



IDRC

Investment Options

*SUMMIT BUSINESS
INTELLIGENCE*

Fixed Income

These securities attract a fixed interest rate



11:00 – 11:15

Fixed Deposits

11:15 – 11:30

90 Day T-Bill

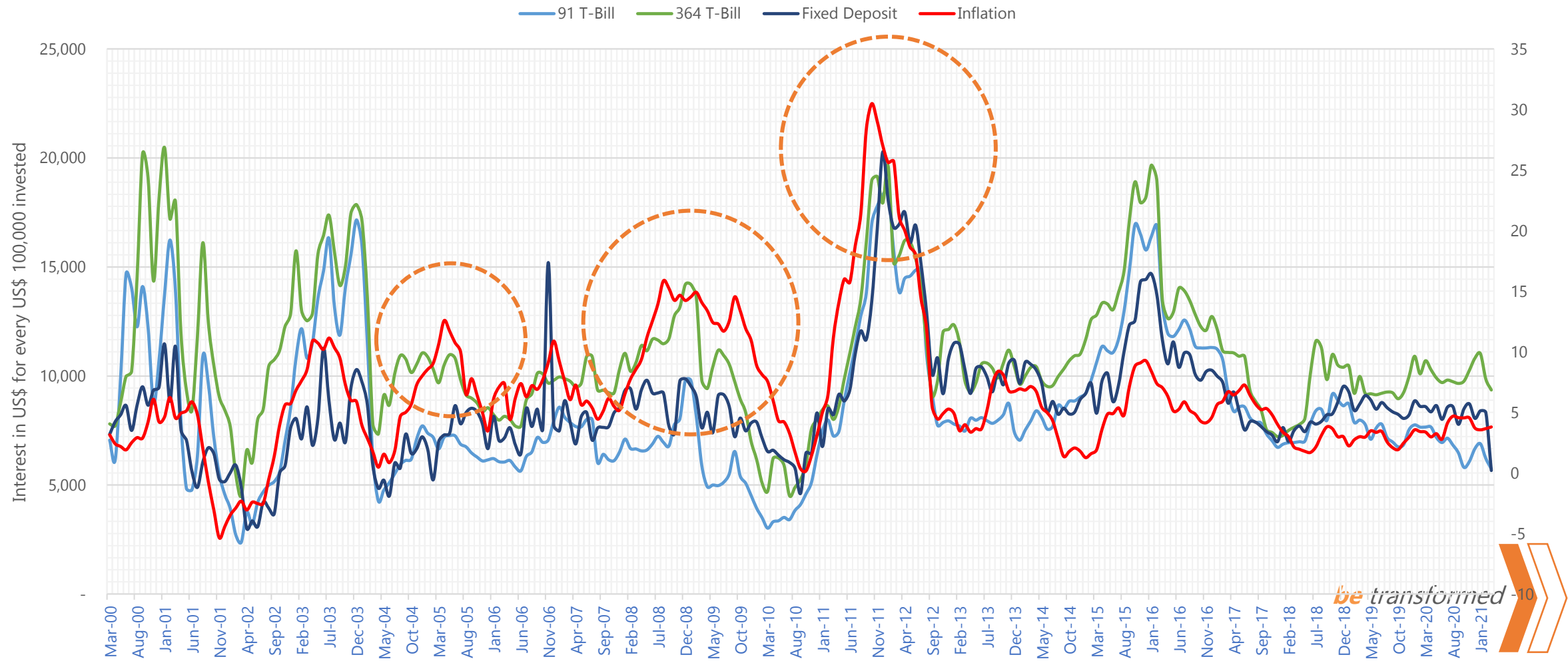
11:30 – 11:45

