

**Dear Valued Unit holder,**

Welcome to 2010 and to the 4<sup>th</sup> year of Kakawa Guaranteed Income Fund (KGIF). As we begin this New Year, Kakawa Asset Management (The Fund Manager) is pleased to update you with the performance and Outlook of KGIF.

**Fund Performance**

Since inception in February 14, 2007, **KGIF** has successfully paid six (6) dividends and has consistently met its guaranteed rate payments of MPR + 4% as well as ensuring that the objective of capital preservation is achieved as the unit value of the Fund remained at ₦1.00 regardless of the prevailing financial market conditions.

We are also pleased to inform you that with our

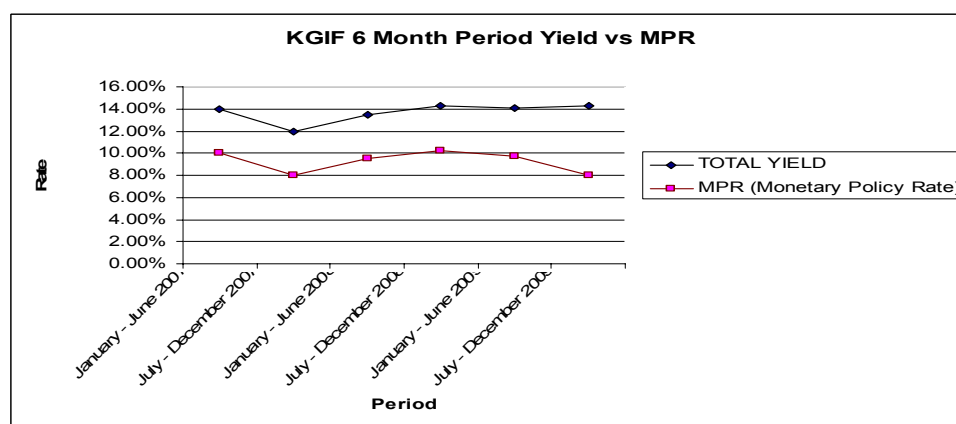
December 2009 results (unaudited), KGIF unitholders can now earn in addition to their guaranteed rate, further yield distributable from 35% of the net profit made by the Fund.

This translates to approximately 0.18k and 1.16k per unit as at June 30<sup>th</sup> and December 31<sup>st</sup>, 2009 respectively. The exact additional yield will be paid to unit holders once the financial accounts have been audited and unit holders have ratified the distribution at the next Annual General Meeting.

**Trend Analysis**

The table and graph below illustrate that with the extra yield for unit holders, total yield for the period under review has increased:

PERIOD	MPR (Monetary Policy Rate)	GUARANTEED RATE	PROPOSED ADDITIONAL YIELD	TOTAL YIELD
January - June 2007	10.00%	14.00%	NIL	14.00%
July - December 2007	8.00%	12.00%	NIL	12.00%
January - June 2008	9.50%	13.50%	NIL	13.50%
July - December 2008	10.25%	14.25%	NIL	14.25%
January - June 2009	9.75%	13.75%	0.36%	14.11%
July - December 2009	8.00%	12.00%	2.33%	14.33%



Comparing the return on investment between January to June 2009 and July to December 2009, though the guaranteed rate dropped from 13.75% to 12.00%, the total yield increased from 14.11% to 14.33% for all investors who stayed in the Fund from January – December 2009.

## Future Outlook

As a fallout of the Central Bank of Nigeria's (CBN) efforts at bringing down interest rates generally, the Monetary Policy Rate (MPR) was reduced from 8% to 6%. Accordingly, the guaranteed rate for January – June 2010 will be 10% (i.e. MPR of 6% + 4%). However, we wish to assure you of our determined resolve to continuously strive to increase the value derivable by unit holders from the Fund via the extra yield.

The KGIF is one of the few investment outlets in today's market that retained value for investors in 2008 and 2009 (the years that saw the Nigerian capital market decline by 46% and 33% respectively).

As we navigate the uncertainties of the Nigerian Financial Market, Kakawa Asset Management is poised to staying the course and delivering on the **KGIF** promises of capital preservation and payment of guaranteed rate of return.

## Guaranteed Rate Payment 6

Your Kakawa Guaranteed Income Fund (KGIF) dividend No. 6 for the period ended December 31, 2009 has been declared and paid. If you opted for '**HOLD MAIL**', kindly visit our office to pick up your dividend warrant, otherwise please disregard this section of the mail as your dividend warrant will be posted to your indicated address by First Registrars Ltd.

We are equally using this medium to inform you about the option of reinvesting your dividend sums. This option affords you the opportunity to grow your investment in KGIF, thereby increasing your earnings potential.

For clarifications on the "**Reinvestment Option**" and other enquiries, please call any of the following numbers: 01-2702284, 2798058 and 07086458778.

*Thank you* for making **KGIF** your investment choice