THE PERFORMANCE OF UNIT TRUSTS IN KENYA

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D61/P/8826/99

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MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI.

DECLARATION

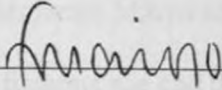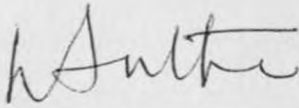This project is my original work and has not been submitted for a degree in any other University

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This project has been submitted for examination with my approval as University Supervisor.

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To my husband David and sons Collins, Geoffrey and Evans for being understanding, supportive and encouraging during the time of the study.

To my parents Benjamin Maiyo and Tecla Maiyo for their love, parental care and for their efforts in educating me and their strong belief in the power of education.

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ACKNOWLEDGEMENT

ABSTRACT

This study aims at evaluating the performance of unit trusts in Kenya in terms of the risk/return tradeoff and comparison with the benchmarks namely the NSE 20 Share Index and the 91 day treasury bill rates. The first unit trust scheme was registered in 2002 and since that time there has been phenomenal growth in the market in terms of share trading volumes, market capitalization and share prices including the tremendous growth of these funds with numerous being registered on an annual basis.

Unit trusts as a form of collective investment scheme (CIS) play the vital role of pooling small investor funds and diversifies the portfolios to the benefit of investors.

The study focused on registered unit trusts categorized as money market and equity funds as at September 30, 2006, mainly due to fact that they were the predominant category of funds representing the extreme ends of the investment spectrum. The population is made up of funds held by three fund managers namely African Alliance Kenya Management Ltd, British American Assets Managers and Old Mutual Investments Services. As at 30 September 2006 there were only three managers that had been licensed and approved to manage CIS funds. To balance out and make the sample representative, two funds of each category were selected from each of the three fund managers.

In the analysis and evaluation, the performance of the funds was compared against standard benchmarks namely the 91 day treasury bills rates and NSE 20 Share Index using the Information Ratio. The returns and risks of each of the six funds and their benchmarks were calculated and compared. The coefficient of variation was also used to determine the category of fund(s) that gave the better risk/return.

The findings show that the equity funds being the most aggressive of the funds have a high risk commensurate with the high returns. These funds are also popular among the unit trust investors as they comprise over 50% of all the total unit trust funds held. The unit holders in Kenya are risk averse implying that as the returns increases so does the risk.

The money market funds representing the less aggressive investments had low returns as well as low risk.

In comparison against the benchmarks the study showed that equity funds underperformed the NSE 20 Share Index, the benchmark while the money market funds on the other hand outperformed the 91 day treasury bill rates.

On a risk adjusted basis the equity funds did not outperform the market (NSE 20 Share Index) demonstrating the diversification effects of a large portfolio.

Some money market instruments had elements of long term bonds which had a tendency of higher returns than the short term t-bill rate resulting in a few funds beating the benchmark.

List of abbreviations.

CAPM	-	Capital Asset Pricing Model
CBK	-	Central Bank Of Kenya
CMA	-	Capital Markets Authority
CIS	-	Collective Investment Schemes
NAV	-	Net Asset Value
NSE	-	Nairobi Stock Exchange
UIT	-	Unit Investment Trust

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CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND

The Capital Markets in any country play an important role in fostering and sustaining economic development. The markets help increase the total volume of domestic savings and investment and promote inflow of foreign capital to fuel economic growth. It also aids the flow of funds from the surplus sectors of the economy to deficient areas by bringing together the lenders/providers and borrowers/users of long term capital.

Stock markets in particular help to allocate capital more efficiently by establishing fair market prices for securities and by minimizing the cost and the difficulty of buying and selling securities. (Deloitte & Touche, 2004). It is the efficient capital market that creates opportunities for small savers and other investors to participate in the market directly by contributing to the pension funds or unit trusts.

Deloitte and Touche study of the East African Capital Markets highlights the need to give greater attention to non- equity components of the capital markets as there has been too much emphasis on equities yet greater economic benefits can come from corporate bonds and other instruments. Focus should shift to the promotion of different investment instruments that suits different investors.

The Capital Markets Act Cap 485A of the laws of Kenya defines a Collective Investment Scheme as that which includes an investment company, a unit trust, a mutual fund or other scheme which is incorporated and organized under the laws of Kenya. The CIS collects and pools funds from the public and is managed by the promoter or fund manager.

Unit trust means any scheme or arrangement in the nature of a trust in pursuance where members of the public are invited to acquire an interest or undivided share (Unit of

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Investment) in groups of specified securities and to participate proportionately in the income or profits. (The Capital Markets Act, 2000).

Mutual funds, as a form of CIS, are now the preferred way for individual investors and many institutions to participate in the capital markets, and their popularity has increased demand for evaluations of fund performance. (Ketrina , 1998).

The attraction to CIS has been attributed to:

Diversification of Risk. Pooling of the large funds enables the managers to invest in a spread of many assets. Investors of such pooled funds can therefore secure a much wider diversification of risk. (Sipra, 2006);

Professional management-The CIS is managed by a fund manager who has the skills, expertise, experience and time to carry out the function of fund management.

Other benefits of CIS include lower transactions Costs, access to securities market and investor Protection. (Australian Securities Commission)

A CIS is as good as the underlying investment and any investing in managed funds does not change the basic principles which apply to investing and risk. If the scheme invests in shares, a fall in the price of the shares means that the price of the units will go down also.

The limitations of a CIS are:

i.   Diversifying may mean the profits are diluted. The downside of a scheme diversifying across a number of assets is that the profits are diluted. If one particular company is very successful, the overall may be pulled down by those other companies that the fund invested in which were not successful.

ii.   Loss of control of the investor funds. The fund manager in a CIS is given the sole responsibility of making investment decisions for the fund. They may make bad decisions and the price of the units may suffer and subsequent loss of investors wealth.

iii.   Some funds can be expensive. Fees charged to the fund at the initial stage and on an annual basis can reduce the amount of the investors' initial investment.

The investigation of fund performance using data on the Kenyan industry is an area of very limited research activity. This is attributable to the small nature of industry and lack of a specialized organization to monitor and publish performance data on pooled funds. On the global front the performance evaluation literature concerning managed funds has been extensively addressed, where the empirical evidence widely documents the inability of active funds to outperform market indices Jensen (1968), Cahart (1997), Blake and Timmermann (1998).

A handful of studies evaluating the performance of the bond mutual funds are largely confined to the US and their conclusion are that active funds do not outperform passive benchmarks. (Jensen, 1968; Elton et al 1993; Gruber 1996; Blake and Timmerman 1999) Gallagher and Jarnecic, 2002 in their study of the actively managed Australian bond funds over a ten year period to 1999, established that at a total portfolio level the majority of the funds do not exhibit superior risk adjusted performance. Some of the strategies employed by the fixed income managers in an attempt to add value to the funds include duration management, yield curve analysis and selection with respect to credit risk. Their results strongly indicate that the fund managers significantly underperform as a result of security selection.

Domain and Reichenstein, (1998), in their study of the money market funds, which focused on whether the managers exhibit the ability to predict interest rates, concludes that fund managers are able to do so if they shorten fund maturity prior to interest rate increases and lengthen maturity prior to interest rate decreases. The net fund returns are exclusively driven by fund expense ratios and portfolio types.