365 Day T-Bill

11:45 – 12:00

Savings Accounts

Fixed Income Securities Bubble with Shocks



Fixed Income Security

Focus



01

Fixed Deposit

Annual Fixed Rate on
indrawn savings

02

91 Day T-Bill

03

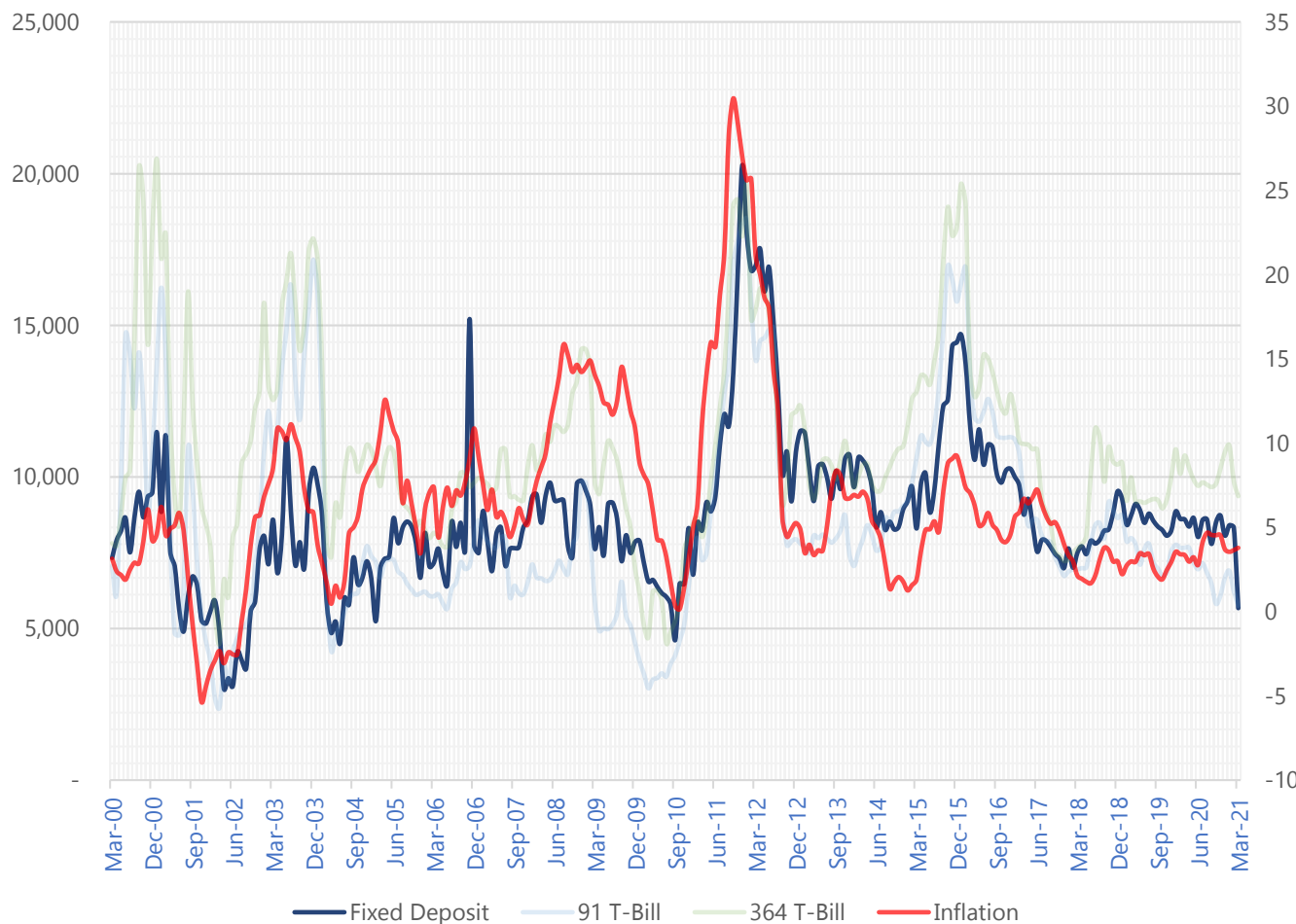
