Issue 02 | Oct 2021

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
Protecting your retirement benefits

The Perspective

INSIGHTS INTO SECTOR INVESTMENTS

www.urbra.go.ug

RETIREMENT BENEFITS SECTOR INVESTMENTS

Sector Developments, Outlook, Performance and trends

Inside...

The IPS: Context for Control

Viability of investment mandates in the face of COVID-19

Understanding Benchmarks

Independent standards against which performance are evaluated

Investments in Money Markets:

Retirement Schemes and the Role of Commercial Banks

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URBRA

Protecting your retirement benefits

Content

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Photos: Arnold Mugasha/unsplash

Licensing report card as at June 2021

Retirement Benefits Schemes 67

These include 55 segregated schemes and 12 Umbrella Schemes with 195 Participating employers

06 **Fund Managers**

The Authority has licensed 6 Fund Managers who are tasked with the function of investment management

Individual Trustees 191

The Authority has additionally licensed three (3) Corporate Trustees

05 **Custodians**

Safe custody of Scheme Assets is a segregated function of custodians licensed by URBRA

Administrators 11

An administrator keeps records of the scheme and prepares annual financial statements.

Others

The Authority approves scheme Auditors and Actuaries as provided by the URBRA Act

URBRA Act mandates the Authority to license Retirement Benefits Schemes, Trustees and Service Providers

Foreword

I am delighted to welcome you to the second issue of the Perspective Magazine

Martin A. Nsubuga
Chief Executive Officer

Against the backdrop of significant economic disruptions and the global impact of COVID-19, the focus of this issue is on the effect of COVID-19 on Uganda's Retirement Benefits Schemes' performance and strategies or approaches adopted by Fund Managers to provide a safe investment harbor for schemes against unexpected economic shocks.

As of June 2021, the Sector assets grew to UGX 17.8 trillion from UGX 15.2 trillion in June 2020. The growth majorly comprises Contributions and Investment Income which cumulatively stood at UGX 1.6 trillion and UGX 1.7 trillion respectively for the year ended June 2021. The Fixed income portfolio which represents the principal base of investment income registered a 12-months median return of 16.7% while Money Market and Quoted Equities registered median returns of 10.1% and 15.1% respectively.

To further broaden the range of investment opportunities for Retirement Benefits Schemes and support the development of the Capital Markets, URBRA signed a Memorandum of Understanding (MOU) with Front Clear, a financial markets development company, to support Retirement Benefits Schemes' participation in money and secondary bond markets. A key objective of the MOU is to review and reform primary and secondary regulation towards a more conducive legal environment allowing for Global Master Securities Lending Agreement (GMSLA) enforceability, develop market principles and operational guidelines to ensure prudential participation by Retirement Benefits Schemes and establish standards of best practice for the risk management function.

As we implement an enhanced integrated Risk-Based Supervision approach, the Authority is reviewing and transforming the investment reporting templates as we leverage on technology to provide a more efficient and centralized platform for submission of returns and an enhanced proactivness in identification and response to risks within the sector.

The Authority remains steadfast in its regulatory and supervisory oversight despite the economic disruptions and uncertain times the country is experiencing as a result of COVID-19 which have tested our economic and social systems. We have solid confidence in the resilience of the Retirement Benefits Sector against the economic stress on scheme performance as operational processes, investment strategies and regulatory flexibility are attuned to protect Retirement Benefits Schemes from major shocks.

"The Authority remains committed to promoting a more inclusive environment that encourages saving for retirement and provides old-age security

Finally, I would like to express great appreciation to the writers for their expert contributions to this year's publication. URBRA continues to execute its regulatory mandate and pitch for sustained growth and development of the Sector. The Authority remains committed to promoting a more inclusive environment that encourages saving for retirement and provides old-age security.

Market Commentary and Outlook

Global Economy

According to the International Monetary Fund's (IMF) April 2021 World Economic Outlook (WEO), additional fiscal support in some economies, on top of an unprecedented fiscal response last year and continued monetary accommodation further uplifts the economic outlook. The report further attributes multispeed recoveries underway in all regions and across income groups to stark differences in the pace of vaccine roll-out, the extent of economic policy support, and structural factors such as reliance on tourism.

Global roll-out of COVID-19 vaccines has been on an accelerated trend; with vaccination rates in the USA and Europe over 50% and 60%, respectively, which indicator should ease the continued reopening across major developed economies in the second half of 2021 and the year 2022.

Source: World Economic Outlook, April 2021, Russel Global Market Outlook 2021

A more robust global economic recovery is expected in 2021, and 2022 with growth projected to be 6 per cent and 4.4 per cent, respectively.

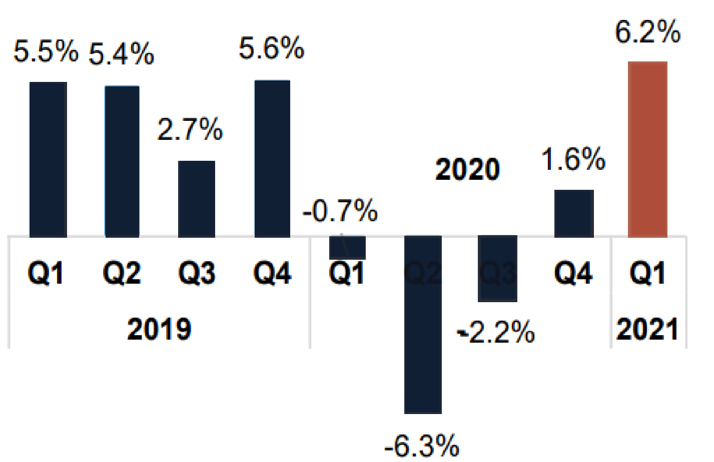
Uganda's Economy

Uganda's economy saw a 6.3% growth in the third quarter of FY 2020/21, mainly driven by a rebound and positive performance of the industry and services sector, which grew by 11.6% and 6.6% from 2.1% and 1.1%, respectively, in 2020.

Bank of Uganda projects FY 2021/22 growth to lie between 4% and 4.5%. Expected impediments and downside risk to the growth outlook remain the recurrent waves of COVID-19 and the implied restrictive measures like imposed lock-down in the country, which further underpins a slow-recovery of the economy. Optimism is focused on a fast-tracked roll-out of vaccines, albeit still slow. The government's expansionary fiscal framework in FY 2021/2022 is expected to rally majorly towards the support of the pandemic-affected sectors and activities.

Source: Bank of Uganda, UBOS

GDP Growth



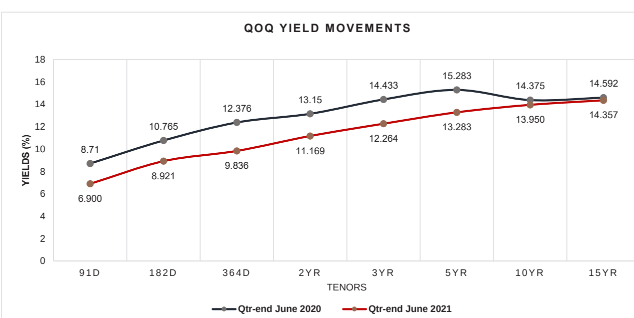
Inflation

The annual average headline inflation for the FY 2020/21 grew to 2.5 per cent, up from 2.3 per cent in the FY 2019/20, an increase driven by annual average core Inflation that rose to 3.5 per cent for FY 2020/21. The average yearly Inflation for Energy, Fuels and Utilities (EFU) decreased to 0.9 per cent in FY 2020/21.

UBOS structured a rebase from 2009/10 to 2016/17 and reviewed the computation of the CPI basket. Government pandemic-induced support mutually by fiscal and monetary structures remains crucial towards economic recovery. While core inflation was subdued due to rebasing of the CPI, the budgetary outlook regarding new taxes introduced in FY 2021/22 will likely trend up headline inflation in FY 2021/22.

Financial Markets - Fixed Income

The quarter ended June 2021 saw yields decline across all tenors. The annualized yields fell to averages of 12.8%, 13.8%, 14.8%, 15.5% and 15.6%, respectively, for the 2-year, 3-year, 5-year, 10-year and 15-year Treasury bonds. High levels of liquidity and reduced appetite for domestic borrowing by the government defined the outlook in this fixed income space.



Source: Bank of Uganda

Central Bank Rate

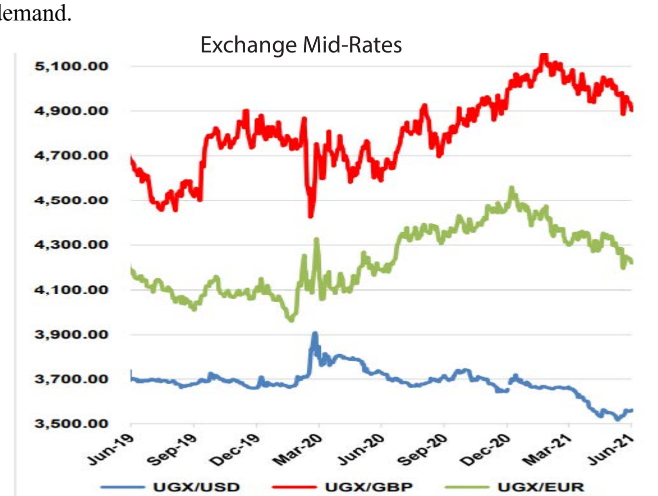
In the monetary policy statement of June 2021, the Bank of Uganda cut the CBR by 50 bps to 6.5%, pegged to uncertainty surrounding the economic outlook, a resurgence of COVID-19 pandemic, limitation of the fiscal stimulus to respond to the weak economic growth and rising public debt. In August 2021, the Central Bank maintained the CBR at 6.5%, informed by the COVID-19 second wave and lockdown measures as impediments to economic recovery.

The lending rate stood at 17.0% in June 2021 compared to 19.3% same period in 2020.

Currency

The shilling established resilience against the USD during the year-end June 2021; it remains relatively stable with Y-o-Y appreciation of 5.3% to an average mid-rate of UGX 3,540.4 from UGX 3,737.9 in June 2020. It is attributed mainly to the positive direction of exports, dollar influx and subdued demand for UGX. Export growth marked at 35% during the year, closing the period at USD 455.4 million; Gold remained the leading export at USD 165.9 million in June 2021.