We would expect a scenario in Kenya where the funds also underperform the benchmarks in line with the results of the studies carried out in the developed countries. However evidence supporting such an assertion is not conclusive.

1.2 STATEMENT OF THE RESEARCH PROBLEM

In value terms individual investors in Kenya are not significant in the demand for securities due to generally low per capita income and the corresponding low savings rates (World Bank, 2002). In the equity market the supply of new equities is thin and privatization has accounted for the bulk of the issues. The major factors mentioned in the report that limit the of supply of equities include the reluctance of the many small, family –owned businesses to dilute ownership, the tedious and costly process of making public offers and the generally underdeveloped state of the private sector. The equity market is illiquid as evidenced by turnover ratio of less than 5%, only about 15 out of 53 listed companies actively trade and only 35% of the market capitalization is available for trading.

Kogi (2003) in her study of the future of Collective Investments Schemes in Kenya observed that the potential in the Kenyan capital market is yet to be fully utilized. To date access to the new investment outlets has been limited to the well informed large institutional investors. Access to the individual small investors will be developed through the CIS managed by the fund managers.

It is against this background that the CIS as a vehicle of investment was developed in Kenya. CIS is designed to cater for the many low income households who wish to participate in the capital market by pooling funds and being able to enjoy diversification just like the institutional investors. Collective Investment Schemes (CIS) has been seen as a vehicle of bringing in the many small individual investors to participate in and enjoy the benefits accruing from pooled funds.

The registration of Africa Alliance Kenya Ltd Unit trust Scheme in 2002 marked the beginning of unit trust investments in Kenya. The launch of Unit trusts being pooled funds was expected to increase investments savings among Kenyans which stands at 10.8% of GDP as at December, 2005.

The low level of per capita income of Kshs 35,045 was also suitable for this type of investment.(Monthly Economic Review, CBK June 2006).

The Government of Kenya has given tax incentives to promote the CIS which includes tax exemption on income accruing to any registered CIS and incorporating those up by employers to enable employees purchase the company's listed shares.
(Income Tax Act, 2002).

Today, the number of mutual funds in the US has already overtaken the number of stocks traded at the New York Stock Exchange (NYSE) and American Exchange (AMEX) added together, reaching 8,171 units. (Massa, 2003)

The evaluation of the performance of the unit trusts is a good measure of the general performance of the investments sector which is forecasted to grow at tremendous rates. It is projected that the size and growth of pooled funds world over is higher than the underlying assets.

In evaluating unit trusts, the fund managers whose actions and decisions affect the performance of the funds, are indirectly being evaluated. The charges paid by investors for the management of the funds have to be well justified by the managers' results.

The success of active fund managers is primarily a function of their stock selection and timing ability. Over periods in which the market risk premium is positive, a manager that has market timing ability increases (decreases) their exposure to equity market (fixed income market). Conversely over periods when the market premium is negative, a manager that has market timing ability decreases (increases) their exposure to the equity market (fixed income market) (Holmes and Faff, 2000).

Pooled funds above anything else are credited with being able to diversify risk to a big extent. The Unit trust funds are therefore expected to either outperform the market or to do as well as the market. Sharpe (1981) evaluated the overall performance of mutual funds in the US and the results showed that only 32% of the funds outperformed the index.

Jensen (1968) Using a risk-adjusted measure of portfolio performance estimated how much a manager's forecasting ability contributes to the fund's returns ie ability of 115 mutual fund managers in the period 1945-1964. The results showed that on average funds earned 1.1% less than they should have earned for their level of risk. He concluded that funds could not beat buy and hold policy or passive investment strategy.

Cai, Chan and Yamada (1997) Established that Japanese mutual funds tend to under perform their benchmarks and attributed it to the tax levied on the funds.

Ibbotson and Sinquefield (1982) carried out a study of the US portfolios of common stock, corporate bonds, government bonds and treasury bills using the data for the period 1926-1982. The results showed that the treasury bills had the lowest return and also lowest risk, followed by government bonds, corporate bonds, large cap stocks and then finally the small cap stocks which had high return and highest risk.

This research will measure the performance of unit trust funds and rank this performance according to the type of fund of either equity or money market. The study will try to answer the following questions:

1.   Are the money market and equity market funds under or outperforming their respective benchmarks?

2.   How is the performance of the money market fund relative to the equity fund and vise versa? And

3.   Which is the preferred unit trust investment fund among the investors?

1.3 OBJECTIVES OF THE STUDY

The main objectives of this study:

1) To determine the fund that gives the better return/risk in the equity and money market funds among the unit trusts in Kenya.

2) To evaluate the performance of the equity and money market funds in comparison to their benchmarks among the unit trusts.

1.4 IMPORTANCE OF THE STUDY

1. The Fund Managers/financial planners/analysts.

The Fund Managers are the main players or drivers of the investment industry. In the course of working they tend to compare returns of the various funds and match them to investor needs. The study would interest them in that the results would be confirming the beliefs they have about the market.

2. The Government

The Government of Kenya through its policies influences the investments in various types of products and industry and the study can assist in pointing out these areas that need incentives to attract more capital inflow.

3. Investors

As providers of investment funds, the investors are very much interested in the returns to their funds. The study will bring out the risk/return relationship that investors can identify with.

4. The Regulators

In their market development role the regulators formulate policies that assist in taking the market to next level. The regulators play the important role of promulgating the regulations and ensuring that compliance is adhered to.

CHAPTER TWO

2.0   LITERATURE REVIEW

2.1   PORTFOLIO THEORY

2.1.1   THE RELATIONSHIP BETWEEN RISK AND RETURNS

The modern day portfolio mechanism is attributable to workings of Harry Markowitz of 1950's to early 1960. With risk aversion a positive relationship exists between expected return and expected risk. Markowitz developed a theory where he showed that the variance of the rate of return was a meaningful measure of portfolio risk. A single asset or set of portfolio assets is considered to be efficient if no other asset or portfolio of assets offers higher expected return with the same (or lower) risk or lower risk with the same (or higher) expected return.

Markowitz came up with the efficient frontier that represents a set of portfolios that has a maximum rate of return for every given level of risk or maximum risk for every level of return. Every portfolio that lies on the efficient frontier has either a higher rate of return for equal or a lower risk for an equal rate of return than some portfolios beneath the frontier.

The optimal portfolio is the portfolio on the efficient frontier that has the highest utility for a given investor. It lies on the point of tangency between the efficient frontier and the curve with the highest possible utility. (Reilly & Keith, 2000)

2.1.2 EFFICIENT MARKET HYPOTHESIS

An efficient capital market is one where security prices adjust rapidly to the arrival of new information and the current prices of securities reflect all information about those securities. The prices of securities therefore do not depart for any length of time from the justified economic values that investors calculate for them.

Economic values for securities are determined by investor expectations about earnings, risks as investors grapple with the uncertain future. If the market price of a security does depart from its estimated economic value, investors act to bring the two values together.

Thus, as new information arrives in an efficient marketplace, causing a revision in the estimated economic value of a security, its price adjusts to this information quickly. (Fama, 1970).

It follows that, given all information, excess or abnormal profits cannot be made. An efficient market does not have to be perfectly efficient to have a profound impact on investors. All that is required is that the market be economically efficient. That is, after acting on information to trade securities and subtracting all costs and taxes the investor would have been as well off with a simply buy-and-hold strategy.

