



## Rubiani Wealth Management

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### Introduction to Investing in Treasury Bills and Bonds

The government uses treasury bills (short term - 91 Day, 282 Day and 364 Day bills) and treasury bonds (long term between 1 year and 5 years) to borrow from the market and also to control and manage the money liquidity and inflation in the economy. The interest rate on treasury bills will generally be low as compared to other investment products as the risk is also low.

However, at times when the government needs to borrow urgently or to curb high inflation, the interest rate can drastically rise and this is an ideal time to make easy and safe returns on your investment.

The minimum amount for treasury bills is 100,000 and additional amounts beyond the minimum in multiples of 50,000. The minimum investment amount in Treasury bonds is 20,000.

**How to invest** – You can either invest direct to the Central Bank as an individual or through a treasury bill/Bond broker. Most banks, fund managers and stockbrokers are treasury bill/bond brokers. When investing through a broker;

- ✓ Open a CDS account specifically for treasury bills with your broker.
- ✓ Once opened, transfer the amount you want to invest in treasury products.
- ✓ Provide your broker with information on length of investment period, bidding rate, and face value
- ✓ Your broker will then execute order

#### **When investing directly;**

- ✓ Open a CDS account at any Central Bank of Kenya Office.
- ✓ Fill out an auction form to order the treasury bills (Collected at the CBK)
- ✓ The order (based on your auction form) will be executed through an auctioneering process and once your order is successful (you will be informed by CBK), transfer funds to the CBK account provided to cover the investment.

If you are interested in investing in Treasury bills and Treasury bonds, please feel free to contact Rubiani Wealth Management.