The Ugandan Shilling also gained 1.7% and 5.5% YTD against the Pound and Euro respectively. Outlook supports the stability of the UGX mainly from the expected flow of FDI and reduced import demand.



Source: Bank of Uganda

Financial Markets - Quoted Equities

QoQ	USE ASI	USE LSI	NSE ASI	DARS ASI	RSE-ASI
Quarter End March 2021	1355.12	342.46	158.62	1848.64	147.31
Quarter End June 2021	1498.22	344.76	173.5	1985.83	147
Change (%)	10.56%	0.67%	9.38%	7.42%	-0.11%

The activity within the equity space remains low; the quarter end June 2021 saw USE All Share index register a 10.6% gain driven mainly by positive performance of the Kenyan counters, with outstanding performance registered by NMG, Jubilee Holdings and Equity Bank. The Local Share Index (LSI) gained 0.7% on QoQ driven mainly by appreciation by Bank of Baroda, Cipla QCIL and Uganda Clays.

Nairobi All Share Index gained 9.4% attributed to appreciations in mainly Safaricom (+14%), Equity Bank (+18%) and EABL (+14%)

INVESTMENT SNAPSHOT

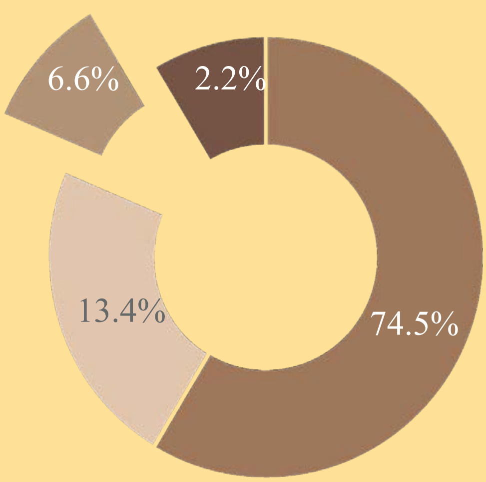
This section provides consolidated statistics and analysis relating to Retirement Benefits Schemes' Investments under management, industry trends, performance and other developments. It is based on Quarterly Investment Returns submitted by Fund Managers of Licensed Retirement Benefits Schemes and the supervisory/enforcement work conducted by URBRA.

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

Dominant Allocation as at June 2021

6.6%
Property
Immovable Property in Uganda and Real Estate Investment Trusts.

2.2%
Unquoted Equities
Shares in unlisted companies in East Africa



13.4%
Quoted Equities
Shares of listed companies on a stock exchange in East Africa.

74.5%
Government Securities
Treasury Bills and Bonds issued by governments in the EAC

Asset Allocation and Distribution (FY 2020/21)

Total Sector Portfolio - June 2021

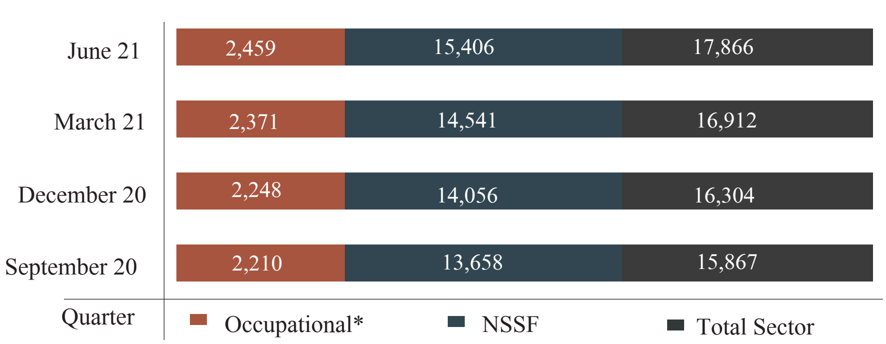
	June 2020		June 2021		
Asset Class	Amount (UGX Million)	Proportion	Amount (UGX Million)	Proportion	Y.o.Y change
Cash and Demand	58,641	0.4%	141,537	0.8%	141.4%
Fixed Deposit	330,185	2.2%	379,152	2.1%	14.8%
Other Fixed Income	97,734	0.6%	78,866	0.4%	-19.3%
Government Securities	11,538,847	75.9%	13,311,365	74.5%	15.4%
Quoted Equities	1,877,743	12.3%	2,383,053	13.3%	26.9%
Unquoted Equities	362,522	2.4%	385,975	2.2%	6.5%
Immovable Property	929,215	6.1%	1,173,754	6.6%	26.3%
Other Investment*	11,884	0.1%	12,826	0.1%	7.9%
TOTAL	15,206,771	100%	17,866,526	100%	17.49%

*Guaranteed funds and other approved investment vehicles.

Mandatory Schemes' Portfolio

	NSSF		Parliamentary Pension Scheme	
Asset Class	Amount (Million)	Proportion (%)	Amount (Million)	Proportion (%)
Cash and Demand	130,877	0.4%	532	0.2%
Fixed Deposit	207,374	1.6%	18,246	6.1%
Other Fixed Income	52,686	0.6%	132	0.0%
Government Securities	11,519,141	76.2%	204,946	68.1%
Quoted Equities	1,962,315	11.6%	64,465	21.4%
Unquoted Equities	384,831	2.8%	-	0.0%
Immovable Property	1,149,336	6.9%	-	0.0%
Other Investment	-	-	12,693	4.2%
TOTAL	15,406,561	100%	301,015	100%

Asset Trend (UGX Billion)



*Occupational Scheme portfolio includes the Parliamentary Pension Scheme.

Umbrella Schemes' Portfolio - June 2021 (Million)

Umbrella Schemes	June-20	June-21	Growth (%)
Liaison Umbrella Fund	13,061	15,108	15.7%
Jubilee Life Umbrella Retirement Scheme	17,943	20,959	16.8%
Umoja Umbrella Retirement Benefits Scheme	1,057	1,916	81.4%
Zamara Retirement Fund	38,155	46,722	22.5%
Octagon Uganda Umbrella Retirement Benefits Scheme	7,862	11,953	52.0%
ICEA (U) Limited Retirement Benefits Scheme	45,351	68,776	51.7%
Stanlib Uganda Umbrella Pension Scheme	19,362	13,538	-30.1%
UAP Umbrella Retirement Benefits Scheme	25,010	30,457	21.8%
Sara Umbrella Retirement Benefits Scheme	2,141	2,976	39.0%
Enwealth Uganda Umbrella Retirement Scheme	58	152	160.0%
Xeno Umbrella Retirement Benefits Scheme	-	735	-
Britam Umbrella Scheme	2,886	8,128	181.6%
Total	172,887	221,419	28.1%

The 28.1% growth by Umbrella Schemes is driven majorly by contributions and on-boarding of new participating employers

Risk Profile

Risk Profile	Fixed Income Allocation	Scheme Proportion	AUM (Million)
Conservative	Over 70%	78.3%	17,198,239
Moderate	50% - 70%	14.5%	562,800
Aggressive	Less than 50%	7.2%	105,487
Total			17,866,526

The Conservative risk profile is composed of schemes with allocation of over 70%, Moderate 50% - 70% while Aggressive less than 50% in Fixed Income

Fund Managers' Holdings as at June 2021 (Millions)

Fund Managers	Cash and Demand	Fixed Deposits	Other Fixed Income	Government Securities	Quoted Equities	Unquoted Equities	Immovable Property	Other Investments	AUM
Britam	1,905	28,068	14,798	265,446	47,306	28			357,552
GenAfrica	2,954	29,284	653	564,852	155,621		10,936		764,301
ICEA	976	8,472		79,833	5,016				94,298
Sanlam	4,267	85,014	639	747,909	203,608	1,115	13,481	132	1,056,167
Xeno			789						789
UAP	557	20,939	9,301	134,182	9,186				174,165
Other								12,693	12,693
Total	10,660	171,777	26,180	1,792,223	420,738	1,144	25,441	12,826	2,459,965

Tier Distribution of Occupational Scheme Assets

	Below 20 Billion	20 - 50 Billion	50-80 Billion	Above 80 Billion	Totals
SANLAM	88,847	304,955	63,864	598,501	1,056,167
UAP	39,513	61,270	73,383		174,165
Xeno	789				789
ICEA	25,522		68,776		94,298
GEN AFRICA	68,192	94,556		601,553	764,301
BRITAM	61,107	30,323	131,084	135,037	357,552
Other	12,693				12,693
Total	296,664	491,104	337,106	1,335,091	2,459,965

Figures in Millions

Sector Asset Growth
FY- 2020/21

Contribution, Income and Withdrawal (Millions)

	June 2020		June 2021	
	NSSF	Occupational	NSSF	Occupational
Contribution	1,285,229	548,791	1,383,309	274,046
Investment Income	1,297,571	210,318	1,528,403	257,679
Withdrawal	559,318	168,912	875,066	281,464

Total Sector	June 2020	June 2021	Growth (%)
Contribution	1,834,020	1,657,355	-9.6
Investment Income	1,507,910	1,786,082	18.4
Withdrawal	728,230	875,066	20.2

The Retirement Benefits Sector assets stood at UGX 17.8 trillion in the quarter end June 2021 driven by Contributions and Investment Income. During the year under review, Investment Income increased by 18.4%, Contributions declined by 9.6% while withdrawals increased by 20.2%.

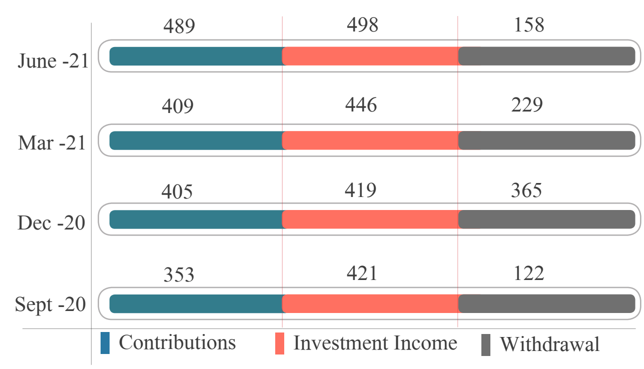
NSSF recorded Investment Income of UGX 1.5 trillion while Occupational Schemes recorded UGX 257 billion, a YoY growth of 18.9% and 22.5% respectively. Occupational Schemes posted a 12-months weighted average fixed income return of 15.1% while NSSF recorded 15.8% in the same.