364 Day T-Bill

04

Savings Accounts



Fixed Deposit Rates



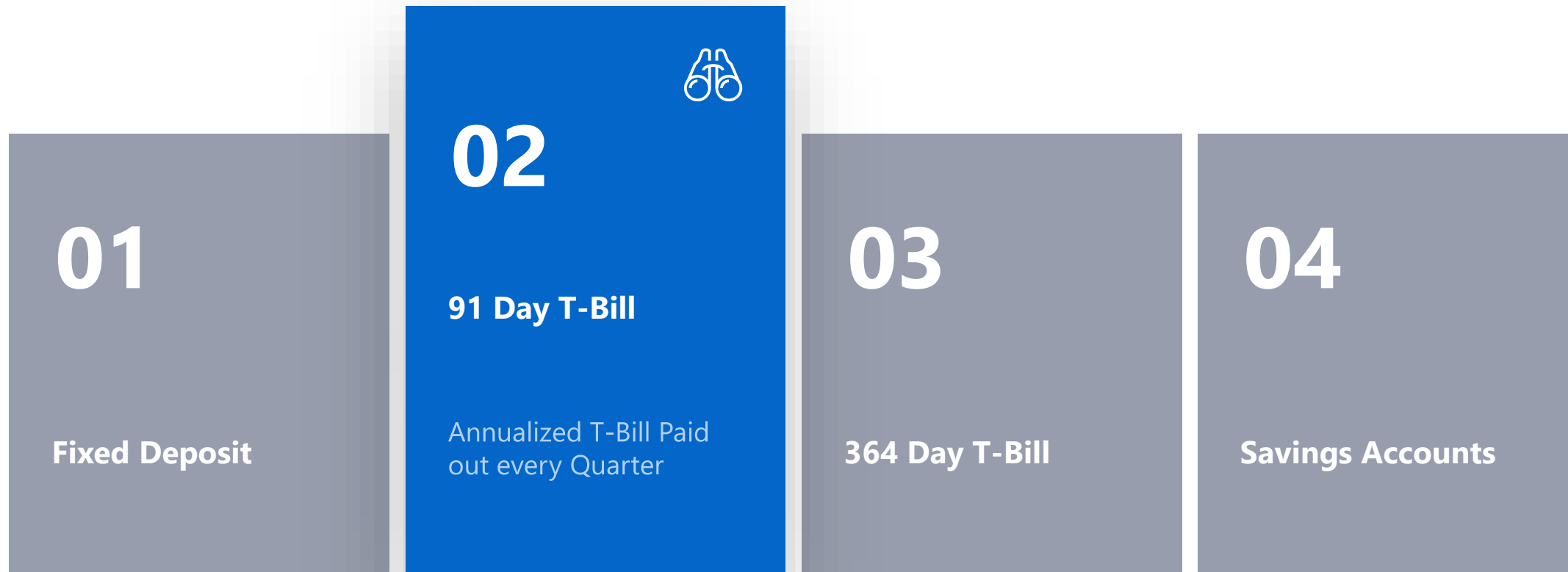
Amount	100,000
Interest Rate	13.00%
Withholding Tax	15%
Inflation Rate	6.00%
Stdev	2.31%
Risk-Free Rate	12.46%

