URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Retirement Benefits Sector

Investment Snapshot

Quarter End | September 2024

Total sector portfolio increased by 3.52% from UGX 24.95 trillion in June 2024 to UGX 25.84 trillion in September 2024

Performance Indicators

The Authority presents the Retirement Benefits Sector Investment Snapshot for the quarter ended September 2024. This snapshot is compiled to provide consolidated statistics and analysis relating to Retirement Benefits Schemes' Investments under management. The snapshot provides Retirement Benefits Sector statistics as well as trends, performance and other developments based on Investment Returns submitted by all Licensed Retirement Benefits Schemes and the supervisory & enforcement initiatives conducted by URBRA.

The scope and depth of analysis depends on the completeness and the accuracy of the data submitted by the Schemes.

Sector Performance Indicators at a Glance: September 2024

Assets under management: Sector assets stood at UGX 25.8 Trillion

Sector Growth Rate: The sector grew by 3.5% and 16.6% on QoQ and YoY basis respectively

Median Performance: Quoted Equities, Fixed Income and Money Market registered 12-month median performances of 20.5%, 16.3% and 11.3% respectively

Withdrawals & Expenses: Total withdrawals during the quarter amounted to UGX 164 Billion and Expenses stood at UGX 111 Billion

Contributions: Total Contributions during the quarter stood at UGX 741 Billion

Investment Income: Total Investment Income during the quarter was UGX 856 Billion

Risk Factors and Sector impliction: Compared to the previous quarter

GDP: The growth provides opportunity for increased business activity

Exchange Rate: The Ugandan shilling ended the quarter on a strong note, appreciating by averagely 2.0% against the US dollar.

Investment Income: The increase in investment income supports adequacy and growth

Inflation: Rising inflation can lead to higher production costs and may initially boost aggregate demand, but sustained inflation can also reduce purchasing power, potentially dampening demand over time

Contributions: Increased contributions are a positive indicator of savings and economic activity.

Political Stability: Cautiously optimistic outlook as Uganda gears for 2026 elections.

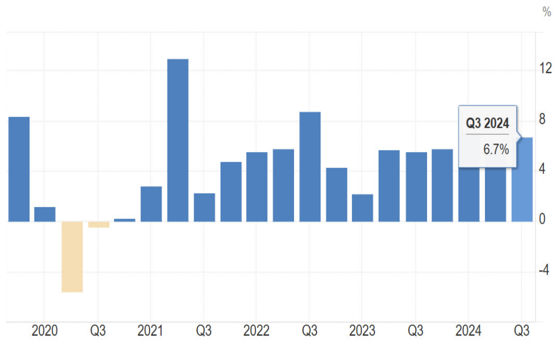
Market Commentary

Economic Growth

Uganda's GDP expanded by 6.7% year-on-year in Q1 of FY 2024/25. Growth was predominantly driven by the agricultural sector, which recorded an 8.4% increase, fueled by food-related activities.

The growth outlook for FY 2024/25 remains optimistic, with projections in the range of 6.0%-6.5%, supported by increased private sector investment, higher foreign direct investment inflows, sustained government expenditure, and a steady global recovery.

The 5- Year GDP Trend



Source: UBOS, Bank of Uganda,

Inflation

Annual headline inflation declined to 3.0% in September 2024, compared to 2.7% in the same period last year. The inflation outlook for FY 2024/25 remains below the 5.0% target. However, risks persist due to potential geopolitical tensions in the Middle East, unpredictable weather patterns, and fluctuations in domestic demand.

Source: Bank of Uganda, UBOS

Central Bank Rate (CBR)

In August 2024, the Bank of Uganda's Monetary Policy Committee reduced the Central Bank Rate (CBR) to 10.0%, reflecting a policy adjustment aligned with declining inflationary pressures, which remain within the 5.0% medium-term target. This decision also accounts for fading geopolitical risks and the continued stability of the Ugandan shilling against the US dollar.

Source: Bank of Uganda,

Currency

The Ugandan Shilling (UGX) demonstrated a resilient performance against the US Dollar (USD) over the past year, appreciating by 2.10% year-on-year (YoY) to close at UGX 3,678/USD as of September 2024. This recovery, bolstered by robust inflows from remittances and export revenues, contrasts with the marginal depreciation observed at the start of the year.