Annual total sector contributions dropped by 9.6% to UGX 1.6 trillion from UGX 1.8 trillion in June 2020; attributed to 50% decline in contributions by Occupational Schemes.

QoQ Growth - Total Sector Assets

	Sept-20	Dec-20	Mar-21	June-21
NSSF	3.34%	1.74%	5.46%	3.75%
Occupational	4.51%	2.92%	3.45%	5.95%
Total Sector	4.34%	2.75%	3.72%	5.65%

QoQ Movement



Performance FY- 2020/21

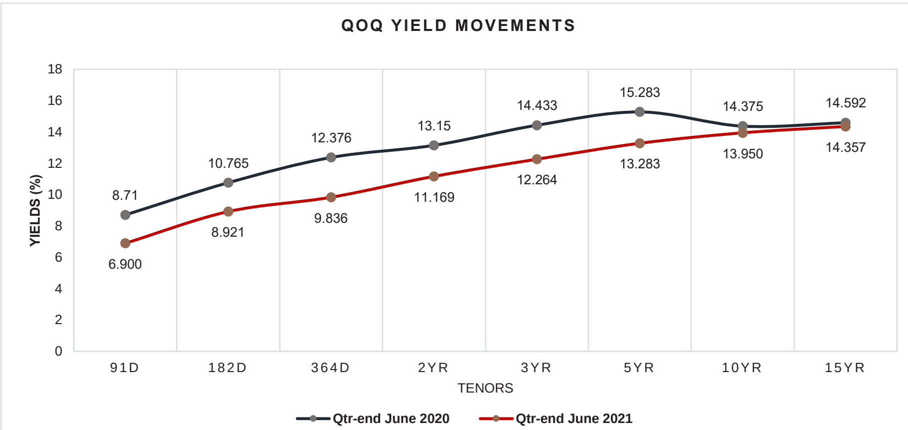
	Quoted Equities				Fixed Income				Money Market			
	3 Mon	6 Mont	1 Year	3 Year	3 Mon	6 Mon	1 Year	3 Year	3 Mon	6 Mon	1 Year	3 Year
25' Percentile	6.61	9.81	12.82	-2.53	3.74	7.66	15.91	15.12	2.14	4.40	9.25	10.03
Median	7.62	12.08	15.10	-1.48	3.92	8.13	16.71	15.84	2.37	4.89	10.05	10.30
75' Percentile	8.72	13.63	17.37	-1.02	8.34	14.64	18.89	16.15	2.78	5.67	12.00	11.23
Range	7.35	36.21	24.93	13.89	11.12	16.88	8.45	6.48	2.54	5.12	9.98	3.64
Average	7.32	11.24	15.32	-1.33	5.79	10.62	17.41	15.98	2.43	5.11	10.42	10.73
W.A.P	8.52	13.12	18.50	2.48	3.95	7.74	15.51	2.55	1.81	3.78	7.58	4.64

Market Performance - Quoted Equities

Stock	NSSF June 21 (%)	Occupational June 21 (%)	Market Value (30th June 20)	Market Value (31st Mar 21)	Market Value (30th June 21)	Capital Gain/ Loss (%)	Dividend per Share	Dividend Yield (%)	Net Return (%)
Safaricom Ltd	30.9%	27.6%	28.65	36.25	40.85	12.7%	1.37	3.8%	16.47%
Equity Group Holdings	11.8%	12.6%	34.70	37.95	44.75	17.9%	0.00	0.0%	17.92%
KCB Group Ltd	13.3%	11.6%	36.35	41.30	42.65	3.3%	1.00	2.4%	5.69%
Tanzania Breweries Limited	4.5%	12.2%	10,900.00	10,400.00	10,400.00	0.0%	160.00	1.5%	1.54%
East African Breweries Ltd	7.7%	9.1%	162.50	158.00	180.60	14.3%	3.00	1.9%	16.20%
CRDB Bank Plc	2.6%	5.1%	145.00	211.89	270.00	27.4%	22.00	10.4%	37.81%
UMEME LIMITED	2.5%	0.0%	245.00	219.76	219.00	-0.3%	12.20	5.6%	5.21%
Stanbic Bank Uganda	7.6%	3.1%	24.00	26.50	26.50	0.0%	1.86	7.0%	7.02%
National Microfinance Bank		4.8%	2,240.00	2,243.17	2,240.00	-0.1%	137.00	6.1%	5.97%
Development Finance Co.UG Ltd - HFT	6.2%	1.9%	645.00	620.00	590.00	-4.8%	17.38	2.8%	-2.04%
Twiga TPCC		3.0%	2,200.00	2,500.00	3,600.00	44.0%	390.00	15.6%	59.60%
Bank of Kigali	0.0%	2.1%	260.00	233.00	265.00	13.7%	14.40	6.2%	19.91%
Vodacom Tanzania		1.9%	850.00	770.00	740.00	-3.9%	190.83	24.8%	20.89%
Jubilee Holdings Ltd	0.1%	1.5%	242.00	270.50	350.50	29.6%	8.00	3.0%	32.53%
Cipla Quality Chemicals Industries Ltd- HFT	0.0%	1.5%	100.00	95.00	100.00	5.3%	0.00	0.0%	5.26%
Bank Of Baroda	2.1%	0.4%	110.00	100.00	120.00	20.0%	10.00	10.0%	30.00%
Co-Operative Bank	3.4%	0.0%	12.15	13.20	13.80	4.5%	1.00	7.6%	12.12%
ABSA Bank Kenya PLC	2.4%	0.0%	10.00	8.82	9.92	12.5%	1.10	12.5%	24.94%
Britam		0.5%	7.62	7.02	7.24	3.1%	0.25	3.6%	6.70%
CFC Stanbic Holdings	1.8%	0.0%	84.25	81.25	81.00	-0.3%	1.70	2.1%	1.78%

The first half of 2021 saw confidence in equities return on the back of improving business prospects. The recovery in earnings saw many companies resume dividend payment which further gave legs to the rally. There were announcements among large and middle level companies such as Safaricom, I&M and National Media Group which gave stocks some positive momentum in the short run. Safaricom was declared winner for the first private owned telecommunications operator in Ethiopia and in addition pledged to maintain a dividend policy of paying 80% of its net profit. Its consortium registered a local company in Ethiopia and was granted a 15-year licence to start operations. East African Breweries Limited (EABL) reported a marginal net profit drop in the year ended June 2021 as higher costs offset increased sales, with the company freezing dividend payouts to preserve capital. ABSA Kenya profit jumped 846% to KES 5.57bn in the half year ended June 2021, helped by a large drop in expenses. DFCU Bank cut its dividend payout by more than 60 per cent for the period ended December 2020 due to the need to reserve capital to withstand and absorb shocks that could crop up as a result Covid-19 while Equity Group Holdings Ltd once again resolved to withold dividends to support its future growth.

Government Secuities - Yields



On the secondary market, yields fell across all tenors (QoQ). This reflected high levels of liquidity in the markets mostly driven by conservatism of the investment strategies due to uncertainities posed by the COVID-19 pandemic.

Investor appetite for Government securities continued to increase with the shortage of investment options brought about by the effect of the pandemic on businesses.

Quoted Equities - Distribution by Sector Sector Asset Value (%)

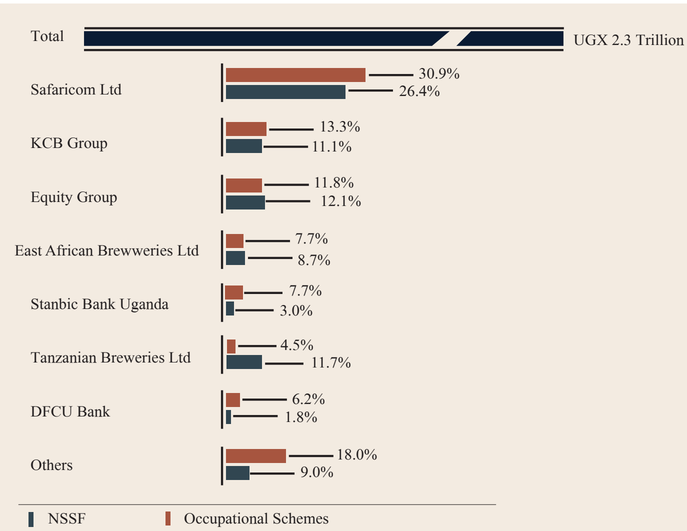
	Occupational	NSSF	Total Sector
Financial Sector	53.9%	38.6%	50.2%
Consumer Staples	3.2%	0.2%	0.9%
Consumer Discretionary	9.2%	19.0%	21.0%
Utilities	1.5%	0.0%	0.3%
Health Care	0.0%	1.5%	1.5%
Material & Processing	0.3%	3.0%	3.0%
Energy	1.0%	11.3%	11.5%
Producer Durables	0.0%	0.0%	0.0%
Technology and Telecom	30.8%	26.3%	32.9%

YoY, the dominant Financial Sector was up 1.8% on average and 2.7% QoQ. This was majorly attributed to annual price gains from CRDB Bank, Jubilee Holdings, Equity Bank, Kenya Commercial Bank, among others.

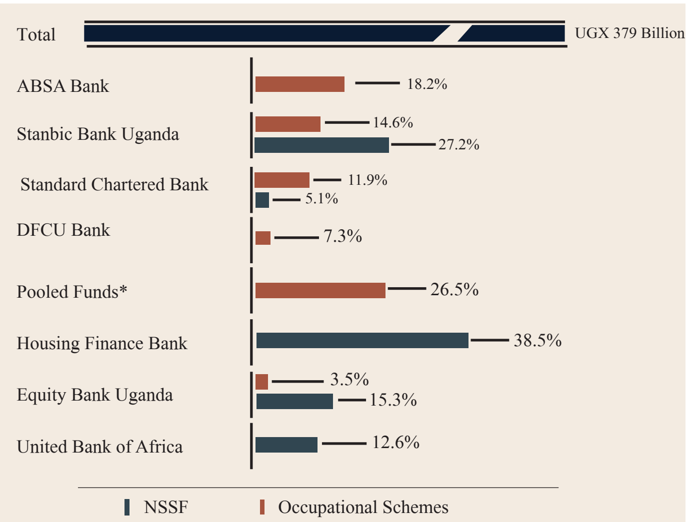
The Technology and Telecom sector was up 15.9% YoY, and 5.2% QoQ, on account of annual price gains of 44.7% in the Safaricom stock.