Best Case
Scenario on
current market

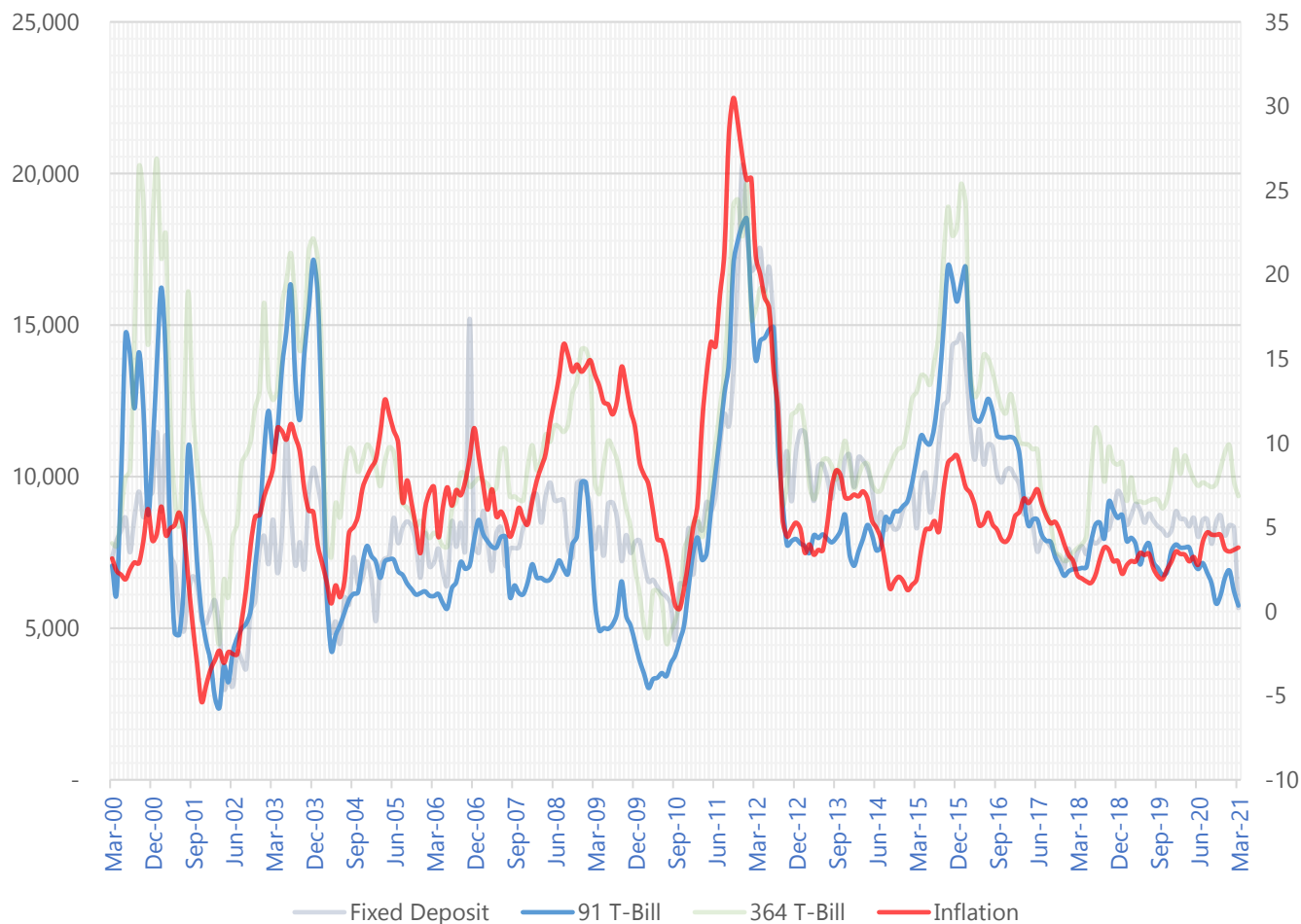
PIT							
Period	Cashflow	Tax	Net Cashflows	DCF	IRR	Value	NPV
0 6/1/2021	(100,000.00)		(100,000.00)				
1 6/1/2022	13,000.00	(1,950.00)	111,050.00	104,664.07	11.1%	104,664.07	4,496.91
2 6/1/2023	13,000.00	(1,950.00)	111,050.00	98,645.36	74.6%	203,309.42	97,743.19
3 6/1/2024	13,000.00	(1,950.00)	111,050.00	92,972.75	96.4%	296,282.18	185,713.45
4 6/1/2025	13,000.00	(1,950.00)	111,050.00	87,626.35	104.7%	383,908.53	268,706.21
5 6/1/2026	13,000.00	(1,950.00)	111,050.00	82,587.40	108.2%	466,495.93	347,003.11
6 6/1/2027	13,000.00	(1,950.00)	111,050.00	77,838.21	109.7%	544,334.13	420,869.83
7 6/1/2028	13,000.00	(1,950.00)	111,050.00	73,362.12	110.4%	617,696.25	490,557.06
8 6/1/2029	13,000.00	(1,950.00)	111,050.00	69,143.43	110.8%	686,839.68	556,301.27
9 6/1/2030	13,000.00	(1,950.00)	111,050.00	65,167.33	110.9%	752,007.02	618,325.57
10 6/1/2031	13,000.00	(1,950.00)	111,050.00	61,419.88	111.0%	813,426.90	676,840.43

Fixed Income Security

Focus



91 Day T-Bill