Year-to-date (YTD- 30-09-2024), the currency has strengthened by 3.00%. However, regional trade imbalances and potential external shocks remain key risks to sustaining this upward trajectory.

Source: Bank of Uganda

Fixed Income

Short-term instruments saw a modest uptick, with average yields on 91-day, 182-day, and 364-day securities increased by 0.12, 0.31, and 0.36 percentage points respectively. Collective Investment Schemes (CIS) have seen growing participation as investors seek diversified exposure to both government and other fixed income instruments.

Uganda's fixed-income market remains a key component of the country's financial landscape, with government securities continuing to attract strong demand from both local and international investors.

Source: Bank of Uganda

Quoted Equities

East African equity markets showed mixed performance in the quarter. The USE All-Share Index (USE-ASI) and LSI posted strong gains of 25.2% and 8.3%, respectively, driven by favorable dividend declarations from key players, including MTN, KCB, Stanbic Bank Uganda, and EABL.

In contrast, the NSE faced headwinds, with declines in Safaricom and Jubilee Holdings shares weighing on the index, falling by 13.3% and 10.5%, respectively. This divergence reflects varying investor sentiment and sector-specific dynamics within the region.

Index	USE ALSI	USE LCI	NSE ALSI	DSE ALSI	RSE ALSI
June - 2024	1,028.93	259.13	109.49	2,016.97	145.50
Sept - 2024	1,288.06	280.60	107.08	2,114.34	145.93
% Change	25.18%	8.29%	-2.20%	4.83%	0.30%

Source: African Markets, USE

Sector Portfolio

	June 2024		Sept 2024	
Asset Class	Amount (Million)	%	Amount (Million)	%
Cash and Demand	133,215	0.5	9,382	-
Fixed Deposits	483,153	1.9	514,332	2.0
Other Fixed Income*	271,204	1.1	316,311	1.2
Government Securities	19,820,620	79.4	21,085,964	81.6
Quoted Equities	2,609,735	10.5	2,700,529	10.5
Unquoted Equities	386,620	1.5	385,245	1.5
Immovable Property	1,231,309	4.9	803,306	3.1
Other Investment**	23,839	0.1	22,642	0.1
Total	24,959,694	100	25,837,710	100

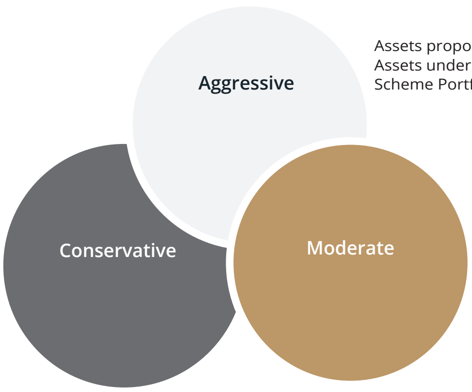
* Represents Commercial Paper, Corporate bonds, Asset Backed Securities, Collective Investment Schemes.
**Represents other approved assets

Mandatory Scheme Portfolio

	NSSF		Parliamentary Pension Scheme		Makerere University	
Asset Class	Amount (Million)	%	Amount (Million)	%	Amount (Million)	%
Cash and Demand	203	0.01	202	0.0%	17	0.0
Fixed Deposits	288,687	1.3	7,512	1.5%	4,756	1.1
Other Fixed Income	-	-	96,840	19.0%	42,526	10.0
Government Securities	18,105,272	82.0	365,735	71.9%	361,784	85.5
Quoted Equities	2,513,230	11.4	15,973	3.1%	581	0.1
Unquoted Equities	384,368	1.7	-	0.0%	-	-
Immovable Property	789,428	3.6	-	0.0%	13,558	3.2
Other Investment	-	-	22,642	4.4%	-	-
Total	22,081,188	100	508,905	100	423,222	100

Risk Profile

The Conservative risk profile is composed of portfolios with allocation of over 70% in Fixed Income , while Moderate and Aggressive profiles are composed of portfolios with allocation between 70% - 50% and less than 50% respectively.