Concentration

Quoted Equities (%) -
Sector Asset Value: 2.3 Trillion

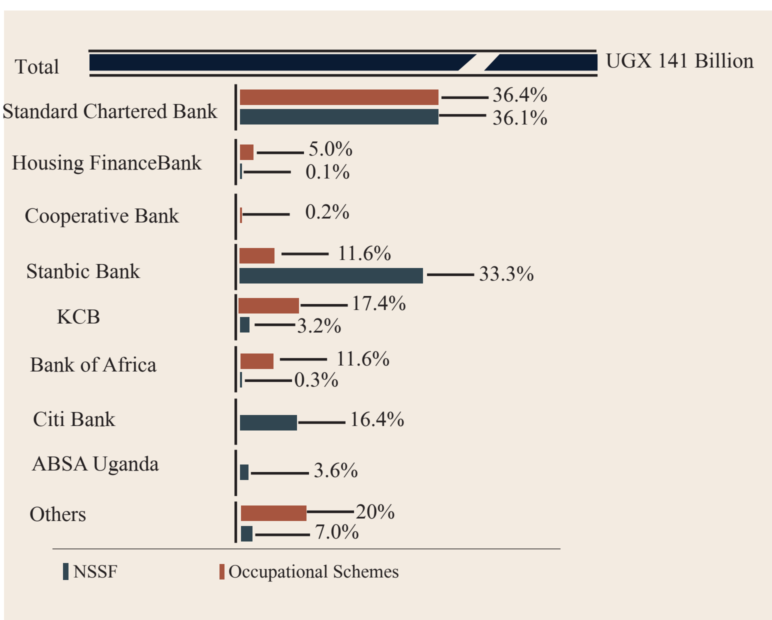


Fixed Deposit & Pooled Funds (%) -
Sector Asset Value: 379 Billion



* includes Wealth management, CIS and Unit trusts.

Cash & Demand (%) -
Sector Asset Value: 141 Billion



As at June 2021, Cash and Demand deposits stood at UGX 141 Billion predominantly held by Stanbic Bank and Standard Chartered Bank.

At the end of Q4, major placements by NSSF in Fixed Deposit were in Housing Finance Bank and Stanbic Bank i.e. 38.5% and 27.2% respectively. Occupational schemes' principal placement is in pooled funds that stood at 26.5%; Britam managing the largest portion of Scheme Funds in CIS i.e. UGX 34.2 Billion.

Despite the weakened economic enviroment, the equities experienced recoveries in indices tagged to capital gains across predominant sectors especially in the second half of 2021. Notable YoY gains were posted by Tanzanian Breweries (+103%), Safaricom (+44.7%), Jubilee Holdings (+44.8%), KCB(+17.3%), and Equity Bank (+29.0%). In this unstable economic space, some strategies by investment managers have capitalized on the volatilities to lock additions to the equities portfolio as they take advantage of low prices in the market.

| Proportion are in respect to NSSF and Occapational scheme segregate allocation to the referenced asset class.

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

#WEAR YOUR MASK #WASH YOUR HANDS #SANITIZE #OBSERVE SOPs

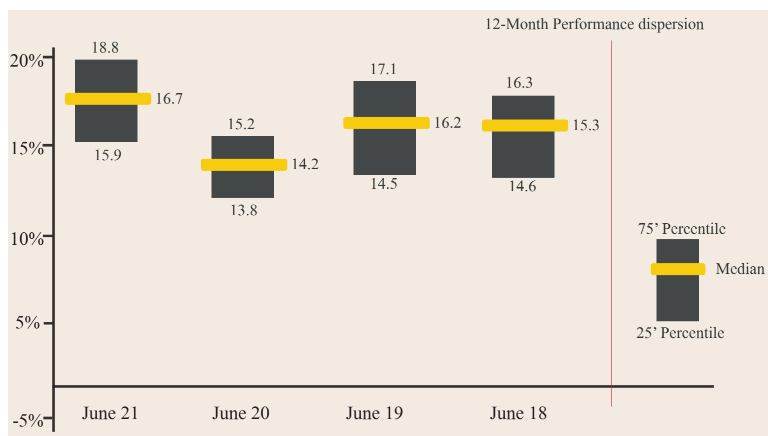
3-Year Historical Performance

Asset Allocation

Asset Class	June-18	Sept-18	Dec-18	Mar-19	June-19	Sept-19	Dec-19	Mar-20	June-20	Sept-20	Dec-20	Mar-21	June-21
	Amount (Million)												
Cash and Demand	35,598	47,001	23,362	46,497	58,460	46,389	67,682	58,641	58,460	69,901	68,419	74,830	141,537
Fixed Deposit	172,011	158,956	202,002	193,737	246,344	266,128	249,848	330,185	246,344	408,665	290,028	305,152	379,152
Other Fixed Income	121,699	122,094	114,846	116,858	105,071	94,297	102,443	97,734	105,071	99,624	86,467	92,943	78,866
Government Securities	8,274,540	8,531,741	8,813,356	9,387,175	9,705,014	10,688,455	11,037,460	11,538,847	9,705,014	11,912,237	12,408,646	12,832,378	13,311,365
Quoted Equities	1,963,148	1,681,814	1,650,324	1,813,704	1,756,119	1,921,017	1,768,399	1,877,743	1,756,119	1,982,120	2,032,435	2,154,372	2,383,053
Unquoted Equities	237,739	349,891	334,207	324,307	339,116	372,275	382,887	362,522	339,116	377,298	371,611	372,685	385,975
Immovable Property	610,701	669,563	675,490	675,478	788,405	877,626	935,707	929,215	788,405	1,006,800	1,036,582	1,068,169	1,173,754
Other Investment	11,913	12,424	12,627	13,208	16,706	17,803	12,895	11,884	16,706	10,754	10,286	11,121	12,826
Total	11,416,906	11,573,483	11,813,796	12,579,645	13,015,236	13,583,638	14,283,989	14,557,321	15,206,771	15,867,400	16,304,472	16,911,650	17,866,526

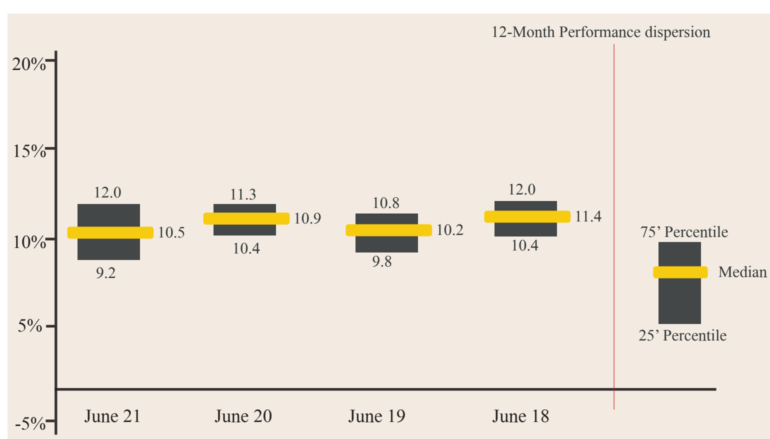
Fixed Income

(%)	June 21	June 20	June 19	June 18	3 - Year Annualised
25'Percentile	15.91	13.80	14.51	14.61	15.12
Median	16.71	14.28	16.22	15.37	15.84
75' Percentile	18.89	15.23	17.10	16.31	16.15
Range	8.45	6.57	10.45	8.27	6.48
Average	17.41	14.44	16.07	14.79	15.98
WAP	15.51	1.58	15.45	9.54	2.55



Money Market

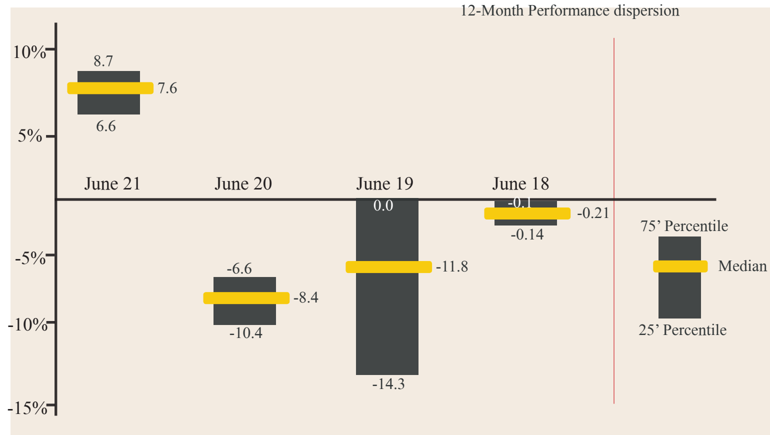
(%)	June 21	June 20	June 19	June 18	3 - Year Annualised
25'Percentile	9.25	10.49	9.88	10.45	10.03
Median	10.05	10.95	10.23	11.48	10.30
75' Percentile	12.00	11.33	10.88	12.02	11.23
Range	9.98	13.43	6.36	4.83	3.64
Average	10.42	9.73	10.42	11.21	10.73
WAP	7.58	10.71	4.56	3.41	4.64



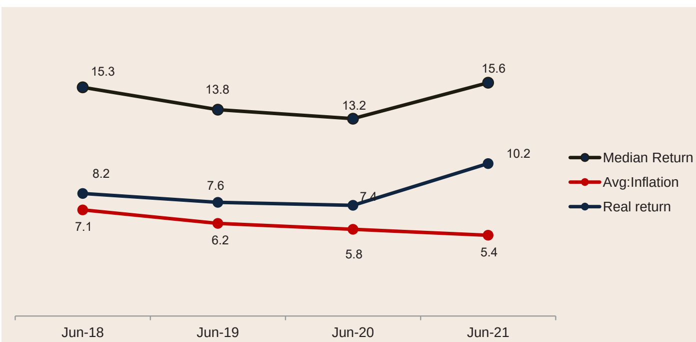
- Sector 3-year annualised median return for fixed income and money market was 15.8% and 10.3% respectively.

