manager</p> <p>These include:</p> <ul style="list-style-type: none"> • Investing Unit Holders' funds in accordance with the specific Fund's Investment policy, Trust Deed and the CMA Guidelines; • Reporting investment performance to the Trustee on a regular basis; • Receiving and implementing unit-holder top-ups, switching of funds and liquidation instructions; and • Reporting to unit holders on the Fund's performance at the Annual General Meeting.

2. 2021 Economic and Market Review

- Economic growth in 2021 was higher than 2020 on account of re-opening of the economy and post pandemic recovery in key sectors.
- Inflation was at 6.1% within the CBK target of 2.5% -7.5%.
- Treasury bill rates increased from the third quarter of 2021 on increased Government financing requirements.
- Interest rate increased in 2021 due to higher Government financing requirements and aggressive bidding by investors on higher interest rate expectations.
- During 2021, Kenyan Shilling (KES) depreciated against the US Dollar (USD) and British Pound (GBP) by 3.6% and 1.9% respectively while appreciating against the Euro by 4.0% during the year.
- Equity markets recovered in 2021 driven by recovery in the prices of Safaricom and Banking shares

3. 2021 Fund Performance

- NCBA Fixed Income Fund had an annual return of 8.0% above the average commercial bank deposit rate of 6.4%.
- NCBA Dollar Fixed Income Fund return for 2021 was 3.0% versus overnight Libor rate at 0.1%.
- NCBA Equity Fund had a return of 9% in 2021 while the NSE-20 was at 2%.

4. 2022 Investment Outlook

- Growth in 2022 is expected to be positive but constrained by higher inflation and global supply disruptions.
- Interest rates are expected to continue increasing in 2022 on investor expectations and fiscal requirements.
- Inflation is expected to accelerate in 2022 due to higher food prices, imported inflation due to currency weakness, global food supply challenges and uptick in global energy prices.
- Investors in 2022 are likely to favour the US Dollar as a result of the current global economic and political environment.

MIN
05/2022

B. CUSTODIAN REPORT BY NCBA BANK KENYA PLC

The Chairman welcomed Eva Mwangi, representing the Custodian, to present an overview of their role, service and status of the assets of the funds.

The key highlights of the report were as follows:

1. Summary of the duties of the Custodian

These include:

- Transaction processing and settlement so ensure that transactions are settled in an efficient and secure manner;
- Safekeeping of the clients' assets;
- Asset servicing such as collection of income and corporate action processing;
- Ensuring reporting and Compliance and submission of various reports to the Trustees, the Fund Manager and Capital Markets Authority;
- Processing of payments such as withdrawals; and
- Receiving contributions and processing capital inflows.

2. Assets under Custody

The custodian confirmed that the various funds had the following assets:

As at December 31, 2021, the **NCBA Equity Fund** closed its books as follows:

Asset Class (Kes)	Market Value	% Holding
Demand Deposits	4,948,216.44	6.09
Cash at Bank	499,773.70	0.62
Quoted Equities	64,128,485.55	78.95
Term Deposits	11,645,854.95	14.34
Total	81,222,330.64	100.00

As at December 31, 2021, the **NCBA Fixed Income Fund** closed its books as follows;

Asset Class (Kes)	Market Value	% Holding
Demand Deposits	447,478,072.60	2.95
Cash at Bank	16,980,260.50	0.11
Corporate Bonds	324,410,206.73	2.14
Term Deposits	3,594,576,295.92	23.73
Treasury Bills	1,517,769,320.40	10.02
Treasury Bonds	9,244,847,882.40	61.04
Total	15,146,062,038.55	100.00

As at December 31, 2021, the **NCBA Dollar Fixed Income Fund** closed its books as follows;

Asset Class (USD)	Market Value	% Holding
Demand Deposits	750,571.63	3.02
Cash at Bank	4,944.58	0.02
Eurobonds/Offshore	9,207,188.53	37.04
Term Deposits	14,893,965.35	59.92
Total	24,856,670.09	100.00

The Custodian further confirmed the follows;

- Income earned was collected on time
- All investments were executed within laid down regulations
- All investments executed per Fund Manager Instructions
- All the investments are SAFE

<p>MIN 06/2022</p>	<p><u>C. TRUSTEE REPORT BY KCB BANK KENYA PLC</u></p> <p>The Chairman welcomed the Trustee's representative, Agatha Nduva, to present the Trustee's Report for the respective funds.</p> <p>The Trustee confirmed that the Annual Financial Report gave a true and fair position of the NCBA Unit Trust Funds as at 31st December 2021.</p>
<p>MIN 07/2022</p>	<p><u>ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021</u></p> <p>The Unit Holders were invited to receive and consider the Financial Statements for the year ended 31st December 2021 together with the Auditors Report which had been circulated to the Unit Holders.</p> <p>The report of the Auditors being taken as read, the Chairman then welcomed the Auditor's representative, Charles Luo, to present the audited financial statements for the respective funds. The Auditor confirmed the financial statements had received an unqualified opinion and that the financial statements gave a true and fair position of the NCBA Unit Trust Funds as at 31st December 2021.</p> <p><u>Q & A SESSION</u></p> <p>The Chairman asked the service providers to respond to various questions raised by Unit Holders with respect to the financial statements and annual reports.</p> <p>By the results of the voting, the Unit Holders resolved to adopt the Annual Financial Report for the year ended 31st December 2021</p>

<p>MIN 08/2022</p>	<p><u>RE-APPOINTMENT OF EXTERNAL AUDITORS</u></p> <p>Unit Holders were invited to consider and pass a resolution for the re-appointment of Deloitte and Touche LLP as the external auditors of the NCBA Unit Trust Funds for the ensuing year and to further authorize the Sponsor and Trustees to fix the remuneration of the external auditors.</p> <p>The Chairman informed the Unit Holders that the resolutions shall be passed by a poll and voting would close at 1:00PM Kenyan time.</p> <p>By the results of the voting, the Unit Holders resolved to re-appoint Deloitte and Touche LLP as Auditors for the Unit Trust Scheme, being eligible and having expressed their willingness, for the year 2022.</p>
<p>MIN 09/2022</p>	<p><u>ANY OTHER BUSINESS</u></p> <p>There being no other business or resolutions for which formal notice had been received, the Chairman declared the meeting closed at 10:45 am.</p> <p>The Chairman thanked all the Unit Holders for attending the meeting and for their participation.</p>

Minutes Confirmed this 12 day of April 2023

For: KCB BANK KENYA LTD.

CORPORATE TRUSTEE

FUND CORPORATE TRUSTEE - KCB BANK KENYA LIMITED