Assets proportion - 0.2%
Assets under management - 56.6 Billion
Scheme Portfolios - 2

Assets proportion - 99.4%
Assets under management - 25.6 Trillion
Scheme Portfolios - 58

Assets proportion - 0.4%
Assets under management - 92.2 Billion
Scheme Portfolios - 5

Asset Allocation

Asset Class	NSSF Amount (Million)	NSSF %	Occupational Scheme Amount (Million)	Occupational Scheme %
Cash and Demand	203	0.001	9,179	0.2
Fixed Deposits	288,687	1.3	225,644	6.0
Other Fixed Income*	-	-	316,311	8.4
Government Securities	18,105,272	82.0	2,980,692	79.3
Quoted Equities	2,513,230	11.4	187,298	5.0
Unquoted Equities	384,368	1.7	877	0.02
Immovable Property	789,428	3.6	13,878	0.4
Other Investment**	-	-	22,642	0.6
Total	22,081,188	100	3,756,522	100

The asset allocation within NSSF and occupational schemes demonstrates a strong inclination toward government securities, comprising 82.0% of NSSF's portfolio and 79.3% of that of occupational schemes. This highlights a deliberate strategic emphasis on stability and the prioritization of low-risk, reliable investment returns.

Fund Manager's Holding (Million)

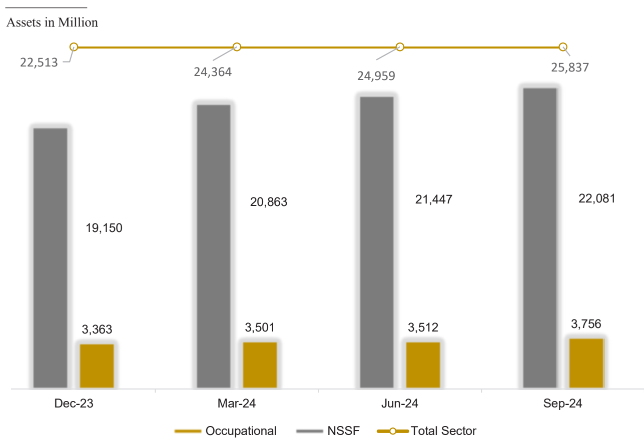
Fund Managers	Cash and Demand	Fixed Deposits	Other Fixed Income	Government Securities	Quoted Equities	Unquoted Equities	Immovable Property	Other	Total
Britam	2,466	396	18,464	224,348	9,393	-	-	-	255,066
GenAfrica	1,472	20,329	164,635	1,071,230	80,323	-	13,558	-	1,351,546
ICEA*	2,151	17,466	216	97,381	7,270	-	-	-	124,484
Sanlam	1,973	151,531	43,496	1,193,535	81,766	877	321	-	1,473,498
Xeno	-	-	-	-	-	-	-	-	
PPS-Loan	-	-	-	-	-	-	-	22,642	22,642
UAP	1,320	35,922	89,500	394,199	15,257				536,197
Total	9,382	225,644	316,311	2,980,692	194,008	877	13,878	22,642	3,763,433

* The data for ICEA has been derived from their June 2024 submission as the September 2024 submission was not filed

This allocation has a strategic emphasis on preservation through fixed-income securities. Government Securities, which account for 79.2% of the total portfolio, with mandates to GenAfrica and Sanlam leading scheme exposure at UGX 1,071,230 million and UGX 1,193,535 million, respectively.

All Figures in UGX

Sector Growth (%)