Quoted Equities

(%)	June 21	June 20	June 19	June 18	3 - Year Annualised
25'Percentile	6.61	-10.43	-14.31	-0.14	-2.53
Median	7.62	-8.44	-11.82	-0.21	-1.48
75' Percentile	8.72	-6.68	0.00	-0.09	-1.02
Range	7.35	19.67	34.17	0	13.89
Average	7.32	-7.94	-7.86	-0.16	-1.33
WAP	8.52	-0.05	-2.96	-0.12	2.48



Annualised Return Vs 10-Year Average Inflation

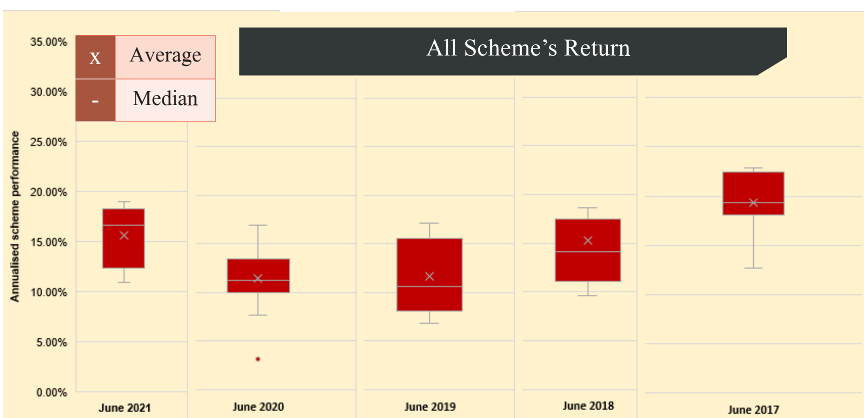


Quarter	Median Return*	Average Inflation	Real Rate
June 2021	15.6	5.4	10.2
June 2020	13.2	5.8	7.4
June 2019	13.8	6.2	7.6
June 2018	15.3	7.1	8.2

*Annualised Return

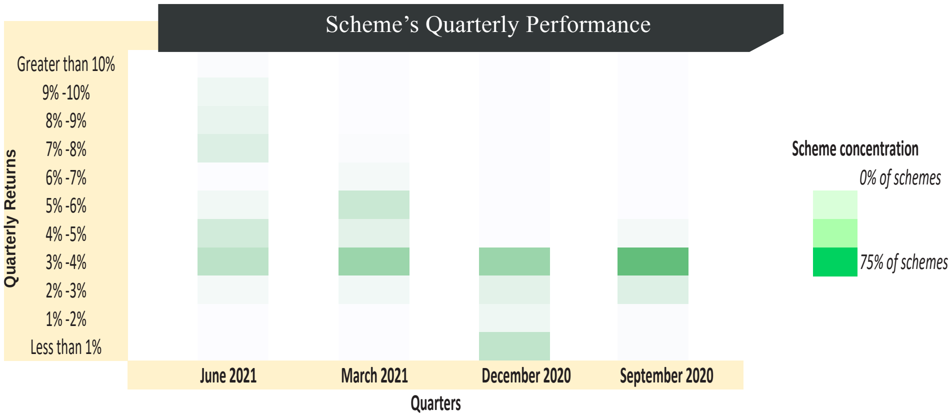
- The real rate is a median rate adjusted for inflation; the rate factors in the purchasing power of money in time. The sector returned a real rate of 10.2% as at June 2021.

All Scheme's Return



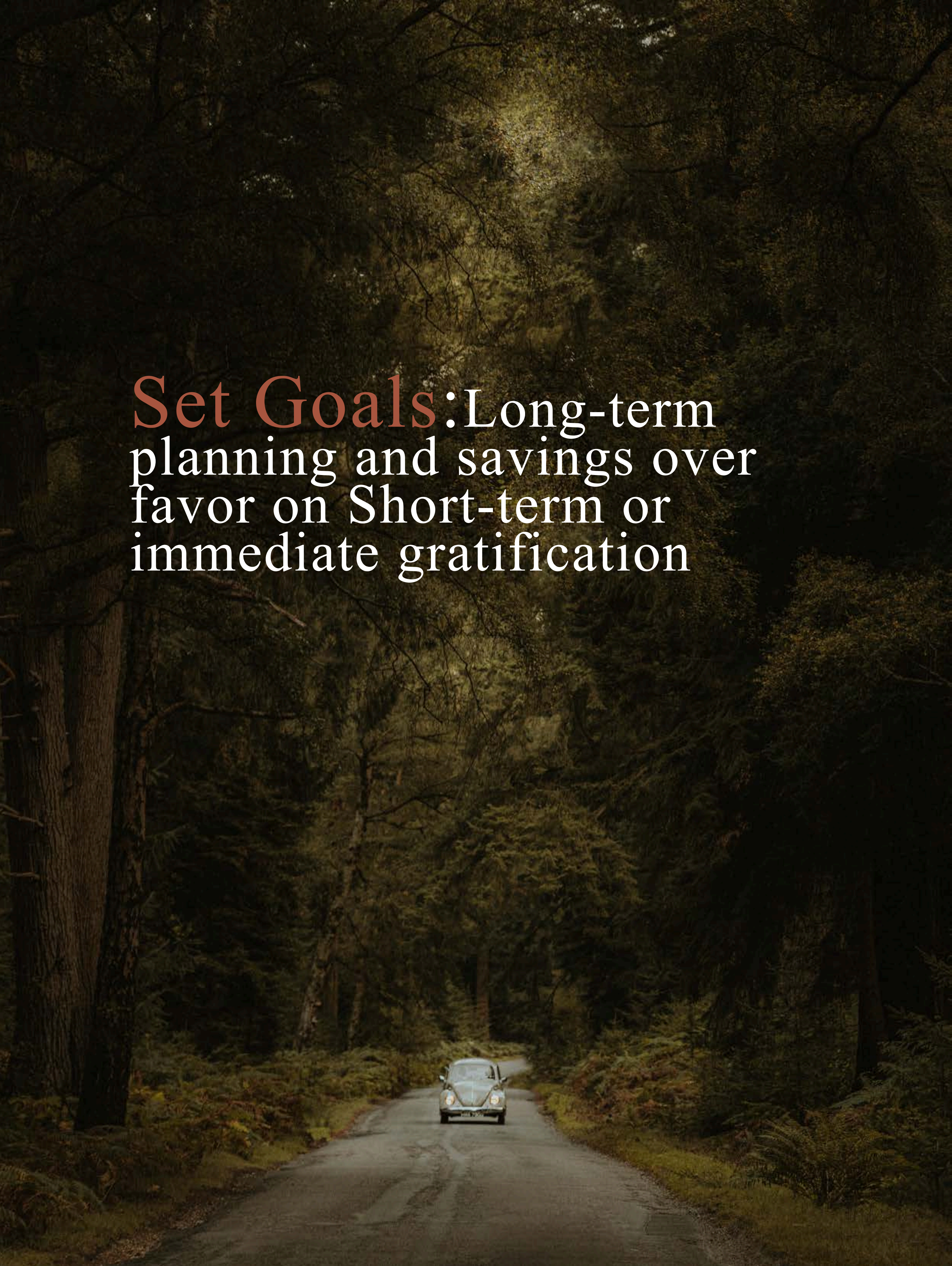
- There was a higher annualised median return by schemes of approximately 16% in comparison to 13% in June 2020, with a wider spread in return below the median

Scheme's Quarterly Performance



- For the Quarter ended June 2021, scheme quarterly performance was concentrated between 3% and 5% with 32% of the schemes recording performances in the 3%-4% category and 22% in the 4%-5% bracket. During the year, schemes averagely posted quarterly returns between 3% and 4%.

Set Goals: Long-term planning and savings over favor on Short-term or immediate gratification



Viability of Investment Mandates in the face of COVID-19

The IPS: Context for Control

Mubbale Mugalya

President
Fund Managers Association,
Country Head Sanlam
Investments E.A

It is now evident that with or without the COVID pandemic – investment portfolios were already skewed towards government securities (70% - 80%) than other assets such as shares or property simply because these were expected to outperform.

For most retirement schemes' investment portfolios in Uganda, the recent past has exhibited good and somber performance from a return perspective. This has been true well ahead of the current COVID-19 pandemic and yet portfolios continue to grow. In the URBRA 2020 report, the total assets under management rose by +16% from 13.2 Trillion in 2019 to 15.4 Trillion in 2020. This growth trend has persisted for a while and I am confident it will continue – why? Because as professionals we trust the Investment process.

For all clients, the investment process is guided by an investment policy statement (IPS). This governance tool bridges the understanding between the objectives of the investment portfolio as determined by Trustees who represent their members and the execution of the investment program to deliver on these objectives. In Uganda, this control to a large extent is an extrapolation from the URBRA Investment of Scheme Funds Regulations, 2014.

Once this control has been established by the Trustees, the Fund Manager provides context in execution. Context in a sense that as investors, we choose what or what not to invest in based on the expected return on investment in relation to the implied risk or volatility. Note that return expectations are simply projections of the near future and as such there are no guarantees.

A great lesson has been the unfolding of the global pandemic, which has had varying impacts to different asset classes and sectors. From a regional standpoint, telecoms are expected to be more resilient than other sectors however we seem to be in a recovery stage all together. Over the past five years, we have had other factors that have impacted the financial markets in the region such as changes in the banking regulations in Kenya, political cycles and other global trends such as the Tapper Tantrums of 2018. These events changed the investment landscape (return expectations) for market players leading to a downward revision in the prices of assets.

This is not the end and as such context is not static. Any change requires managers to recalibrate and optimize systematically. Trusting the process is the key to maneuvering the investment environment and taking advantages of the opportunities therein.

It is now evident that with or without the Covid pandemic – investment portfolios were already skewed towards government securities (70% - 80%) than other assets such as shares or property simply because government securities were expected to outperform. With an annual return of 16% on government bonds, other assets would be required to return north of 20% since they carry more risk than government securities. Those that pass this test have been relatively few across East Africa.

The last item to contextualize is the human element. It is no surprise that human beings are not perfectly rational. An entire study of the irrationality of investors has been introduced in the finance world as “Behavior Finance”. It has always been evident that investors behave like a herd, that is why we have wild swings in prices of assets (booms and bursts) globally. In my observations, the behavior that has dominated retirement fund trustees is loss aversion. This is the preference for avoiding losses more than making equivalent gains.

A simple example being given the choice of a guaranteed 10% return against an option that has a 50-50 chance of a +30% and a -10% return. Most Trustees would choose the guaranteed 10% even though both options have the same expected return of 10%. In essence, the pain of a 5% loss is far greater than the joy of a 5% gain.

