

This document presents essential investor details regarding this fund, distinct from market content. It is mandated by regulations to facilitate your comprehension of the fund's characteristics and associated risks. We strongly recommend reviewing it to enable an informed investment decision.

INVESTMENT OBJECTIVE

OBJECTIVE

The investment objective of the Arvocap Thamani Equity Fund is to achieve risk-adjusted returns surpassing the market average by investing in high-value, highly liquid stocks tracked by the NSE 25 index. It aims to accumulate capital through a mid-to-long-term perspective on equities offering high returns and strategic positioning.

INVESTMENT POLICY

The fund's investment strategy involves active asset allocation within an equity portfolio, utilizing single stock and equity indices futures listed on the NSE. Utilization of derivatives in the portfolio will be purposely for risk mitigation and is not intended in any way to be employed for speculative purposes.

The portfolio selection includes a careful analysis of stock liquidity and the quality of the businesses through a thorough deep-dive into their balance sheets, profit and loss statements and their cash flow statement analysis. The quality and strength of a business to continue generating positive returns and prudent capital deployment to fund growth is determined. Based on the amount of Asset under Management and the strategic allocation matrix, and given the low number of listings on the Nairobi securities Exchange, the fund may take an activist role where its holdings in an issuer are above five percentage

points or qualify it to hold a board position. The aim will be to actively stir the management of the businesses it is invested in to prudently allocate capital, optimize on their operations and work towards maximising shareholder value. As an active fund, it will align its interest with those of other investors in ensuring value maximization.

The aggregate book value of investments in a single company is capped at twenty-five percent (25%) of any of the Arvocap Equity Funds' net asset value, with a similar restriction on holdings related to any single issuer. These limits and restrictions are strictly adhered to and are based on the most up-to-date value of any of the Arvocap Thamani Fund, with a five percent (5%) allowance permitted for breaches through portfolio appreciation. Monthly reports, presented as fact sheets, offer Unit Holders comprehensive insights into investment activity, performance, and any changes within the Arvocap Equity Funds.

Additionally, all units in the fund offer an income accumulation option, allowing income generated from underlying investments to accrue to unit holders in the form of new units. The fund benchmarks its performance against the NSE 25 Index.

You can sell your shares any day (except Saturday or Sunday) that banks are open in Nairobi, Kenya.

Recommendation: The Fund is suitable for investors with a time horizon of 5 years and above.

RISK AND REWARD PROFILE



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WHY THE FUND IS CATEGORY 5?

The fund is rated category 5 due to its exposure to equities/shares and the inherent nature of equities prices characteristics and their risks as outlined below. The factors below have an impact on the value of investments and expose the fund to potential losses.

The price of shares and any income derived from them such as dividends may rise and fall and the investors when liquidating may not get back an equal amount to what they have invested.

It may be difficult for a fund to liquidate and redeem its underlying assets in a short notice during extreme market conditions without suffering a loss.

The fund will utilize single stock and index futures listed on the exchange as a hedging tool. In extreme market condition and adverse market movements, this may expose the fund to losses.

Investing may lead to payment of additional fees and expenses in relation to the fund executing its trades.

WHAT THE NUMBERS MEAN

The numbers rate how the fund will behave and how much risk there is to your invested capital. Generally, in markets the chance to make large gains means a risk of suffering higher losses.

Risk category 1:

A category 1 fund is not a risk-free investment. It means the risk of losing your invested capital is small, but also the risk of making gains is small.

Risk category 7:

In a category 7 fund, the potential for huge returns is high but also the risk of losing your money is also high.

Note: The seven-category risk scale (The Synthetic Risk and Reward Indicator, SRRI, series) is a complex undertaking and a scale category of 2 does not imply that it is twice as risky as category 1 risk.

Additional risks to the fund have been outlined in the supplementary information memorandum of the fund in addition to the risks outlined in the Arvocap Unit Trust Scheme Information Memorandum.

CHARGES

These charges are used to pay the administrative costs of running the Fund, including the costs of cloud computing, system maintenance marketing, research, subscriptions and selling. Overall, they reduce the growth of your investment.

ONE OFF CHARGES BEFORE YOU INVEST

Entry Charge	0.5% Initial Fee
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Exit Charge	0
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CHARGES TAKEN FROM THE FUND OVER A YEAR

Fund Management Fees	2.0% of AUM per annum in management fees
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CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS

Performance Fee	20% of the total annual net return after subtracting all expense ratios of the average assets under management
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The entry and exit charges shown are the maximum figures. In some cases, you might pay less - you can find this out from your financial adviser.

The fund management fee is a fixed charge and is same year to year unless changed through an amendment of the information memorandum upon the Authority's approval. This figure excludes portfolio transaction costs, which may vary from year to year based on trading activity in the portfolio.

You can find out more details about the charges by looking at the Fees" section of the Information Memorandum and read together with Supplementary Information Memorandum.

PAST PERFORMANCE



PRACTICAL INFORMATION

Custodian:	NCBA BANK KENYA PLC
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About the Fund

- Arvocat Thamani Equity Fund "Fund" is a CIS product established under the Capital Markets regulations as a unit trust under the provisions of the Capital Markets (Collective Investment Schemes) Regulations 2023 ("the CIS Regulations").
- The Fund shall operate as an open-ended fund and its units shall therefore be continuously offered through the Fund Manager and its authorised agents.
- The unit holders' interest in the Fund will be represented by the units held in the Fund determined by the Net Asset Value of the Fund.
- This Fund is subject to tax laws and regulations of Kenya. Depending on your home country of residence, this might have an impact on your personal tax position. For further details, please consult your adviser.
- The currency of the fund is in KES.

Find out more

- Further information about the Fund, copies of the prospectus, annual and half-yearly reports may be obtained free of charge in English. Write to the Manager, at Arvocat Asset Managers Limited, Reliable Towers, 8th Floor – Wing B, Mogotio Road, Westlands, Nairobi, Kenya or visit the website www.arvocat.com
- Other practical information including the latest share prices are available at the registered office of the Manager and the Trustee, NCBA BANK KENYA PLC, NCBA House, Mara & Ragati Road, Upperhill, Nairobi, Kenya, during normal business hours and will be published on the Arvocat Asset Managers Limited website, www.arvocat.com

- This Fund is authorised in Kenya and regulated by the Kenya Capital Markets Authority.
- The Fund Manager, Arvocat Asset Managers Limited "Arvocat" is regulated by the Capital Markets Authority (Kenya) under license number 191 issued on 30th October 2023.

This Key Investor Information is accurate as at 1st February 2024 and shall remain current and relevant as at such date