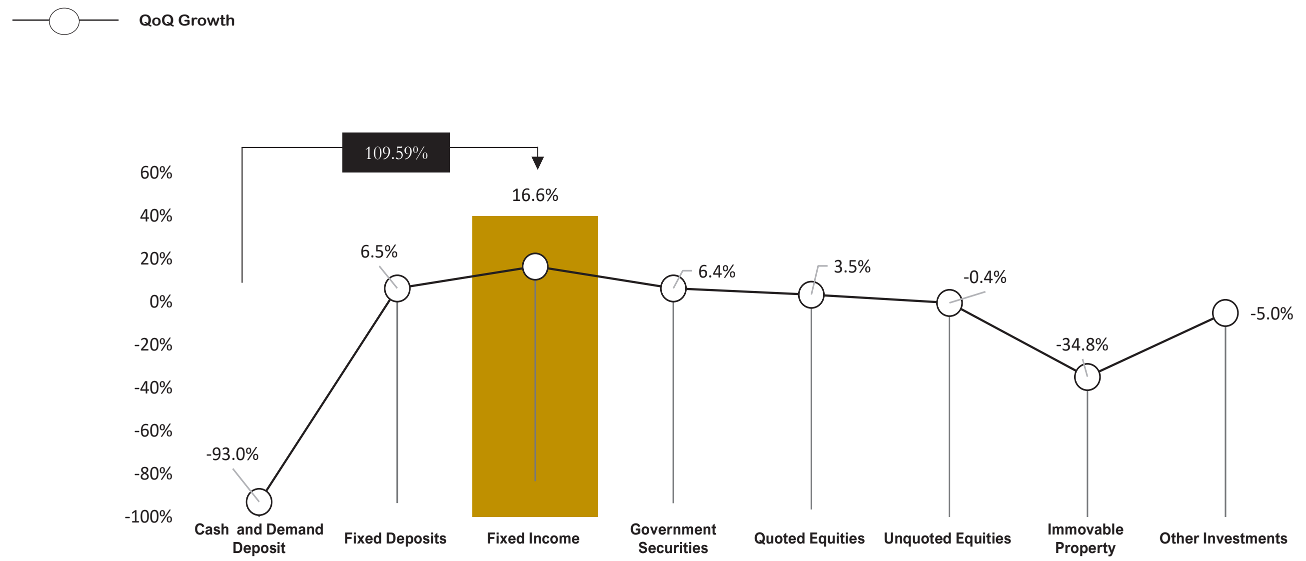
Schemes	Dec-23	Mar-24	Jun-24	Sept-24	QAGR
Occupational	1.47%	6.09%	0.31%	6.96%	3.71%
NSSF	1.44%	8.55%	2.80%	2.95%	3.94%
Sector	1.63%	8.19%	2.44%	3.52%	3.94%

QAGR: Quarterly Average Growth Rate

The sector continued its upward trajectory, with Total Sector Assets growing from UGX 20.5 trillion in September 2022 to UGX 25.8 trillion in September 2024, achieving a 2-year CAGR of 12.25%. NSSF stood at UGX 22.08 trillion (85% of total assets), and Occupational Schemes, which grew at a faster 2-year CAGR of 17.30%, reached UGX 3.76 trillion.

Asset Class Movement

Asset Class Movement



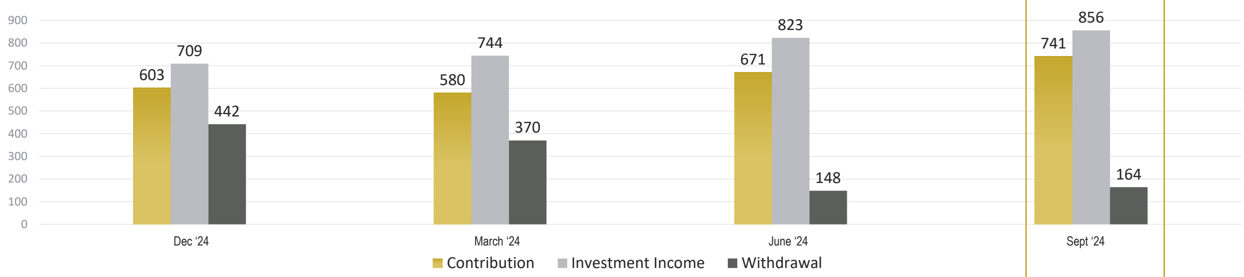
Retirement sector assets in Q3 2024 reflected strategic reallocation, with Other Fixed Income leading growth at 16.5%, driven by a UGX 400m increase in corporate bonds, while Fixed Deposits rose 6.5%. In contrast, Cash and Demand Deposits plunged -93%, signaling a shift into yielding fixed income assets like Government Securities (+6.4%).