Amount	100,000
Interest Rate	2.18%
Withholding Tax	20%
Inflation Rate	6.00%
Stdev	2.67%

Best Case
Scenario on
current market

PIT							
Period	Cashflow	Tax	Net Cashflows	DCF	IRR	Value	NPV
0 6/1/2021	(100,000.00)		(100,000.00)				
1 6/1/2022	8,706.21	(1,741.24)	106,964.97	100,912.72	7.0%	100,912.72	861.07
2 6/1/2023	8,706.21	(1,741.24)	106,964.97	95,202.91	69.9%	196,115.62	90,677.25
3 6/1/2024	8,706.21	(1,741.24)	106,964.97	89,816.17	91.8%	285,931.80	175,411.47
4 6/1/2025	8,706.21	(1,741.24)	106,964.97	84,734.23	100.3%	370,666.02	255,351.30
5 6/1/2026	8,706.21	(1,741.24)	106,964.97	79,939.83	103.9%	450,605.85	330,768.00
6 6/1/2027	8,706.21	(1,741.24)	106,964.97	75,416.70	105.5%	526,022.55	401,917.50
7 6/1/2028	8,706.21	(1,741.24)	106,964.97	71,149.50	106.3%	597,172.05	469,041.25
8 6/1/2029	8,706.21	(1,741.24)	106,964.97	67,123.75	106.6%	664,295.80	532,367.02
9 6/1/2030	8,706.21	(1,741.24)	106,964.97	63,325.78	106.8%	727,621.58	592,109.72
10 6/1/2031	8,706.21	(1,741.24)	106,964.97	59,742.70	106.9%	787,364.28	648,472.08