If the market is economically efficient, securities could depart somewhat from their economic (justified) values, but it would not pay investors to take advantage of these small discrepancies. Several studies carried out on the NSE have established that the stock market is inefficient.

2.2 THE SECURITIES MARKETS IN KENYA

The origin of the securities markets dates back to the 16 th century. Bonds of different types can be traced to the 16th century where the first government bond issued by the French was the grand parti of Francis I in 1555 . The bond was open to lenders, large and small rather than a few bankers.(Wamalsey, 1988)

Equity had its origins in syndicates of merchant adventures: Muscovy Co. 1553 , East India Co. 1600. The first permanent joint-stock co. was the Dutch East India Co. 1602. Preference shares came to prominence first in the railway mania of 1845 in the UK.

In Kenya, the Nairobi Stock Exchange is the oldest institution, having been established in 1954, in the securities market and it plays the all important role of providing the market for the trading of securities mainly equity.

As at December 31, 2005 there were 48 listed companies, 8 corporate bonds and several Government Treasury Bonds of various tenors listed at the NSE (NSE Database).

The Kenya's capital market has enjoyed mixed fortune from its formation in the early 1920's when it operated with no formal market. After independence in 1963 the NSE handled a number of highly oversubscribed issues and the market grew rapidly with the buoyant economic performance of that time. (Wagacha, 2002)

However the oil crisis of 1973 and the introduction of a capital gain tax at 35% in 1975 (Suspended in 1985) and the nationalization in Uganda and Tanzania inflicted losses to the market growth. The market enjoyed a sharp impetus in the early 1990s mainly attributable to fiscal incentives, an increased degree of foreign participation and a series of privatizations by the Kenya government through the market. Though the NSE was rated the best performer by IFC in 1994, the period after saw a drastic drop due to poor economic performance. (Wagacha, 2002)

The bond market in Kenya began in November 1996, when East African Development Bank (EADB) listed its first corporate bond. The Government on the other hand has since 1997 raised Kshs 490 billion through Treasury bonds. (CMA Database)

The primary market of the bond market is very active but the secondary trading is inactive and illiquid due to the fact that the majority of the bond buyers are institutional eg banks and fund managers who hold the securities to maturity.

The development of the debt market always lags behind the equity market and the liquidity of bond trading remains a problem in the world over. In Japan the benchmark government bonds is the only debt security that is active.

The period of this study, July 2005 to September 2006, is one characterized by vibrant activity at the equity market with the index having a high of 4411.81 in May 2006 while the debt market was on a low level with interest rates ranging from 8.6% in July 2005 to 6.6% in June, 2006. (CBK, Monthly Economic Survey)

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2.3   UNIT TRUST INVESTMENT MANAGEMENT

Stephen Lofthouse (2001) defines investment management as the process of managing investment funds to achieve specific objectives. Investment management industry dates back to post war years. Before George Ross encouraged everyone into equities in the late 1950's and early 1960's, performance considerations were not regarded as very important. Harry markowitz in the 1952 came up with the modern portfolio theory to address this gap of the performance of portfolios (Lofthouse, 2001).

The Unit trust movement began in the America in 1924 with United Kingdom embracing it in 1931 .In South Africa the first unit trust was launched in 1965. Internationally the unit trust movement has enjoyed wide acceptance from the investing public and excellent growth in the number of funds and total net assets.(SA Forum,1997)

Table 1: Assets Managed by Unit Trusts

Country	Total Net Assets (Rand Billion)	Number of Funds
United States	17,480	6,444
France	2,277	5,384
Japan	1,691	5,733
United Kingdom	984	1,450
Germany	661	647
Australia	203	610
South Africa	57	124

March 1997

Source: International data exchange and the University of Pretoria survey

A distinct feature in the mutual fund industry is the existence of a high number of funds, differentiated into market categories and belonging to relatively few families.

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2.3.1 UNIT TRUST INDUSTRY IN KENYA

The Fund management Industry in Kenya is at its formative stages and is thus underdeveloped. There are 18 fund managers, licensed by both the Capital Markets Authority and Retirement Benefits Authority, who play the role of managing the pension and unit trust funds as well as other institutional and retail funds. It is estimated that investment funds stands at Kshs 200 billion of which Kshs 7 billion are in Unit trust funds. Currently the fund managers alone manage an average Kshs 140 billion worth of assets in Kenya. (The Standard Newspaper, Business feature March 7, 2006).

Unit Trusts offers investors more choice ,besides enhancing returns to investors of between 8-10% or more compared to 3-4% return gained from traditional investments such as bank deposits. (The Standard Newspapers, Business feature March 7, 2006)

2.3.2 TYPES OF UNIT TRUST FUNDS

The CIS are defined depending on the country of origin but generally the classifications of the managed funds are:

Closed- end Funds
The number of units that back the portfolio of securities held in the fund is fixed. The number of shares outstanding can be altered only through a new formal issue of the funds securities just like shares of a company listed on a stock exchange. Prices of closed end fund shares reflect the relative supply of and demand for shares. There can be a substantial difference between the net asset value and the per share value at which the closed end fund shares actually trade. (Jacob & Pettit, 1988)

Open ended funds (Mutual funds)
Open ended funds are generally referred to as the mutual funds. They differ from the close ended in that the fund continuously issue and redeem shares at a price that reflects the net asset value of the portfolio held by the fund. The net asset value is the fund's net

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worth and is computed by having the portfolio less liabilities divide by the number of units. These funds that sell new shares at NAV are known as no-load funds. Load funds sell new shares at a price that exceeds the NAV(Purchase price). The load charge or sale commission vary from fund to fund. (Sears & Trennepohl, 1993). However, the equity unit trusts offered in Kenya are mainly load funds and the selling price has a sales charge factored in it. The selling price is always higher than the buying price.

Unit Investment Trust or Company

A unit investment trust (UIT) is a registered investment company that buys and holds a generally fixed portfolio of stocks, bonds, or other securities. "Units" in the trust are sold to investors, or "unit holders," who receive their proportionate share of dividends or interest paid by the UIT investments. Unlike other investment companies, a UIT has a stated date for termination that varies according to the investments held in its portfolio. At termination, investors receive their proportionate share of the UIT net assets.

The returns to holders of Unit Trusts come in three forms:
i) Dividend (Interest) distributions arising from a distribution of the divided (interest) payments made by firms whose shares are included in the fund portfolio.
ii) Capital gain/loss distributions are a result of realized gains and losses on security transactions arising within the portfolio
iii) Increases (decreases) in the net asset value that are the result of unrealized gains (losses) on portfolio holdings. (Jacob & Pettit, 1988)

Equity Market Funds

Equity market funds invest solely in the equities or common stock. The investors interest in non- money market funds (Equity funds) seem to rise and fall with the stock market. In the US the long bull market that began in 1982 brought with it an explosive increase in investor demand. The decline in non-money market assets in 1988 after the market crash in late 1987 shows how this demand fades when prices fail. When the market is strong and bullish investors turn to the equity funds as away to participate in the boom. (Winger, Frasca, (1995)).

At the moment, the three active equity market funds in the Kenyan market are the old mutual equity fund, British American equity funds and the African alliance Kenya managed fund. The others that are not so active are Commercial Bank of Africa equity fund and Stanbic managed fund.

