Influence of Cash Management on Financial Performance of Selected Savings and Credit Cooperative Societies in Meru County, Kenya.

Abstract

Saccos were intended to provide a variety of financial services tailored to market demands for their clients. To successfully offer these services, they needed a well-managed and robust current asset's structure, maintained by qualified personnel. Effective asset management would enable Saccos to meet their obligations promptly. However, Kenyan Saccos have faced issues with low liquidity ratios, struggling to maintain the required 15% monthly legal cash flow ratios, often relying on expensive bank loans for support. The main aim of the study was to investigate how cash management influences the financial performance of savings and credit cooperative societies in Meru County, Kenya. The study applied pecking order theory to cash and short-term securities management. A descriptive research design was chosen to gather data from 24 deposit and non-deposit Saccos in Meru County. Both quantitative and qualitative data were collected using closed-ended questionnaires and financial statements. Descriptive statistics such as frequency, percentage, and mean were calculated. The findings were essential for Sacco management, providing insights into how the management of cash asset be optimized to enhance the liquidity of the institutions.

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Key words; **management, cash, performance, pecking order, Saccos**

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1.0 Introduction

A Savings and Credit Cooperative Society (Sacco) is a financial institution established by members who invest their resources into a legally recognized financial pool. This pool is managed by a board of management that issues loans repayable with interest, thereby increasing the pool for future investments (Sacco Societies Regulatory Authority [SASRA], 2020). Saccos have significantly contributed to the economy by enhancing financial inclusion for individuals who would otherwise be deemed ineligible for credit facilities from commercial banks due to low income and lack of collateral. These individuals are offered relatively smaller loans with interest rates that vary depending on the speed of repayment.

According to Shilimi (2021), the accumulation of resources from these low-income clients results in a substantial pool of assets. These assets consist of deposits, interest paid on loans, and interest earned from securities, which Saccos can use to increase their capital base over time. Consequently, Saccos have built a stable capital foundation that allows them to extend their lending reach to more regions while still focusing on low-income clients.

Kinyenze and Ondabu (2023) noted that the expansion of Saccos has positively impacted the economy by creating job opportunities for qualified individuals and improving citizens' livelihoods. When individuals invest their loans in profitable ventures, they generate profits that enable them to expand their businesses (Flores-Chia & Mougenot, 2022). Additionally, Saccos have fostered social cohesion by uniting people, as some credit facilities are only available to groups with a clear financial objective who have consistently saved in the Sacco over a period. To sustain growth, Brampton (2022) recommended that Saccos continue to manage their cash assets effectively, keeping their expenditures in check while expanding their revenue streams.

Cash management is the process by which Sacco representatives strategically gather and allocate funds to minimize wastage from institutional operations such as investments, customer deposits, and interest payments (Mafuno, 2021; Muli et al., 2022). Debtor management involves evaluating borrowers to ensure they meet loan qualifications and monitoring them to ensure timely repayment (Karanja & Munene, 2019). This assessment includes understanding the borrower's identity, loan purpose, repayment plan, and schedule.

Inventory management focuses on maintaining stock levels, auditing usage, and managing the ordering of materials and equipment necessary for Sacco operations (Kinyenze & Ondabu, 2023; Koech et al., 2021). Short-term securities management entails managing high-yield investments that can be converted into cash within a year (Deloitte, 2020).

Several Saccos worldwide have made significant improvements in their cash management structures. In developed regions like the American states of Florida and New York, credit unions and Saccos have implemented electronic funds transfers, same-day cheque clearing processes, and tax relief applications to minimize tax expenses (World Council of Credit Unions Inc [WCCU], 2019). European countries such as Denmark, England, and France have strengthened client-staff relationships, encouraging clients to deposit funds by notifying them when accounts remain inactive for extended periods (Institute for Government, 2018). In Asia, particularly in China, policies discourage overdrawing current accounts and reduce the turnaround time for savings account approvals (Brampton, 2022).