be transformed

Fixed Income Security

Focus



01

Fixed Deposit

02

91 Day T-Bill

03



364 Day T-Bill

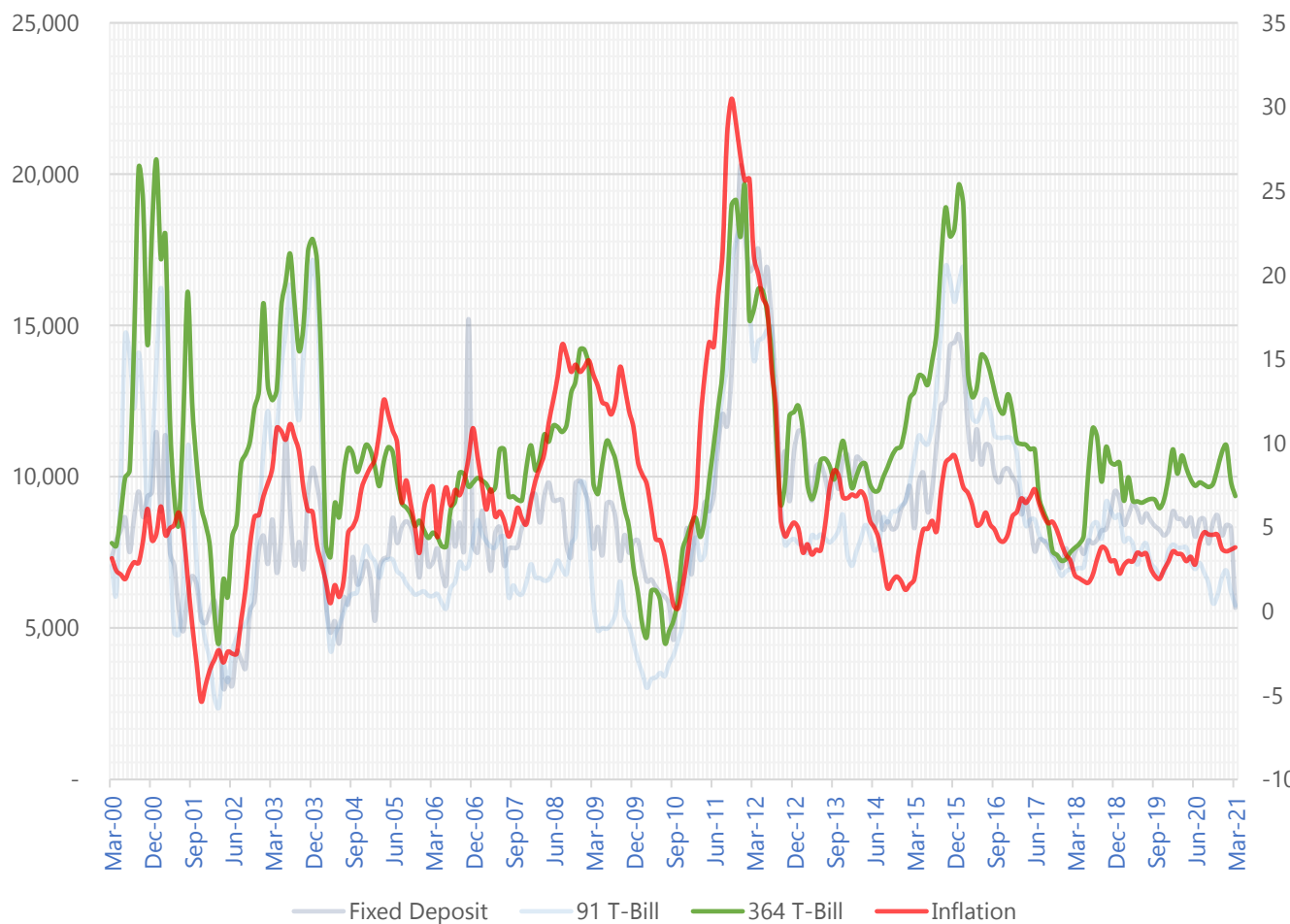
Annualized T-Bill Paid
out every Year

04

Savings Accounts



364 T-Bill



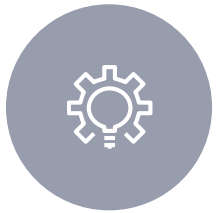
Amount	100,000
Interest Rate	12.46%
Withholding Tax	20%
Inflation Rate	6.00%
Stdev	2.67%

Best Case Scenario on current market

Period	Cashflow	Tax	PIT		IRR	Value	NPV
			Net Cashflows	DCF			
0 6/1/2021	(100,000.00)		(100,000.00)				
1 6/1/2022	12,464.80	(2,492.96)	109,971.84	103,749.46	10.0%	103,749.46	3,537.31
2 6/1/2023	12,464.80	(2,492.96)	109,971.84	97,879.14	73.4%	201,628.60	95,878.29
3 6/1/2024	12,464.80	(2,492.96)	109,971.84	92,340.98	95.2%	293,969.58	182,994.47
4 6/1/2025	12,464.80	(2,492.96)	109,971.84	87,116.18	103.6%	381,085.76	265,181.47
5 6/1/2026	12,464.80	(2,492.96)	109,971.84	82,187.00	107.1%	463,272.76	342,718.20
6 6/1/2027	12,464.80	(2,492.96)	109,971.84	77,536.73	108.6%	540,809.49	415,867.77
7 6/1/2028	12,464.80	(2,492.96)	109,971.84	73,149.57	109.3%	613,959.06	484,878.42
8 6/1/2029	12,464.80	(2,492.96)	109,971.84	69,010.65	109.7%	682,969.72	549,984.34
9 6/1/2030	12,464.80	(2,492.96)	109,971.84	65,105.92	109.8%	748,075.63	611,406.46
10 6/1/2031	12,464.80	(2,492.96)	109,971.84	61,422.12	109.9%	809,497.75	669,353.21