Money Market Funds.

Money Market Funds invest solely in money market instruments. Money Market Funds are fairly of a recent origin. Prior to 1974 they did not exist. They were created in the later part of 1970's as a result of sharply increasing interest rates that placed the individual investor at substantial disadvantage in seeking equilibrium returns in fairly safe investments. (Pettit & Jacob 1988) The price of each unit of the fund is at par, and this is constant. Where the investors gain is on the interest income paid out to.

US Securities and Exchange Commission defines a money market fund as a type of mutual fund that is required by law to invest in low-risk securities. These funds have relatively low risks compared to other mutual funds and pay dividends that generally reflect short-term interest rates. (US Investment Company Act, 1940)

Money market funds typically invest in government securities, certificates of deposits, commercial paper of companies, and other highly liquid and low-risk securities. These funds invest in short term (one day to one year) debt obligations such as Treasury bills and Commercial paper. The goal of a money-market fund is to preserve principal while yielding a modest return.

The advantage with money market funds is that they are relatively liquid and have low operating costs. Different money market funds offer different yields because of differences in maturities and the types of securities. (Jacob and Pettit, 1988)

2.4 PERFORMANCE OF UNIT TRUSTS

2.4.1 EVIDENCE OF PERFORMANCE OF UNIT TRUSTS

Much of the research done on the performance of unit trusts and mutual funds has been carried out in the developed economies where these pooled funds are at very advanced stages. These studies mainly examine funds across investment objectives in which case the results obtained may not be applicable to any particular fund category. The performance of unit trusts depends mainly on the expertise of the fund managers and the performance of the underlying assets or securities. In addition, most of the research work, carried out, has been on whether the funds outperform the market, persistence of the fund performances and effect on certain attributes on the fund performances. A number of studies show that in an efficient market unit trust funds or any other form of pooled funds do not outperform the market.

Garret and Rex (2000) examined the Performance of UK Equity Unit Trusts that existed in the period 1978 and 1997. Two types of Unit trusts were considered, one that distributes dividends on a regular basis, an income unit and one that accumulates dividends inside the unit trust, an accumulation unit. The result shows that the UK money managers are unable to outperform the market when exposure to market, value and size risk is taken into account. They also found out that only poor performance persists.

The relationships between mutual funds, risk and asset size, expense ratio, portfolio turnover and load/ no-load status were examined by Droms and Walker (1995) in a study involving 150 mutual funds for the period 1971 to 1990. Their study found out that portfolios of funds with higher risk more commonly earned higher returns as predicted by CAPM. Additionally, the analysis revealed that portfolios of smaller funds appear to be more risky, as it is hypothesized that larger funds generally carry less risk due to

increased diversification. The relationship between risk and expenses ratio was found to positive.

Holmes and Faff (2000) carried out a study to assess the explanatory power of various fund characteristics in determining fund performance of Australian Unit Trusts over the period 1988 to 1997. They established that with regard to fund category the most aggressive portfolios attain the highest level of fund risk as opposed to the property trusts with the lowest level of risk.

These results also support the view of Chen et al (1992) that the beta risk of a fund declines as the fund objectives becomes more conservative. The equity funds are more aggressive than the money market funds and the equity investors reap higher returns at higher risk levels.

Mcdonald (1974) examined the relationship between objectives and performance of mutual funds and found out that a positive relationship exists between stated objectives and measures of risk with risk increasing as objectives become more aggressive.

2.4.2 BENCHMARKING

Lehman and Modest (1987) and Grinblatt and Titman (1994) examined an array of possible models and benchmarks, finding that the choice of a performance measure and the reference benchmark has a profound influence on the excess returns observed for managed funds.

In ideal market conditions, empirical evidence shows that returns on managed funds such as bonds can be explained by more than three factors. In the analysis of the performance benchmarking of Australian fixed income managed funds, Soucik and Allen (2002) found that six factors representing the aggregate movement of the bond market, the economic fundamentals, the impact of interest rates and the equity market influences account for more than 80% of the variations in the returns and were therefore selected as the most informative benchmark in the funds management.

2.4.3 PERFORMANCE MEASURES

Risk adjusted measures of portfolio performance

Fund or portfolio managers are required to have abilities to derive above average returns for a given risk class and to diversify the portfolio to completely eliminate all unsystemic risk.

Jensen Alpha

It is based on CAPM and it measures the average excess returns.

$$R_{it} - R_f = \alpha i + \beta_j [E(R_{mt}) - R_f]$$

Where

$R_{it} - R_f$	-	The excess return on fund i in period t
R_f	-	Risk free rate
$E(R_{mt})$	-	Expected return on the market during period t
β_j	-	Systematic risk (beta) for fund i excess return
αi	-	Risk adjusted excess return on the fund

Information Ratio

The information ratio as a measure of portfolio return in excess of that of a comparison benchmark will be the appropriate benchmark measure. The funds' performance in the study was compared to the market with NSE 20 share index and 91 day treasury bill rate being the benchmarks for the equity and money market funds respectively.

$$IR_j = \frac{R_j - R_b}{\sigma_{ER}}$$

Where

IR_j	-	Information ratio of portfolio of the fund
R_j	-	Average return of portfolio of the fund during one month
R_b	-	Average return of the benchmark portfolio during one month.
σ_{ER}	-	Standard deviation of the excess return during the month

The use of the benchmark provides a more accurate inference concerning the magnitude of the abnormal returns – that is the returns earned beyond information that is widely available to the public (Gallagher, 2002).

Grinold & Kahn (1995) argue that reasonable information ratio levels should be between 0.5 and 1.0 with 0.5 being good and 1.0 being exceptional. Goodwin (1998) studied the performance of 200 professional equity and fixed income portfolio managers and found out that IR for the median manager in each style group is positive but never exceeded 0.5.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1.1 RESEARCH DESIGN

A cross sectional survey of the performance of the unit trusts in Kenya for the period July 2005 to September 2006 has been adopted in this study. The study examined the performance per category of funds and concentrated mainly on the money market and equity funds which represent both extremes of the investment spectrum.

3.1.2 POPULATION AND SAMPLE

The population comprises of all the 16 registered unit trust funds as at the end of September 30, 2006. These are the funds registered with the capital markets regulator, the Capital Markets Authority.

In this study judgmental sampling technique was employed where a sample of 6 funds, of both equity and money market funds, which were in existence for the period July 2005 to September 2006, were selected. Commercial Bank of Africa Money Market and Equity funds and Stanbic Money Market and Managed Funds were excluded from the sample mainly because they were inactive hence full data for the period being reviewed was not available.

Two funds were picked from each of the fund managers with the aim of evaluating the timing and selection ability of the fund managers. The study focuses on funds categorised as equity or money market and therefore the balanced and income funds are not being considered. Currently the balanced and income funds have no acceptable benchmark in the market making comparison between these funds quite difficult.

The funds chosen for the sample comprise a big proportion of the total portfolio held by unit trusts. As at September 30, 2006 the equity and money market funds accounted for 53 % and 40% of the total unit trust portfolio respectively. In total therefore these funds accounted for 93% of the total of value funds held of approximately Kshs 7.7 billion.

3.1.3 DATA COLLECTION

Secondary data was the main source of the data used in this study.