Assets Held by Umbrella Schemes

	June 2024 (Million)	September 2024 (Million)	Growth (%)
Britam Umbrella Scheme	31,363	33,659	7.3
Enwealth Uganda Umbrella Retirement Scheme	13,404	15,222	13.6
ICEA (U) Limited Retirement Benefits Scheme	85,603	85,603	-
ICEA Lion Teleka Umbrella Fund	18,839	18,839	-
Jubilee Life Umbrella Retirement Scheme	26,682	27,508	3.1
Octagon Uganda Umbrella Retirement Benefits Scheme	15,405	16,558	7.5
Sara Umbrella Retirement Benefits Scheme	4,814	4,169	-13.4
The Liaison Umbrella Fund	19,893	18,542	-6.8
UAP Life Umbrella Retirement Benefits Scheme	53,029	70,463	32.9
Zamara Retirement Fund	76,686	79,603	3.8
Total	345,718	370,166	7.1

Umbrella schemes grew by 7.1% as of September 2024, driven by increased contributions, investment income, and new participating employer onboarding. Key performers included UAP Life Umbrella (+32.9%) and Enwealth Umbrella Scheme (+13.6%), while some schemes, like Sara Umbrella (-13.4%), experienced declines.

Contributions, Investment Income & Withdrawal



As of September 2024, withdrawals increased to UGX 164B partly attributed to the interest declaration by NSSF, where members strategically time withdrawals post interest announcement to maximize benefits, this is still expected to rise in Q3. Contributions also increased to UGX 741B, while investment income remained stood at UGX 856B.

Performance (%)

	Quoted Equities				Fixed Income				Money Market			
	3 Months	6 Months	1 Year	3 Year	3 Months	6 Months	1 Year	3 Year	3 Months	6 Months	1 Year	3 Year
25' Percentile	0.0	8.2	8.7	0.1	3.7	7.8	15.7	15.0	2.6	5.0	10.3	10.5
Median	8.8	10.5	20.5	1.4	3.9	7.9	16.3	16.4	2.8	5.9	11.3	11.0
75' Percentile	11.4	13.9	30.3	3.8	4.0	8.0	16.7	16.6	3.0	6.1	12.4	12.8
Range	30.3	48.7	87.5	28.0	6.6	11.6	24.5	17.7	0.03	0.07	0.15	0.06
Average	6.6	11.5	21.5	3.4	3.9	7.9	16.5	15.0	2.69	5.39	10.92	11.54
W.A.P*	0.97	1.44	5.81	0.02	0.07	0.12	0.12	0.21	0.00	0.00	0.00	0.00

* Weighted Average Performance

As at end September 2024, the annual median returns for Quoted Equities was 20.5%, Fixed Income at 16.3%, and Money Markets at 11.3%.

Quoted Equities

Sector	Quoted Equities (Billion)	Financial Sector	Consumer Staples	Consumer Discretionary	Utilities	Health Care	Material & Processing	Energy	Producer Durables	Technology & Telecom
NSSF	2,513	35.9%	12.3%	0.1%	8.6%	0.6%	2.4%	0.0%	0.0%	40.2%
Occupational	187	35.2%	6.8%	0.6%	16.6%	0.0%	0.4%	0.0%	0.0%	40.5%