Higher Risk Investment

Mutual Funds and Real Estate



01

Kenya Mutual Funds



02

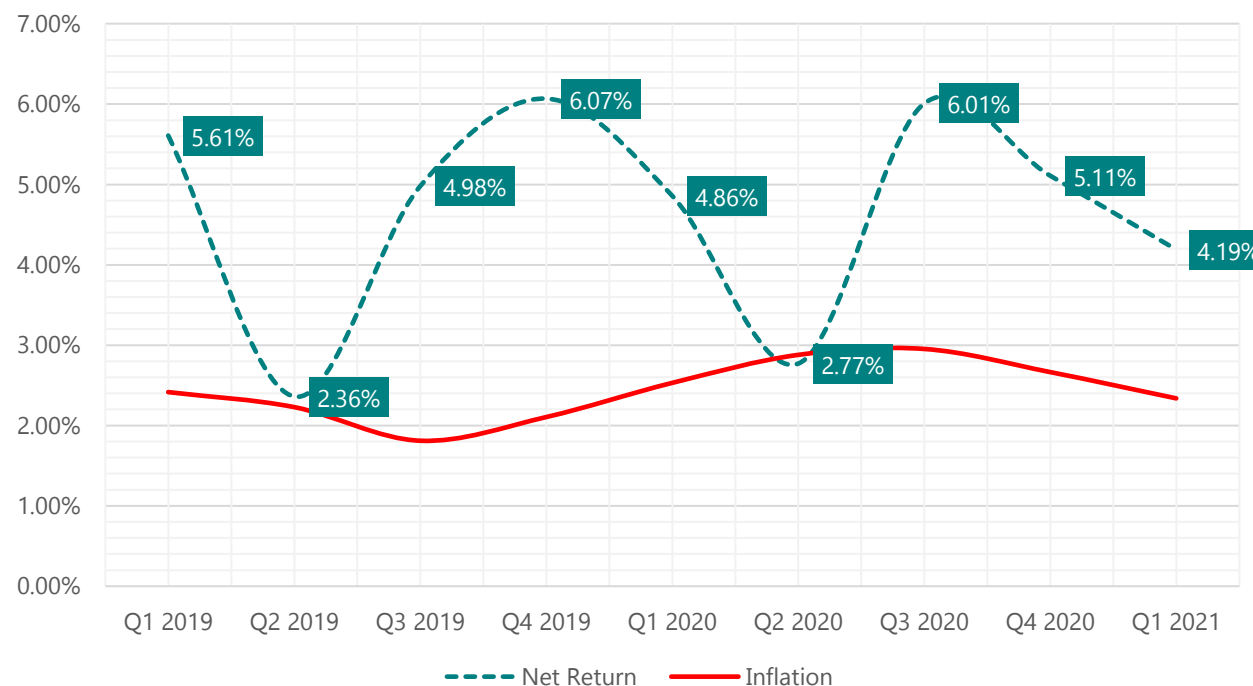
UAP Mutual Funds



03

Real Estate

Kenya Mutual Funds



Amount	100,000
Interest Rate	18.17%
Withholding Tax	15%
Inflation Rate	6.00%
Stdev	1.38%
Risk-Free Rate	12.46%

Best Case Scenario on current market

PIT							
Period	Cashflow	Tax	Net Cashflows	DCF	IRR	Value	NPV
0 6/1/2021	(100,000.00)		(100,000.00)				
1 6/1/2022	18,170.00	(2,725.50)	115,444.50	108,805.86	15.4%	108,805.86	8,408.18
2 6/1/2023	18,170.00	(2,725.50)	115,444.50	102,548.98	79.7%	211,354.84	105,344.43
3 6/1/2024	18,170.00	(2,725.50)	115,444.50	96,651.90	101.3%	308,006.73	196,795.88
4 6/1/2025	18,170.00	(2,725.50)	115,444.50	91,093.93	109.4%	399,100.66	283,072.85
5 6/1/2026	18,170.00	(2,725.50)	115,444.50	85,855.57	112.8%	484,956.23	364,468.13
6 6/1/2027	18,170.00	(2,725.50)	115,444.50	80,918.44	114.3%	565,874.67	441,257.93
7 6/1/2028	18,170.00	(2,725.50)	115,444.50	76,265.22	114.9%	642,139.89	513,702.84
8 6/1/2029	18,170.00	(2,725.50)	115,444.50	71,879.59	115.2%	714,019.48	582,048.69
9 6/1/2030	18,170.00	(2,725.50)	115,444.50	67,746.15	115.3%	781,765.64	646,527.43
10 6/1/2031	18,170.00	(2,725.50)	115,444.50	63,850.41	115.4%	845,616.05	707,357.86

Real Estate

Rentals

Year	Cashflow	Discounted Value	IRR
0	- 1,000,000		
1	168,480	149,806.87	-83%
2	171,849.60	135,867.40	-49%
3	175,286.59	123,225.00	-27%
4	178,792.32	111,758.96	-13%
5	182,368.17	101,359.84	-4%
6	186,015.53	91,928.35	2%
7	189,735.84	83,374.45	6%
8	193,530.56	75,616.49	9%
9	197,401.17	68,580.41	11%
10	201,349.20	62,199.03	13%
11	171,034	46,978.53	14%

Assumptions	
Land Value	100,000
Land Appreciation Rate	5%
Rental Increase Rate	2%
Discount Rate	12.46%
Reinvestment Rate	2%
Value of Property	
	1,050,695.32

NPV	45,077
IRR	13.60%
MIRR	7.54%
PBP	6.0 years

Month	Revenue	Cost	Base Cashflow
January	10,800.00	(3,240.00)	14,040.00
February	10,800.00	(3,240.00)	14,040.00
March	10,800.00	(3,240.00)	14,040.00
April	10,800.00	(3,240.00)	14,040.00
May	10,800.00	(3,240.00)	14,040.00
June	10,800.00	(3,240.00)	14,040.00
July	10,800.00	(3,240.00)	14,040.00
August	10,800.00	(3,240.00)	14,040.00
September	10,800.00	(3,240.00)	14,040.00
October	10,800.00	(3,240.00)	14,040.00
November	10,800.00	(3,240.00)	14,040.00
December	10,800.00	(3,240.00)	14,040.00
Total	129,600.00	(38,880.00)	168,480.00

Assumptions	
Occupancy Rate	60%
Rental Fees	1,200
Apartments	15

Market Value	1,000,000
Property Tax Rate	20%
Utilities	10%





THANK YOU