The net assets values or unit prices as at the end of every month for the equity funds were obtained from the funds managers. These prices were same as the values published or quoted in the daily newspapers. The unit prices were used to calculate the returns per equity fund. The capital gains and cash distributions were reflected in the unit prices or values hence the figures were not required.

For all the money market funds the unit trust are held at face value of Kshs 1.00 such that the beginning and end of month values remain the same. The end of month fund yields as provided by the managers, were used as the relevant data for calculating the returns on these funds.

The information on the total portfolios per funds was obtained from the quarterly and yearly returns of the funds which include investment reports, financial statements of the funds and unit holder reports.

The data on the NSE 20 share index was obtained from the NSE as at the end of month. The index was used as the market portfolio or proxy and benchmark for the equity funds.

The average 91 day Treasury bill rates as at the end of every month were provided by the CBK. The money market in Kenya uses this rate as the benchmark and even in this study it has been assumed as the benchmark. The Central Bank of Kenya has of late introduced a CBK rate as a benchmark which is expected not to be influenced by other factors other than the economic fundamentals. The issuing of long term 12 year treasury bonds will also assist in deriving the yield curve in the Kenyan money market which will in turn act as an appropriate benchmark for the money market instruments in future. Since the yield curve has not been fully developed and the CBK rate has been wholesomely accepted among the money market participants, the study chose to ignore these rates as the benchmarks and concentrated on the 91 treasury bill rate.

CHAPTER FOUR

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1.1 DATA ANALYSIS

The data was analyzed using quantitative techniques with various statistical measures being employed.

Returns

The returns of the funds were calculated on a monthly basis using the following model:

$$R_{it} = \frac{EP_{it} + DIV_{it} + Cap.Dist._{it} - BP_{it}}{BP_{it}}$$

Where

R_{it}	-	The average rate of return of fund i during period t
EP_{it}	-	The ending period price for fund i during period t
DIV_{it}	-	The dividend payments mad by fund i during period t
$Cap.Dist._{it}$	-	Capital gain distributed made by fund i during period t
BP_{it}	-	The beginning price of fund i during period t

In the case of all the equity funds accrued income is factored in the calculation of net asset values such that during dividend payment periods the NAV are quoted high. In the use of the above formula the dividends and the capital gain distribution will be ignored since the quoted NAV/unit price factors in the two variables.

Risk

To determine the risk of the funds the standard deviation measure of dispersion of the returns was used.

$$\sigma_i = \sqrt{\frac{\Sigma(R_i - \acute{R}it)^2}{n}}$$

Where

R_i	-	Actual rate of return for fund *i* during period t
σ_i	-	Standard deviation of fund *i* during period t
$\acute{R}_{it}$	-	Average rate of return of fund *i* during period t
n	-	Number of observations

Coefficient of variation was used to rank the performance of the funds.

Coefficient of Variation $= \dfrac{\sigma i}{Ri}$

Beta as a measure of the systematic risk based on the market model was also computed for the different types of funds.

$\beta_{im} = \dfrac{\sigma im}{\sigma^2 m}$

Where

β_{im} .   Beta

σim –   Covariance between fund i and the market index or proxy

$\sigma^2 m$ –   Variance of the market index or proxy

4.1.2 RISK/RETURN TRADEOFF

EQUITY FUNDS

Returns

The performance, as measured by the average return, of the African Alliance Managed, British American Equity and Old Mutual Equity Funds were compared against the performance of the market portfolio as represented by the NSE 20 Share Index.

Table 2: Returns/Risks of Equity Funds

	Africa Alliance Managed Fund	British American Equity Fund	Old Mutual Equity Fund	NSE 20 Share Index
Return	0.189	0.354	0.288	0.328
Std Deviation	0.244	0.471	0.447	0.627
Coefficient of variation	1.291	1.331	1.552	1.912

Table 2 above shows that the returns of British American Equity fund and NSE 20 Share index have the highest returns at over 0.3 followed by the Old Mutual equity fund. The African Alliance fund is trailing this set of equity funds at 0.19. African Alliance managed fund low performance is attributable to the fact that the fund is not purely an equity fund and has in its portfolio some of elements of money market securities. The low return on the money market instruments has in turn lowered the performance of the whole African Alliance Managed fund.

The British American and the Old Mutual funds seem to mirror the NSE 20 Share index implying that the fund managers have tried to track the index by investing in the index stocks which are mainly the blue chip companies with high market capitalization.

The performance of the market as represented by the NSE 20 share index was far much better than all the equity funds.

In the study of the performance of equity trusts Garret and Sinquefield, 2000 found out that the UK managers were not able to outperform the market. This is also consistent with the findings of Mureithi, 2005 where equity mutual funds in Kenya underperformed the market, NSE 20 share index.

Risk

The risks of the funds as measured by the total risk are also shown in table 2. The results indicates that the low return African Alliance fund has the lowest risk while the high return NSE Index has the highest risk.

This illustrates that the investors are risk averse. British American Equity fund risk is slightly higher than Old Mutual Equity Fund just as were the returns.

The relationship between the risk and return for the various funds are depicted below:

Graph 1: Old Mutual Equity Fund
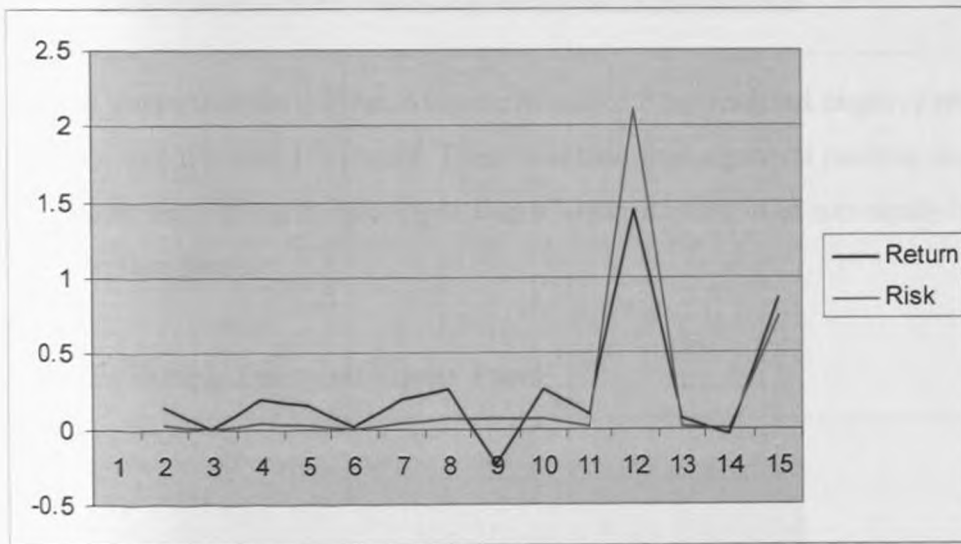
Graph 1 on Old Mutual Equity fund shown above, depicts a flat curve with returns being stable at not more than 0.5% safe for the last three months. In the months of May 2006 to September 2006 there were sharp increases in the curves as result of the start of trading of two IPOs of Kengen and Scangroup in June and August 2006 respectively

The fund manager did not realize much for the investors in this fund as compared to the rest of the funds.