This behavior has shaped most of the risk tolerance (Low to medium risk) profile that we see in most of the retirement portfolios’ investment policies in the region. This dimension of context is also taken into account by the investment professionals when engaging Trustees as well as other stakeholders.

In an environment that can change quickly knowing your investment objectives clearly, the interplays in the various aspects that mold the financial markets and trusting the process ensures optimum outcomes for the ultimate beneficiaries.

Put simply

“If you know yourself and you know your enemy, you need not fear the result of 1000 battles” Sun Tzu – Art of War 5th Century BC

Mubbale leads the Team at Sanlam Investments East Africa in Uganda where he oversees the management of assets (1.8 Trillion), client relationships and regulator compliance. Prior to this he handled a similar assignment at ICEA LION Asset management. He has vast experience spanning over 10 years in investment management across the continent. He is also the Chairman of The Fund Managers Association of Uganda.

Mubbale is a CFA Charterholder from the CFA Institute. He also holds a post graduate MSC in Financial Management from the University of London. He also graduated from Makerere University with a BSC Quantitative Economics.

URBRA's SUPERVISORY APPROACH

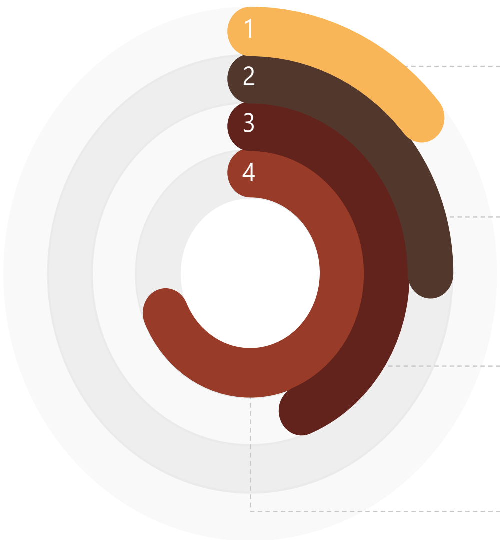
URBRA's Supervisory approach is focused on the particular characteristics of each supervised entity.

The approach has key and consistent underlying themes focusing on:

• A detailed understanding of the strengths, weaknesses and major risks facing supervised entities through rigorous off-site and on-site analysis.

•Ensuring that supervised entities are effective in their operations, and constantly demonstrate that they are financially sound and prudently managed.

Objective



Encourage regulated entities to operate in a manner that will protect members

Financial Requirement | Operational Requirement | Market Conduct Requirement

Identify risks that regulated entities will not meet obligations to members

Knowledge of Business | Offsite Analysis | Market Analysis | Onsite Inspection

Focus supervisory attention on the most significant risks

Varying Supervisory Intensity | Risk Assessment Reports

Intervene to require remediation of supervisory concerns

Intervention Powers & Policy | Supervisory decision making | Follow-up and enforcement

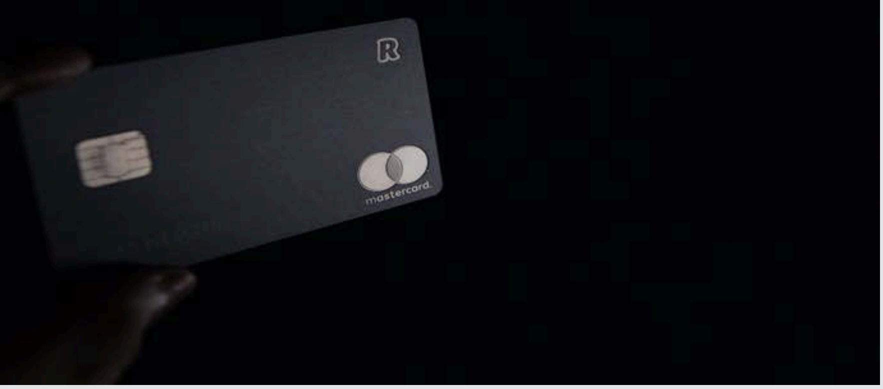
So how do you start saving for retirement? The retirement benefits sector is vibrant, well-regulated and efficiently supervised. Whether you're in formal or informal employment, you can start saving for retirement. The regulator, URBRA, gives you assurance that your funds are safe and well-invested.

To find a licensed Scheme for you, contact us on 0417-304500 or visit www.urbra.go.ug

MONEY MARKETS

The money markets are an important investment avenue for Retirement Schemes in Uganda. For the most part, money markets provide those with funds—banks, money managers, and retail investors—a means for safe, liquid, short-term investments, and they offer borrowers—banks, broker-dealers, hedge funds, and nonfinancial corporations—access to low-cost funds.

Retirement Schemes Investments in Money Markets and the Role of Commercial Banks



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Benoni Simeon Okwenje

General Manager
Financial Markets
Centenary Bank/Deputy
Chair - Treasurers Forum
Uganda Bankers Association

The Retirements Benefits sector continued its growth trajectory in 2020, with total sector investments registering a 14.2% growth to Uganda Shillings 16.31 trillion as at December 2020. In analyzing the sector investment allocations, government securities dominated with 76.11% of all investments. The sector held roughly 33% of total outstanding stock in Bank of Uganda Treasury bond and Treasury bills. Fixed deposit investments accounted for 1.78% of the sector's total allocation.

The money markets are an important investment avenue for Retirement Schemes in Uganda. For the most part, money markets provide those with funds—banks, money managers, and retail investors—a means for safe, liquid, short-term investments, and they offer borrowers—banks, broker-dealers, hedge funds, and nonfinancial corporations—access to low-cost funds. The term money market is an umbrella that covers several types of secured transactions, which vary according to the needs of the lenders and borrowers.

Money market transactions are in tenors that range from one day to 1-year. Money market instruments include term certificates of deposit (fixed deposits); interbank loans & deposits (between banks); currency SWAPS; money market mutual funds; commercial paper; Treasury bills and securities lending and repurchase agreements (repos).

The interbank market in Uganda is quite active. It includes the trading of loans/deposits and currency SWAPS, with a daily turnover in the range of Uganda Shillings 300 – 400 billion. Commercial banks with excess Shillings will typically lend via loans or SWAPS; commercial banks which are short of Shillings will typically borrow via deposits or SWAPS. There are times when the whole interbank market has an excess of Shillings. Interbank interest rates typically drop when this happens (based on demand and supply factors). On the flip side, there are also times when the whole interbank market is short of Shillings and interest rates on these transactions typically increase.

Retirement Schemes looking to make short-term investments via fixed deposits with commercial banks are likely to be priced depending on the conditions in the interbank. In a situation where the interbank market has an excess of Shillings, the rates offered by commercial banks to the Retirement Schemes will be lower. When the interbank market is short of Shillings, the Retirement Schemes will be offered higher rates by the banks.

Commercial banks with excess Shillings will typically lend via loans or SWAPS; commercial banks which are short of shillings will typically borrow via deposits or SWAPS.

Treasury bills are securities issued by full faith and credit of government. They are used by government for purposes of fiscal policy (financing the national budget deficit). They also provide an investment option for all investors. Treasury bills or "T-bills" are issued in tenors of 91-days, 182-days and 364-days. Retirement Schemes are active investors in Bank of Uganda issued Treasury bills. Like the interbank market, interest rates on T-bills are determined by market conditions. And just like the interbank market, demand and supply is a major determinant.

In periods of high demand for T-bills, expectations are their interest rates will drop; in periods of low demand, interest rates will increase. The high demand for the T-bills could be driven by excess Shillings in the market. In periods when the market is short of Shillings, demand for T-bills could taper and thus lead to an increase in their interest rates. Another factor that can affect interest rates is the sizing of the T-bill auctions (also explained as the amount that government is looking to borrow).

In periods where there is an increase in the sizing of the T-bill auctions, based on demand and supply principles and market "sentiment", we tend to see interest rates increase. A good example of this is when the COVID-19 pandemic hit Uganda in 2020. As part of government's response, it had to borrow a larger than expected amount from domestic market via Treasury bills and Treasury bonds in order to raise additional funding for the unplanned expenditure. This led to a sharp increase in interest rates on both instruments. For similar reasons, when the sizes of the T-bill auctions are reduced, we typically see a reduction in interest rates.

Beginning on October 1, 2020 Bank of Uganda implemented reforms to the Primary Dealer System for the Government securities (Treasury bills/Treasury bonds) market. The Primary Dealer system is an organized group of 7 commercial banks appointed by Bank of Uganda. One of the key roles of the primary dealer banks is to underwrite all the Bank of Uganda Treasury bill and Treasury bond auctions. Therefore, when Retirement Schemes are investing in T-bills, it will be through one of the primary dealer banks. As active investors in T-bills, Retirement Schemes will maximize their returns if they are able to time these investments in periods of high interest rates.

As a way of promoting savings for retirement in Uganda, Retirement Schemes and commercial banks could work together in coming up with some joint strategies. Retirement schemes could leverage their knowledge on retirement products while commercial banks could leverage their wide branch networks.

Retirement Schemes and commercial banks not only have a mutually beneficial relationship, they also share a few objectives. On the latter, one common objective is the need to source long-term funds. Uganda has a low savings culture with relatively few people saving for retirement, therefore having access to long-term funds is not easy to come by.

As more Ugandans save for retirement, both Retirement Schemes and commercial banks will benefit. Retirement Schemes and commercial banks also play a complimentary role. Retirement Schemes are a source of funding for commercial banks, especially when they invest their short-term funds through fixed deposits.

On the other hand, commercial banks support Retirement Schemes in their investments in Treasury bills and Treasury bonds by underwriting the Bank of Uganda auctions and on-selling these instruments to them.

As a way of promoting savings for retirement in Uganda, Retirement Schemes and commercial banks could work together in coming up with some joint strategies. Retirement schemes could leverage their knowledge on retirement products while commercial banks could leverage their wide branch networks.

Benoni is the General Manager of the Financial Markets department at Centenary Bank. His role is to deliver Centenary Bank's Foreign Exchange, Money Markets and Fixed Income budgets by designing and implementing the appropriate strategies. He is a member of the Bank's Executive Committee (EXCO)

He is the Deputy Chair of the Treasurers Forum Committee, under the Uganda Bankers Association (UBA) ; he has over 13 years experience in the Treasury environment, he has been exposed to the various trading desks and treasury products having worked with Stanbic Bank Uganda, Bank of Uganda (Central Bank), New York Life Securities and the Bank of New York.