Top Stocks	Occupational (%)	NSSF (%)	Market Price (Mar 2024)	Market Price (June 2024)	Capital Gain/Loss (%)	Dividend per Share	Dividend Yield (%)	Net Return (%)
MTN UGANDA	28.3%	21.1%	170.00	197.17	16.0%	14.10	8.3%	24.28%
Airtel Uganda Limited	0.0%	11.6%	70.00	68.00	-2.9%	2.15	3.1%	0.21%
UMEME LIMITED	16.6%	8.8%	460.00	430.00	-6.5%	26.00	5.7%	-0.87%
Equity Bank Group Limited	4.2%	8.9%	42.25	43.85	3.8%	0.00	0.0%	3.79%
Tanzania Breweries PLC	5.5%	7.6%	10,900.00	10,900.00	0.0%	0.00	0.0%	0.00%
Safaricom Plc	12.2%	7.1%	17.30	15.00	-13.3%	1.20	6.9%	-6.36%
KCB Group	4.3%	7.1%	31.25	34.70	11.0%	1.50	4.8%	15.84%
CRDB Bank PLC	5.4%	6.9%	520.00	640.00	23.1%	0.00	0.0%	23.08%
NMB Bank Plc	0.0%	6.8%	5,200.00	5,300.00	1.9%	361.00	6.9%	8.87%
Stanbic Uganda Holdings Limited	15.6%	3.9%	37.00	44.71	20.8%	5.76	15.6%	36.41%
East African Breweries Limited	1.3%	4.9%	146.75	154.75	5.5%	6.00	4.1%	9.54%
Bank of Kigali	0.0%	1.4%	305.00	305.00	0.0%	32.62	10.7%	10.70%
Vodacom Tanzania Limited	0.0%	1.2%	770.00	770.00	0.0%	11.93	1.5%	1.55%
Development Finance Company of Uganda Ltd	4.0%	0.5%	225.00	225.00	0.0%	0.00	0.0%	0.00%
Quality Chemicals Industries Limited	0.0%	0.6%	55.50	55.00	-0.9%	3.50	6.3%	5.41%
Jubilee Holdings Limited	0.1%	0.5%	179.00	160.25	-10.5%	2.00	1.1%	-9.36%
Uganda Clays Limited	0.0%	0.4%	12.00	9.10	-24.2%	0.00	0.0%	-24.17%
Bank of Baroda Uganda	0.5%	0.3%	20.00	21.00	5.0%	2.00	10.0%	15.00%
Britam Holdings Plc	0.0%	0.3%	6.04	5.96	-1.3%	0.00	0.0%	-1.32%
New Vision Printing and Publishing Company Ltd	0.6%	0.1%	153.00	153.00	0.0%	0.00	0.0%	0.00%

Performance trends as of September 2024, reflected sector-specific dynamics and regional economic conditions. MTN Uganda stood out with a 24.28% net return, driven by a 16% capital gain and an 8.3% dividend yield, benefiting from its strong cash flow and market dominance in Uganda's growing telecom sector. Similarly, Stanbic Uganda Holdings delivered a 36.41% net return.

The financial sector remained resilient, with CRDB Bank PLC and KCB Group delivering 23.08% and 15.84% net returns, respectively, Looking ahead, the outlook remains cautiously optimistic, driven by strong fundamentals in the banking and telecom sectors. However headwinds from inflationary pressures, Uganda's political landscape as the country gears for 2026 general elections and foreign exchange volatility could weigh on overall performance.

Fixed Income

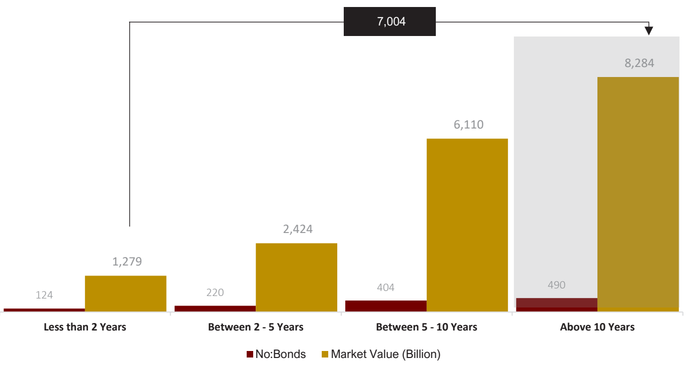
Distribution	Number of Bonds
Occupational Scheme	840
NSSF	1,238
Total Sector	2,078

As of September 2024, the sector's Weighted Average Maturity (WAM) stands at 10.2 years, indicating a strong preference for long-term investments, A tilt toward maximizing returns while balancing liquidity needs and interest rate risk.

Bonds exceeding 10 years account for 46.7% of total holdings driven by their alignment with retirement benefits scheme's long-term liability profiles and higher yield potential. NSSF dominates this category, holding 88.4%. Sensitivity to interest rate volatility, particularly for long-tenor holdings, remains a downside consideration.