Graph 2: African Alliance Managed Fund
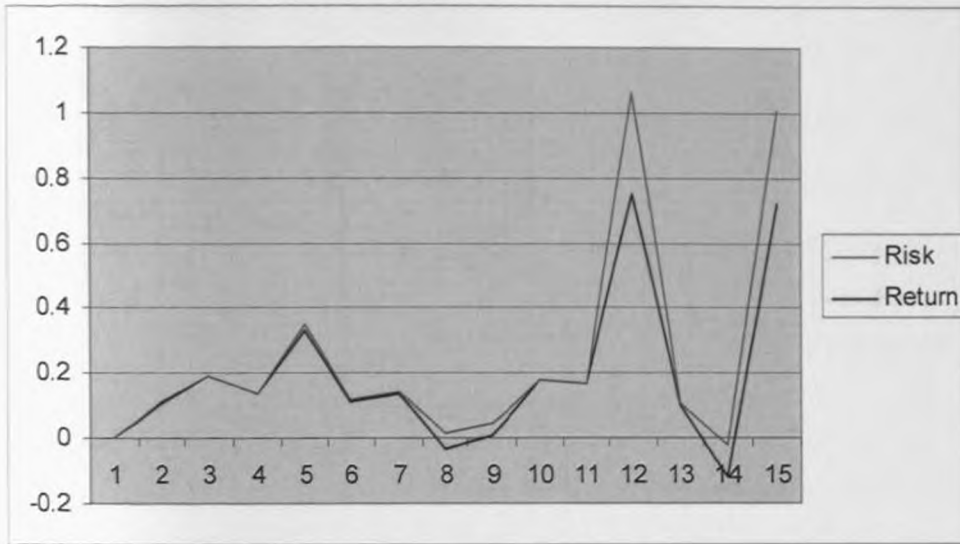
Graph 2 shows that the African Alliance Managed Fund realized negative returns in two months out of the total 15 months. There was therefore a general positive return than the other funds since it has in its composition a larger proportion of non-equity instruments than the other funds.

Graph 3: British American Equity Fund
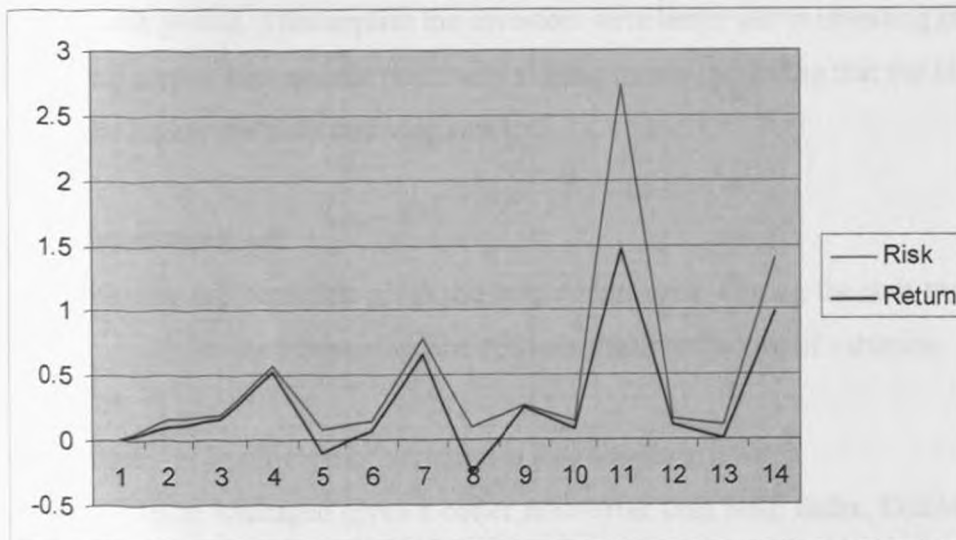
Graph 3 mirrors more on the shape of NSE Index in graph 4. The fund experienced negative return in three months and had the highest return as well as risk among the funds.

Graph 4: NSE 20 Share Index
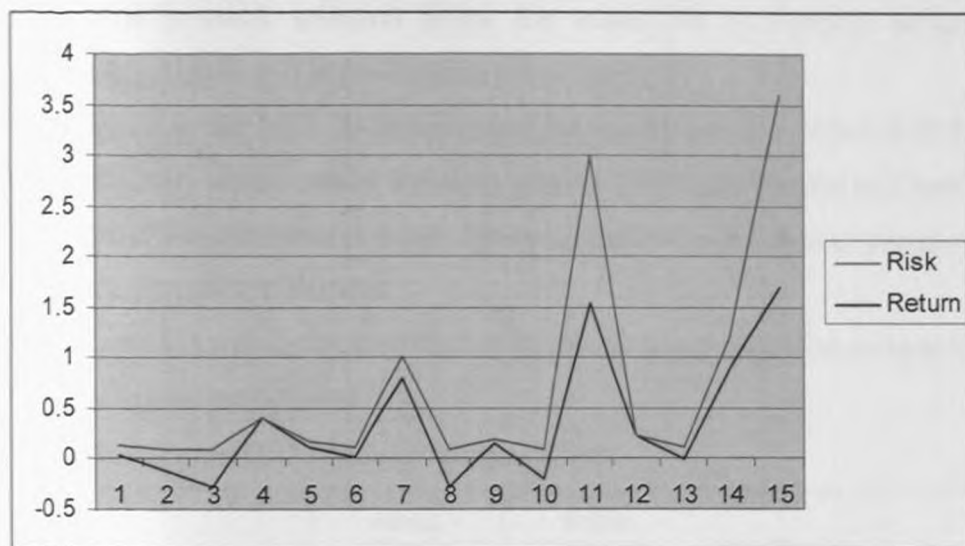
Graph 4 shows that the index experienced more oscillations and swings in the period than any other fund. The NSE 20 Share Index takes on price effects of many counters of up to 20 listed companies as compared to the other funds which may have invested in fewer companies.

Generally the return and the risk curves in graphs 1-4 shows increasing returns /risks over the 15 month period. This implies the investors were better off in investing in all the funds. The graphs also assume positively sloping trends indicating that the higher the returns the higher the risks and vice versa.

Risk/Return Tradeoff

In determining the fund that gives the better return/risk among the unit trusts in Kenya the return and risk have been standardized using the coefficient of variation.

The summary of coefficient of variation is also shown in table 2.

African Alliance Managed gives a better return/risk than NSE index, Old Mutual Equity Fund and the British American Equity Fund as it has the lowest coefficient of variation of 1.29. The fund has operated for a longer time than the Old Mutual Equity and British American funds with the latter having operated for only 15 months as at the date of the study.

Based on the longer life of the fund, the managers of African Alliance may have more experience in stock selection hence the reason for performing better than British American which is still at the learning curve stage.

With regard to the NSE 20 Share Index the results are in contrast with the findings of Mureithi, 2005 whose results indicates that the NSE Index performed better that the Old Mutual and African Alliance equity funds in terms of coefficient of variation.

MONEY MARKET FUNDS

The returns and risks of Money Market funds that represent the short term funds are presented in the table below.