He is a graduate of New York University's Leonard N. Stern School of Business, having double majored in Finance & International Business. He is Series 7 certified, making him a registered representative with the National Association of Securities Dealers (NASD).

He was the ACI Uganda Chairman/President from 2018 – 2021 and also a member of the Uganda Institute of Banking's Academic Board (Senate).

BENCHMARKS

Neha Datta

A benchmark is simply an independent standard against which performance can be evaluated. For the purpose of investments, indices are the most commonly used benchmarks.

Neha Datta
Head, Investment Consulting
Zamara Actuaries, Administrators & Consultants Limited

Monitoring the performance of your investments is an integral part of financial planning. If your equity portfolio in 2016 generated a negative 2% return – is that good or bad? In absolute terms it is bad news. However, if the markets have gone down by 6% and your investment has only gone down by 2% then relatively this is good news.

To put this in to perspective, if you were invested in domestic equities in 2011, then a return of negative 2% was pretty good relative to the market; as the market indices show a much worse performance.

	Your Investment	NSE All Share Index
Performance for 2011	-2.0%	-8.5%

A negative 2% return alone tells us nothing about value. It's like having a son who is seven feet tall. Is that good or bad? It's good if he wants to play professional basketball. Not so good if he wants ready-made clothes.

Only by comparing against a relevant benchmark, can you make an informed judgment about how well your investment did. As you can see from the table above, if your domestic equity portfolio gave you a negative 2% return in 2011 then you did very well indeed!

A benchmark is simply an independent standard against which performance can be evaluated. For the purpose of investments, indices are the most commonly used benchmarks. If you look at all the equity and bond listings in the newspaper, it's easy to see that investors need some way of summarizing all this information. That's what an index does – it indicates a snapshot of what those numbers mean for the market or a section of the market. It is the most common benchmarking tool used by investors and Fund Managers.

A good investment benchmark has some essential characteristics:

Unambiguous	The identities and weights of securities that constitute the benchmark are clearly defined.
Measurable	The benchmark's return is readily calculable on a reasonably frequent basis
Investable	It can be replicated and the components can be purchased separately
Appropriate	The benchmark's main characteristics are consistent with those of the portfolio being measured against it.
Specified in Advance	The benchmark is specified prior to the start of an evaluation period and known to all interested parties.
Reflective of current investment opinion	The benchmark reflects the opinion of investors in the market.
Owned	The investment manager should be aware of and accept accountability for the constituents and performance of the benchmark. It is encouraged that the benchmark be embedded in and integral to the investment process and procedures of the investment manager.

As an investor you seek managers who are better than their peers and who can make you money. Therefore, you should look at performance both absolutely and relatively.

How to use a benchmark

As an investor you seek managers who are better than their peers and who can make you money. Therefore, you should look at performance both absolutely and relatively. This approach will answer two very important, and complementary, questions: "Did the manager make money for me? Was he / she better than the alternative (i.e. benchmark)?" Taking this approach will help you as investors considerably more than just relying on either absolute or relative performance alone. Markets can be very volatile, particularly equity markets and there are bound to be ups and downs in the shorter term.

It is important to agree an objective and a time horizon for assessing the performance of your portfolio, and therefore your manager. That is not to say you should not regularly review the performance of your portfolio, but keep in mind the longer-term objective.

A manager will not be able to make you money over every period; in the institutional industry, most managers are assessed over a rolling 3-year period along with quarterly reviews.

Equity Indices

In Kenya, there are a number of equity indices available to investors – we discuss each of these below.

NSE 20 Index

The NSE 20-Share index has been in place since 1964 and measures the performance of 20 blue- chip companies, such as Safaricom, ABSA Bank Kenya, with strong fundamentals and which have consistently returned positive financial results. It is a price weighted index. The members are selected based on a weighted market performance for a 12 month period as follows: market capitalisation 40%, shares traded 30%, number of deals 20%, and turnover 10%.

Pros: Many investors tend to invest their money in these 20 blue chip equities. The index has been in existence for a long time.

Cons: This is a price weighted index and therefore carries a heavy bias towards higher priced equities. And also contains sector bias towards banking and manufacturing sectors. It does not represent the whole market.

NSE All Share Index (NASI)

NASI was introduced as an alternative index in 2008, with a base value of 100 as at January 2008. This is a market capitalisation weighted index and consists of all the securities on the NSE. Its measure and attention is therefore on the overall market capitalisation rather than the price movements of select counters.

Pros: Represents the whole market, easy to understand, launched in 2008 which although is much later than the NSE 20 index, there is sufficient long term data available.

Cons: Contains bias towards larger cap companies; Safaricom has the largest market value on the index and in 2020 represented over 60% of the stock market. It can be a difficult index to replicate as it contains all the shares in the market and there may be liquidity issues with some of the smaller equities.

FTSE NSE Kenya 15 and FTSE NSE Kenya 25 Indices

Launched in November 2011 by FTSE Group and the Nairobi Securities Exchange (NSE), these are market capitalisation weighted indices. The FTSE NSE Kenya 15 index covers the largest 15 stocks by market capitalisation and the FTSE NSE Kenya 25 index covers the 25 most liquid, investible stocks listed on the NSE.

These indices have tracked each other very closely and their largest constituents have tended to be quite similar, as should be expected with market capitalisation weighted indices.

Pros: Represents investible stocks.

Cons: Contains bias towards larger cap companies and high annual subscription fee for commercial usage of the indices.

NSE 25 Index

Launched in October 2015, this index was designed with a view to provide opportunities to develop structured products. This is a market capitalisation weighted index and consists of 25 securities with a minimum market capitalisation of K Shs 1 billion.

Pros: Represents investible stocks.

Cons: Contains bias towards larger cap companies and shorter historical data.

The Zamara Kenya Equity Index

Zamara Kenya designed a new index based on the challenges faced by investors in the institutional industry. The index is calculated by S&P Dow Jones Indices and the data for the index is provided by the Nairobi Securities Exchange.

The table below shows how the index works to resolve the main challenges faced:

Key Challenge	How the Index Resolves it
A large number of stocks in the market are too small to invest in by institutional investors.	Only stocks with a minimum free float value of KES 5 billion will be included in the index.
Some stocks in the market are not liquid – thus investors can't easily buy/ sell these when they want to.	Only stocks with a minimum amount of liquidity are considered. The Average Daily Value Traded over the last 6 months must be at least KES 5 million.
Certain stocks have a very high concentration in the stock market. E.g. One of these stocks formed approximately 45% of the stock market in 2018. For most investors this is too much risk within their portfolio.	There is a single stock cap of 20% within the index. This adds a level of risk mitigation.

The motivation for creating this index is to offer a fully investible index that can be used as a fair benchmark to monitor the investment performance of pension funds and other investors, both local and global. It is available as a Total Return Index or Price Index in both Kenya Shillings and US Dollars.

In addition, this index is calculated daily and is completely transparent. A special website has been set up which shows the movement of the index since inception – this is updated daily by S&P Dow Jones Indices.

Bond Indices

After being starved of a Bond index for quite some time, there are now two Bond indices in the Kenyan market i.e. S&P Kenya Sovereign Bond Index and FTSE NSE Kenyan Shilling Government Bond Index, which are both calculated by international index providers. These are independently calculated benchmark indices for Kenyan government bonds.

There are some differences in the calculation of these indices for instance the FTSE Bond only uses traded bond prices whereas S&P uses the NSE Listed Bond Data Sheet; thus during periods of low trading, the yield curve can be interpolated to reflect pricing.

Property Indices

Property is a difficult asset class to benchmark. There are numerous factors affecting the price of a property including location, amenities, transport links, type and style of property amongst others. The Kenya Bankers Association Housing Price Index (KBA-HPI) released an index in 2013 that shows quarterly changes in housing prices in the country. They consider a number of parameters including location, number of rooms, number of floors, age of the house among others.

HassConsult, a Kenyan real estate agency prepares quarterly residential property indices for sales and rentals covering average house prices of middle and upper sections of the market.

In Uganda, Knight Frank publishes half year market performance review for real estate, office space, residential and industrial markets.

Neha leads the Investment Consulting team at Zamara, Kenya. She has over 15 years' experience in financial services in London and Nairobi; with a focus on investment and governance consulting for retirement benefit schemes. She has worked on creation of new products, publications and an equity index for the pension sector in Kenya and is passionate about deepening investment markets

The Regulatory framework on Investment of Schemes' Funds

The URBRA (Investment of Scheme Funds) Regulation, 2014, requires that every Retirement Benefits Scheme should have an Investment Policy Statement (IPS) signed by all the Trustees with a copy submitted to the Authority for approval.

The IPS provides the framework and guideline for the scheme's investment operation in implementing its mandate. The Trustees structure Scheme's Strategic asset allocation with a mind that it should achieve the schemes's return objective and provide an integral risk management position through diversification.

The Regulations also state that advice from an independent Financial Advisor must be sought in the development of the IPS and the IPS is reviewed once every three years.

Categories of Assets Classes	Maximum percentage
Cash and demand deposits in institutions licensed under the Financial Institutional Act 2003 or other similar institutions licensed in the East African Community.	5%
Fixed deposits, time deposits and certificates of deposits in institutions licensed under the Financial Institutions Act 2003 or other similar institutions licensed in the East African Community.	30%
Commercial paper, corporate bonds, mortgage bonds and asset backed securities and collective investment schemes approved by the Capital Markets Authority.	30%
Government securities in the East African Community	80%
Shares of companies quoted in a stock exchange in East Africa and collective Investment Schemes approved by the Capital Markets Authority.	70%
Immovable property in Uganda; real estate investment trusts and property unit trust approved by the Capital Markets Authority.	30%
Private equity in the East African Community	15%
Any other assets classes approved by the Authority	5%

Investment Policy Statement

The IPS is the starting point of the portfolio management process. Without a full understanding of the client's situation and requirements, it is unlikely that OPTIMAL results will be achieved.