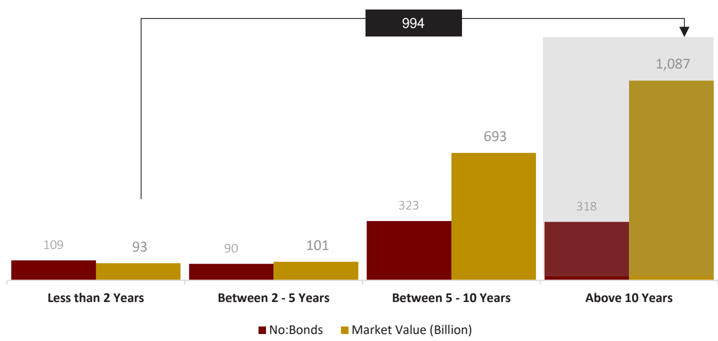
NSSF - BOND HOLDING

Maturity Profile

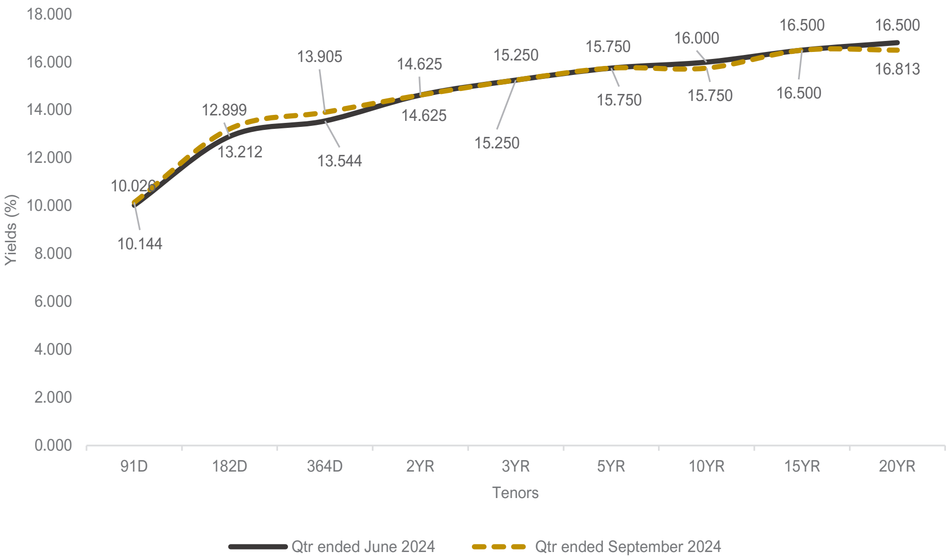


Occupational Schemes - BOND HOLDING

Maturity Profile

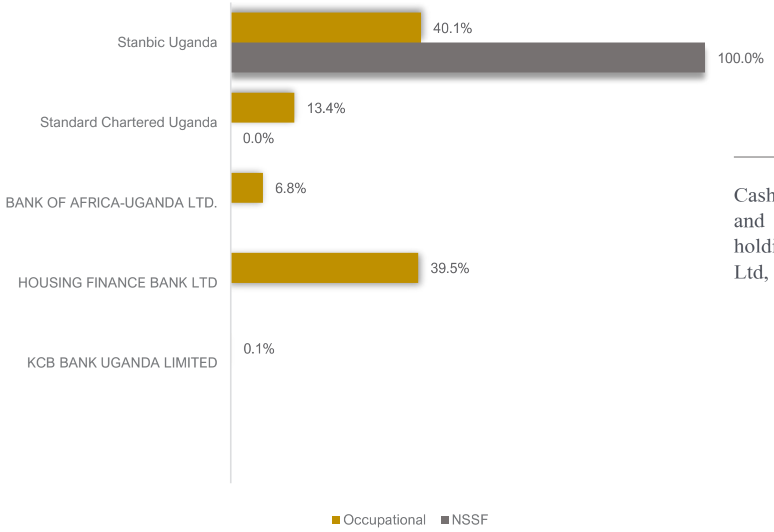


Yield Curve



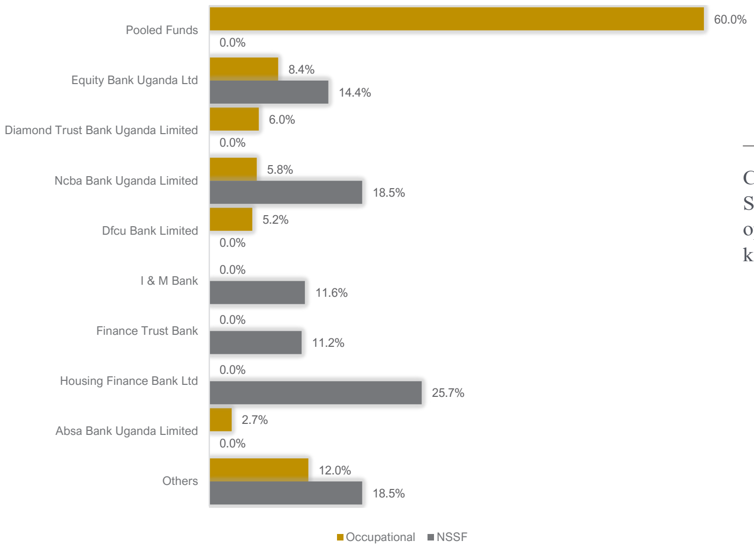
The yield curve reflects a flattening trend at the longer end, with average yields on the 10-year and 20-year bonds declining by 0.25% and 0.31% QoQ, respectively. Meanwhile, short-term yields rose modestly, with the 91-day, 182-day, and 364-day tenors increasing by 0.12%, 0.31%, and 0.36%, respectively, signaling heightened demand for liquidity in the short-term market amid tight monetary conditions.

Cash & Demand (%)



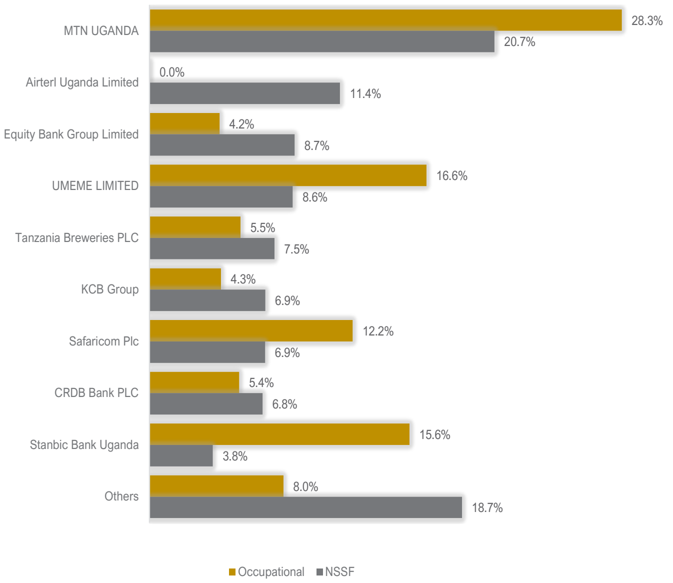
Cash in the retirement sector is majorly concentrated in Stanbic Uganda and Standard Chartered Uganda, which are custodians. The remaining holdings are spread across Housing Finance Bank, Bank of Africa-Uganda Ltd, and KCB Bank Uganda, all of which also serve as custodial banks.

Fixed Deposit (%)



Collective Investment Schemes still maintains a strong preference by Schemes, standing at UGX 316 Billion. The financial sector continues to operate in an environment of low Central Bank Rates (CBR), which has kept returns from Bank placements relatively subdued.

Quoted Equities (%)



The allocation to quoted equities across the sector reflects a diversified yet concentrated investment approach, with occupational schemes showing a strong preference for locally listed stocks such as MTN Uganda (28.3%) and UMEME Limited (16.6%), which together account for nearly 45% of their total equity holdings. In contrast, NSSF demonstrates broader regional exposure, with notable allocations to MTN Uganda (20.7%), Airtel Uganda Limited (11.4%), Equity Bank Group (8.7%), and Tanzania Breweries PLC (7.5%), among others

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