Table 3: Returns/Risks-Money Market funds

	Africa Alliance Kenya Shilling Fund	British American Money Market Fund	Old Mutual Money Market Fund	Treasury Bills
Return (%)	7.89	7.77	6.72	7.55
Std Deviation (%)	0.71	0.82	0.81	0.87
Coefficient of variation	0.09	0.11	0.12	0.12

African Alliance Kenya Shilling and the British American Money Market Funds rank the highest returns in the money market funds category as shown in the table 3. They also had a better return than the benchmark 91 day treasury bill rates whose return was at an average of 7.55%. The difference in performance among the money market funds is mainly attributed to the tenor of investment, maturity periods and the length of the investment instrument the fund manager focuses on.

Risk

Just like the NSE 20 Share Index the Treasury bill rate had erratic swings in this period of study suggesting that there were economic changes that may have influenced the two macro economic indicators. The returns on the treasury bill rate had a high deviation from the average than all the other funds. Fund managers invest long term and rarely switch between the money market instruments hence the tendency for the average return not to deviate much.

The coefficient of variation for the money market funds is a reflection of the risk of these funds as measured by the standard deviation. The results of the two measures has yielded the same results with the African alliance having the best risk/return trade off followed by British American then Old Mutual funds with the treasury bills being the least in preference. The yields on the longer term treasury bonds, the instruments in which the funds invest in, are better than those of the short term treasury bills and this is reflected in the all the funds giving better returns than the 91 Treasury Bill rates.

Though the 91 day treasury bill rate is the benchmark for the money market, it does not account for all the money market instruments.

These findings of the money market funds are in contrast to studies done elsewhere. In the Gallagher and Jarnecic, 2000 study of the performance of active Australian Bond funds, the results indicated that managers were not able to employ active investment strategies in such a manner that earned investors superior returns to the market index.
The inability of the funds to outperform the market was also witnessed in the Blake, Elton and Gruber 1997, where the fund managers were unable to beat passive indices.

4.1.3 COMPARISON WITH BENCHMARKS
INFORMATION RATIOS
The comparison of performance between the funds and the benchmark is best explained by the information ratio. The NSE index was used as the benchmark (Rb) for the equity. The information ratios of the various equity funds are presented below:

Table 4: Information Ratios

Equity Funds

	Africa Alliance Managed Fund	British American Equity Fund	Old Mutual Equity Fund
Rj	0.189	0.354	0.298
Rb	0.329	0.329	0.329
σ_{ER}	0.530	0.264	0.275
IR	-0.264	0.104	-0.113

The information ratios for the equity funds in table 4 shows that British American Equity fund performs far much better than the benchmark. The other two funds trail the market mainly due to the mix of investments that they hold that have elements of the money market instruments. This scenario shows the same results as that of the returns where the British American fund return was higher than the Index.

The information ratios are lower than the recommended 0.5 showing that the excess returns on the funds are not significant or major.

Table 5: Information Ratios

Money Market Funds

	Africa Alliance Kenya Shilling Fund	British American Money Market Fund	Old Mutual Money Market Fund
Rj	7.89	7.77	6.72
Rb	7.55	7.55	7.55
σ_{ER}	0.40	0.72	0.97
IR	0.85	0.31	-0.86

It is evident from the table 5 that in the money market funds, Old Mutual fund does not beat the benchmark. The other two funds compares favorably against the benchmark. The highest information ratio of 0.85 is higher than the recommended 0.5 showing that the excess returns on the fund is significant.

In Holmes and Faff, 2000 with regard to fund category, the most aggressive portfolios (equity) attain the highest level of fund risk as opposed to the portfolios (money market) of lower level of risk.

4.1.4 RISK ADJUSTED MEASURES

Jensen's alpha and Beta

Jensen's alpha is the difference between a fund's actual return and those that could have been made on a benchmark portfolio with the same risk- i.e. beta. It measures the ability of active management to increase returns above those that are purely a reward for bearing market risk.

A positive (negative) value for **Jensen's alpha** means a portfolio has outperformed (underperformed) its market premium benchmark while a zero alpha shows that portfolio performance is normal as expected in CAPM..

Table 6: Alpha and Betas- Equity Funds

	Africa Alliance Managed Fund	British American Equity Fund	Old Mutual Equity Fund	NSE 20 Share Index
Alpha	-0.237	-0.088	-0.128	
Beta	0.773	0.186	0.03	1

On a risk adjusted basis the results suggests that none of the equity fund managers were able to beat the market since all their Jensen alpha values were negative. The market proxy had superior performance. This is very much in line with various studies carried out which predicted that no fund can perform better than the market index.

Table 7: Alpha and Betas- Money Market Funds

	Africa Alliance Kenya Shilling Fund	British American Money Market Fund	Old Mutual Money Market Fund	91 day Treasury Bill
Alpha	0.337	-0.832	0.215	
Beta	0.472	0.707	2.33	1

The alpha values for the money market funds in table 6 above indicates that only British American Fund performed below the treasury bills while the rest were above. The above

positive benchmark performance by African Alliance Kenya Shilling and Old Mutual Money Market funds is possible if the fund managers concentrate on investing on the long term high yielding treasury bonds.

In periods where excess market returns are negative an inverse relationship between portfolio returns and beta should always exist. (Pettergill, Sundaram and Mathur, 1995). In both equity and money market funds an inverse relationship does exist between the returns and the beta risk. The lower the returns the higher the betas risk.

Interestingly it was found out that fund performance as measured by Jensen alpha is independent of beta risk. (Holmes and Faff, 2000)

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS AND CONCLUSIONS, RECOMMENDATIONS, LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FURTHER RESEARCH.

5.1.1 SUMMARY OF FINDINGS

The study aimed at evaluating the performance of unit trusts by specifically looking at the funds risk return trade off and how they measure against their respective benchmarks. The results show mixed findings with funds performing depending on the composition of their portfolios.

The study found out that funds with highest return had the highest risk while those with the lowest returns have lowest risk. This is an indicator of the risk averse nature of the investors in Kenya.

In the equity category, the African Alliance Managed Fund performed better than the NSE 20 Share Index (Market Portfolio), Old Mutual and the British American equity funds in terms of risk return trade off.

Under the money market funds, all the funds outperform the 91 treasury bill rate in risk/return trade off. On a risk adjusted basis the results shows otherwise with the British American Money Market fund underperforming the treasury bill rate and all equity funds not being able to beat the performance of the market portfolio.

The performance of the funds in comparison to the benchmarks depends on the returns of the funds. The results of the returns in comparison with benchmark are replicated in the information ratios. Under the equity funds, only British American outperforms the benchmark while in the money market the African Alliance and the British American are better than benchmark in line with the results of the returns.

The returns on equity funds are higher than those on money market funds. The highest return on the equity funds is 35.4% which is higher compared to the highest of the money market of 7.89%. This evidence is supported by the findings of Ibbotson associates, 1982 where they found out that aggressive equity funds in the US had higher returns than the money market instruments.

Equity funds are the most popular funds among investors because they yield superior performance and make up (53%) to more than half the total unit trust funds in Kenya. This is fueled by the investors' skewed interest towards equities and high activity at the NSE.

In the Kenya market, limited avenues of investments are available, with the unit trusts narrowing to investments in listed equities and bonds without much diversification to other forms of products such as real estate investments trusts. The regulatory framework should be all inclusive and cater for all sectors of the economy to include among other the property trusts. The promoters of CIS should also be encouraged to invest in non traditional products to broaden the unit trust investment spectrum with the aim of maximizing returns and minimizing risk.