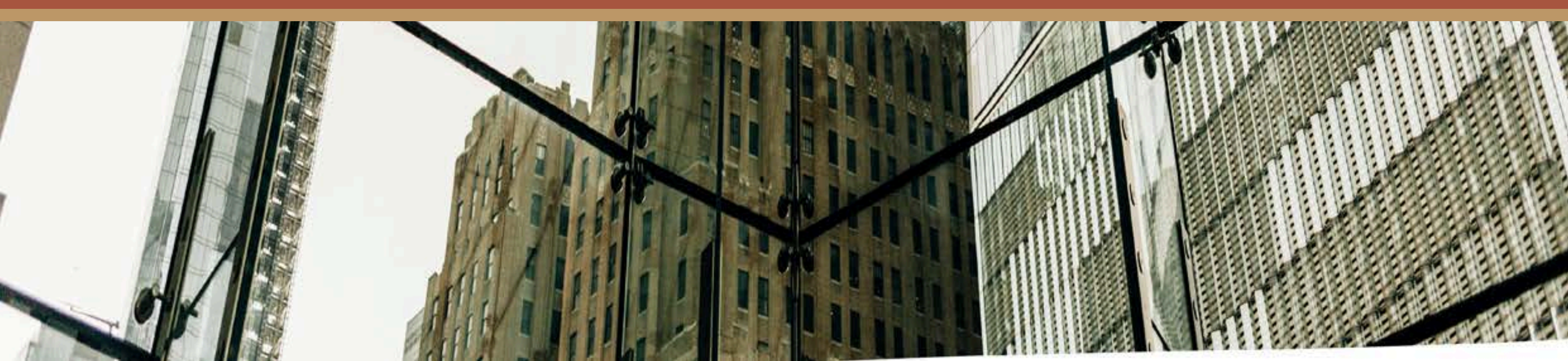
The IPS must be developed following a fact-finding discussion with the client and having a well-constructed IPS for all clients should be the standard procedure for a portfolio manager.

The major components of the IPS as required in the regulations include;

- The Investment objectives,
- Investment horizon,
- Risk tolerance,
- Asset allocation policy
- Strategies that will be used to meet these objectives given the acceptable level of risk.

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

FUND MANAGERS PROFILES



Britam Asset Managers Co. (U) Ltd

Investment Philosophy

We are committed to and passionate about delivering superior long-term returns to our investors. Our investment approach is supported by robust and rigorous investment analysis and portfolio management capabilities.

For our pension clients, we differentiate our services with our diverse product set capabilities, such as property and private equity, which are essential to long-term portfolios such as pension portfolios.

Investment Mandate

AUM	
Pension:	UGX 357.5 Billion
CIS:	UGX 157.5 Billion
No. Retirement schemes:	14

Key Investment Personnel

Name	Title
Kenneth Kaniu	Chief Executive Officer
Ronald Timothy Kasolo, CFA	General Manager
Jude Anyiko, CFA	Group Investments Officer
James Mose	Chief Investment Officer
Amanda Bbosa Rabwoni	Porfolio Manager
George Njunge, CFA	Portfolio Manager
Emma Mugo, CFA	Portfolio Manager
Nicholas Sang, CFA	Portfolio Manager
Vernon Kihuguru	Investment Analyst

GenAfrica Assets Managers

Investment Philosophy

We are style agnostic long-term investors focused on capital preservation whilst aiming to achieve consistent and superior investment returns without exposing clients' assets to unnecessary risk. Our investment style is based on disciplined, in-depth, analytical research, taking a long-term horizon of up to 5 years.

The aim is the construction of client portfolios that consistently outperform their market benchmark. The analysis of all assets available to the Fund is grounded on both qualitative and quantitative fundamental analysis.

Investment Mandate

AUM	
Pension	UGX 745 Billion
Retail, Insurance, CIS etc.	-
No. Retirement schemes:	17

Key Investment Personnel

Name	Title
Charles Ogalo	Group Managing Director
Patrick Kariuki	Ag.Chief Operations Officer
Steve Biko	Chief Investment Officer
George Mulindwa,CFA	Country Manager - Uganda
Bachu Mtsumi, CFA	Porfolio Manager
Joshua Ejakjait, CFA	Portfolio Manager
Mohammed Abdi, CFA	Porfolio Manager
Escar Namiremebe, CFA	Porfolio Manager
David Luwigi	Head Property
Felix Maloba	Property Manager
Elizabeth Wangechi	Head Research
Sarah Katuramu	Analyst and Portfolio Administration

ICEA Asset Management (U) Ltd

Investment Philosophy

We are a multi-asset fund manager with developed investment approaches that guide each of the asset classes that we invest in ensuring that we mainly focused on the outcome and not be influenced by short ter m or transient factors on any of the asset classes we are invested in.

We front a fully-fledged skilled and experienced research department giving us a strong advantage for the unparalleled research output with crisp investment recommendations.

Investment Mandate

AUM	
Pension:	UGX 94.1 Billion
CIS	UGX 208.2 Billion
No. Retirement schemes:	3

Key Investment Personnel

Name	Title
Einstein Kihanda	Chief Executive Officer (ILAM)
Emmanuel Mwaka	Executive Director
Elizabeth Irungu, CFA	Business Dev't & Client Relations
Barack Obatsa, CFA	Chief Investment Officer
Peter Ndirangu Kariuki	Head of Finance
Abraham Bakunda	Portfolio Manager
George Kamau	Snr. Portfolio Manager
Judd Murigi	Head of Research
Henry Kabue	Research Analyst
Edward Okab	Snr. Portfolio Administrator

Sanlam Investments East Africa

Investment Philosophy

SIEAL invests across the entire growth to value spectrum and therefore do not exclude potentially lucrative investment opportunities due to style biases.

At Sanlam, our Pan-African presence offers us insights and knowledge that gives us an advantage in understanding and uncovering investment opportunities. This has been instrumental in generating performance for our clients' portfolios.

Investment Mandate

AUM	
Pension	UGX 1.05 Trillion
Retail, Insurance, CIS etc	UGX 766.7 Billion
No. Retirement schemes:	21

Key Investment Personnel

Name	Title
FA Jonathan Stichbury, ASIP,CIFA	Group Managing Director
FA Nicholas Malaiki, CFA	Chief Investment Officer
FA Shritesh Nanji, CFA	Senior Portfolio Manager
Mugalya Mubbale, CFA	Country Manager Uganda
Gloria Ahikiiza	Assistant Portfolio Manager
Eileen Ninsiima	Investment Assistant
Rhion Kambabazi	Investment Analyst

UAP Old Mutual Financial Services

Investment Philosophy

In order to achieve consistent, superior risk-adjusted returns, we follow an active, disciplined research process. Our investment strategy is formulated using a combination of top down (for the asset allocation decision) and bottom up for individual security selection within the various assets classes. We believe that our investment decision-making processes ensures superior investment performance with an acceptable level of risk for each of our clients, based on a pragmatic investment philosophy and a thorough understanding of the client's objectives

Investment Mandate

AUM	
Pension:	UGX 174 Billion
Retail, CIS,Insurance	UGX 699.5 Billion
No.Retirement Schemes	10

Key Investment Personnel

Name	Title
Peter Anderson, CFA	Group Managing Director
Simon Mwebaze, CFA	General Manager
Eric Ndichu	Research
Kevin Nyaga, CFA,	Portfolio Manager
David Kyalo	Porfolio Manager
Kevin Lugonvu, CFA	Portfolio Manager
Zac Kisesi	Porfolio Manager
Eric Karimi	Porfolio Manager

Xeno Investment Management

Investment Mandate

AUM	
Pension	UGX 894 million
Retail, Institutions	UGX 32 Billion
No. Retirement schemes:	2

Investment Philosophy

XENO pursues a goal-based investment approach to help all clients achieve their investment goals. A goal-based approach evaluates every investment, asset and/or strategy based on its ability to help you reach your financial goals. Your objective might be to have a secure retirement, fund your child's university education, or save up for a down-payment on a home. Each of these goals has a different time horizon, risk tolerance, and level of priority. Success is defined by how well the investment helps you reach your goal within the desired time horizon, and not by earning the highest returns in any given year. Risk, on the other hand, is defined by the failure to meet the stated goals

Key Investment Personnel

Name	Title
Aeko Ongodia, CFA	Chief Executive Officer
Philip Kiwanuka	Fund Accountant
Brian Ongodia, CFA	Investment Associate
Esther Nakangu	Associate Product Manager

Glossary	
Asset allocation	The proportion of a portfolio held in various asset classes.
Central Bank Rate (CBR)	A rate set independently by the Central Bank, depending on its forecast of future inflation and other economic variables, like estimate of growth of real economic activity, to influence lending behaviour of commercial banks so as to foster price stability and a sound financial system
Contributions	Periodic payments into the retirement benefits scheme by or on-behalf of the member.
Financial market	Place where buyers and sellers can trade securities (financial assets like shares and bonds); also called securities markets.
Fixed Income	Investments that provide a return in the form of fixed periodic interest payments and the eventual return of principal at maturity
Inflation	A sustained increase in the general level of prices for goods and services and a fall in the purchasing value of money
Investment Income:	Money that is received in interest payments, dividends, capital gains realized with the sale of stock or other assets, and any other profit made through an investment vehicle
Median	The value of the middle term in a data set that has been sorted into ascending or descending order; the value for which as many outcomes are above it as there are below it.
Money Market	A section of the financial market where securities with high liquidity and short-term maturities (one year or less) are traded
Occupational Schemes	Schemes established by employers for their employees; usually used as a retention measure, with membership is closed/ restricted to only employees of the sponsor
Percentile	The value at or below which a percentage of data falls
Quoted Equities	Shares whose prices are listed on a recognised stock exchange or secondary market
Umbrella Schemes	A retirement benefits scheme which collects contributions of employees of a single employer or a group of employers, individuals, members of an association or a professional body.
Weighted Average Performance (W.A.P)	Measures the performance of an investment portfolio taking into account how much is placed in each investment. Since more money might be placed in certain assets than in others, it makes sense that these assets should have more of an effect on the performance of a portfolio as a whole.
Withdrawals	Payments made to members on exit from the retirement benefits scheme

Start saving now, retire with peace of mind

So how do you start saving for retirement? The retirement benefits sector is vibrant, well-regulated and efficiently supervised. Whether you're in formal or informal employment, you can start saving for retirement. The regulator, URBRA, gives you assurance that your funds are safe and well-invested.

To find a licensed Scheme for you, contact us on 0417-304500 or visit www.urbra.go.ug

URBRA

UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Protecting your retirement benefits

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Website: www.urbra.go.ug
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Directorate of Supervision and Market Conduct
Risk and Investment Department
Email: investment@urbra.go.ug