5.1.2 RECOMMENDATIONS

Some unit trust funds perform below the benchmarks implying that the fund managers are not putting in much effort to ensure that the investors get the highest return. Fund managers should be able to follow, match and even outperform the market to maximize the value for investors. Fund managers charge a fee for their management services and therefore should provide value to the investors for the consideration paid.

Objective, relevant and universally acceptable benchmarks should be developed so that fund performance is measured against a uniform measure. Due to lack of uniform benchmarks, various fund managers have developed their own benchmarks that guide them in the investment management. This has resulted in inappropriate and incomparable

results. Benchmarks such as Lehman Brothers bond index should be developed for the Kenyan market to act as a benchmark for the money market and bond instruments. The NSE Index should be revised to incorporate all the shares at the stock exchange and to be more relevant to the market.

The main reason for the low performance of some funds was due to the portfolios having instruments of various categories put together in varying proportions. This was more so in the money market instruments where bonds and purely short term money market instruments were put in the same pool of funds. Portfolios made up of one type of pooled funds should be maintained.

The unit trusts as form of collective investment schemes were developed with the aim of pooling funds of small investors and diversifying risk through spreading it across the portfolio.
The unit trust funds that exist at the moment have between Kshs 100,000 to 500,000 being the minimum ceiling an investor can invest in the funds. This minimum ceiling is too high for the ordinary Kenyan investor given the low income per capita. Schemes tailored for the low end of the market should be introduced if the CIS is to meet its goal.

Ways of evaluating the performance of the fund managers should be explored and developed to isolate fund specific performance from performance resulting from actions of the fund manager. This is important for the better understanding of the factors that influence the performance of unit trust funds to the benefit of providers of funds.

5.1.3 LIMITATIONS OF THE STUDY

Money market instruments had bonds and purely short term money market instruments put in the same pool of funds. Comparison for these funds tends to give varying results depending on the degree to which the bonds and other instruments are held.

The period of the study of 15 months was too short for performance on any trends to be established.

The benchmarks used may not have been very appropriate given that the tenors for some money market instruments such as bonds and benchmark (treasury bills) were in some cases different. Use of a bond index or other interest rates may have yielded different results

Judgmental sampling as a tool has a limitation of the sample not being a very good representative of the population. A choice of a different sample may have yielded different results.

5.1.4 SUGGESTIONS FOR FURTHER RESEARCH

In this performance evaluation, the effect of the fund manager decisions and actions on the funds has not been measured. A study that focuses on fund manager selection ability need to be carried out to isolate fund specific performance from influence of fund managers' actions.

The study covered a period of 15 months with three fund managers being the focus. However, longer historical performance data and choice of more fund managers in future may lead to more robust and conclusive results.

The study focused on equity and money market category of funds and it would be interesting to see what the results would be if all categories of funds were evaluated

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APPENDICES

Appendix i

List of Registered Unit Trusts as at 30th September 2006.

1. Africa Alliance Kenya Shilling Fund
2. African Alliance Kenya Managed Fund
3. Africa Alliance Kenya Fixed Income Fund
4. British American Equity Market Fund
5. British American Money Market Fund
6. British American Balanced Fund
7. British American Managed Retirement Fund
8. British American Income Fund
9. Commercial Bank Of Africa Equity Fund
10. Commercial Bank Of Africa Money Market Fund
11. Old Mutual Equity Fund
12. Old Mutual Money Market Fund
13. Old Mutual Balanced Fund
14. Stanbic Flexible Income Fund
15. Stanbic Money Market Fund
16. Stanbic Managed Fund

Appendix ii

EQUITY FUNDS RETURNS/RISKS

Month	African Alliance Managed Fund		British American Equity Fund		Old Mutual Equity Fund		NSE 20 Share Index	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
29/07/2005	0.103	0.007	0.090	0.058	0.134	0.027	0.030	0.089
31/08/2005	0.191	0.000	0.151	0.032	-0.003	0.091	-0.120	0.202
30/09/2005	0.133	0.003	0.527	0.039	0.192	0.011	-0.284	0.376
31/10/2005	0.328	0.019	-0.097	0.182	0.150	0.022	0.396	0.004
30/11/2005	0.108	0.006	0.067	0.069	0.003	0.087	0.111	0.048
30/12/2005	0.137	0.003	0.663	0.111	0.192	0.011	0.003	0.106
27/01/2006	-0.035	0.050	-0.263	0.352	0.256	0.002	0.796	0.218
28/02/2006	0.009	0.032	0.250	0.006	-0.235	0.284	-0.285	0.377
31/03/2006	0.178	0.000	0.085	0.060	0.254	0.002	0.142	0.035
28/04/2006	0.165	0.001	1.457	1.271	0.093	0.042	-0.202	0.282
31/05/2006	0.748	0.314	0.116	0.046	1.450	1.327	1.536	1.456
30/06/2006	0.098	0.008	-0.004	0.111	0.055	0.059	0.220	0.012
31/07/2006	-0.120	0.095	0.976	0.417	-0.037	0.112	-0.006	0.112
31/08/2006	0.722	0.285	0.932	0.362	0.862	0.318	0.892	0.316
30/09/2006	0.067	0.015			1.099	0.641	1.701	1.882
	0.189	**0.244**	**0.354**	**0.471**	**0.298**	**0.447**	**0.329**	**0.627**

Appendix iii

MONEY MARKET FUNDS RETURNS/RISKS

Month	African Alliance Shilling Fund		British American Money Market Fund		Old Mutual Investment Services		91-Day Treasury Bills	
	Return %	Std Dev %	Return %	Std Dev %	Return %	Std Dev %	Return %	Std Dev %
29/07/2005	8.04	0.02	6.01	3.10	6.41	0.0961	6.681	0.755
31/08/2005	8.43	0.29	6.65	1.25	5.87	0.7225	6.293	1.580
29/09/2005	8.38	0.24	6.80	0.94	6.45	0.0729	5.895	2.739
31/10/2005	8.53	0.41	6.86	0.83	6.90	0.0324	6.596	0.910
30/11/2005	8.82	0.86	7.41	0.13	7.50	0.6084	7.014	0.287
30/12/2005	8.46	0.32	7.60	0.03	6.70	0.0004	7.016	0.285
27/01/2006	8.47	0.34	7.88	0.01	8.38	2.7556	7.604	0.003
28/02/2006	8.19	0.09	8.07	0.09	5.86	0.7396	8.025	0.226
31/03/2006	8.33	0.19	8.13	0.13	6.21	0.2601	8.233	0.466
28/04/2006	7.64	0.06	8.17	0.16	6.07	0.4225	8.070	0.270
31/05/2006	7.39	0.25	8.38	0.37	6.52	0.04	7.843	0.086
30/06/2006	7.37	0.27	8.59	0.67	6.20	0.2704	8.188	0.407
31/07/2006	7.22	0.45	8.60	0.69	7.42	0.49	8.577	1.055
31/08/2006	6.69	1.44	8.61	0.71	7.91	1.4161	8.655	1.221
30/09/2006	6.36	2.34	8.79	1.04	6.45	0.0729	8.587	1.075
	118.32	7.59	116.55	10.15	100.85	8.00	113.28	11.37
	7.89	0.71	7.77	0.82	6.72	0.81	7.55	0.87