In developing nations, Saccos have also made notable strides. For instance, in South Africa, Saccos have partnered with banks to issue ATM cards for cash withdrawals at bank ATMs (Sharma, 2021). In Nigeria, Saccos have collaborated with government agencies like the police to provide security during the auctioning of defaulters' property (Majumder & Habib, 2022). Marketing efforts in Rwanda have raised awareness of Sacco products, particularly in rural areas. In Kenya, Saccos conduct frequent risk management assessments by qualified

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personnel and link debtor systems with mainstream financial systems like the Credit Reference Bureau (CRB) to evaluate new clients' credit histories for effective lending decisions (Koech et al., 2021). These advancements have generally enhanced the financial performance of Saccos. However, despite these developments, there are still challenges affecting their performance that need to be addressed.

Financial performance refers to the measure of how effectively a Sacco utilizes its resources to boost its income within the management's set parameters, ensuring it can meet any debt obligations from operations (Canadian Centre for the Study of Co-operatives [CCSC], 2021). This study will measure financial performance using Return on Assets (ROA), gross profit, net profit, and Return on Equity (ROE). ROA is calculated by dividing net income by total assets (Central Bank of Kenya [CBK], 2020). Gross profit represents the income earned by a Sacco before deducting taxes and expenses. Net profit is the income remaining after taxes and expenses are deducted. ROE is calculated by dividing shareholders' equity by total assets (Deloitte, 2020).

An ideal Sacco with commendable financial performance should achieve high revenue margins after tax and comfortably cover its expenses using its assets. Saccos continually strive to enhance their financial performance, as it is a critical indicator of their ability to remain operational. However, Saccos worldwide face challenges related to cash management that impact their performance.

Globally, Saccos in countries like the United States have encountered issues such as late loan payments and decreased customer deposits due to ineffective fund-raising methods, particularly in states like Arizona (Federal Deposit Insurance Corporation [FDIC], 2019). In Nevada, poor cash budgeting has led to increased staff expenditures. European nations like Spain have faced increased bad debts due to issuing loans without adequate collateral (Hull, 2018). In Greece, the lack of clear policies on short-term securities payment plans has discouraged potential clients. Additionally, poor borrower screening due to insufficient credit assessment training and stiff competition from mainstream banks on interest rates for short-term securities have posed challenges (Ahmad et al., 2023; Bank of England, 2019).

In Asian countries like Peru, Saccos have struggled with ICT management of borrowers' databases (Flores-Chia & Mougenot, 2022). In North Korea, unclear tendering processes and a lack of qualified staff to manage inventories have been significant issues. African nations like Nigeria have faced poor inventory tracking methods, leading to stock shortages and operational disruptions (Kinyenze & Ondabu, 2023). Ghanaian Saccos have experienced poor borrower portfolio management by loan officers due to low motivation.

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In South Africa, low public awareness of various loan products, securities products, and deposit account types has been a challenge (Shilimi, 2021). Congolese Saccos have been plagued by excessive institutional politics, where appointments and job terminations are based on tribalism, favoritism, and acquaintances rather than experience and qualifications. In East African countries like Tanzania, Sacco asset quality has been deteriorating, while in Uganda, fraud and corruption by Sacco officers have been prevalent (Kamchape, 2020).

In Kenya, Saccos have struggled with system failures and downtimes, discouraging clients from using e-payment channels to deposit funds. Increased customer complaints have arisen due to poor loan tracking, leading to increased interest rates or extended repayment periods (Karanja & Munene, 2019). Additionally, loan defaults and low liquidity have been significant concerns (Mafuno, 2021).

According to the Sacco Societies Regulatory Authority (SASRA, 2023), there are 175 registered Kenyan Saccos authorized to accept deposits, operating across 537 branches nationwide. These Saccos have faced significant financial performance challenges, leading to the non-renewal of licenses for three Saccos in 2019 due to poor management and consistently low performance. Additionally, the number of dormant members increased dramatically by 79.55%, from 764,472 in 2019 to 1,372,575 in 2020 (SASRA, 2020). Concurrently, active membership grew by 9.42%, from 3,744,844 in 2019 to 4,097,617 in 2020 (SASRA, 2020).

This data suggests that Saccos are struggling with operational paralysis due to the rise in dormant clients who neither make deposits nor repay loans. This issue is critical because Saccos must maintain their databases and pay monthly charges to regulators, which adds to their expenses. These challenges highlight the need to examine the impact of cash management on the financial performance of savings and credit cooperative societies in Meru County, Kenya.

The study explored how effective management of cash can influence the overall financial health and sustainability of these institutions. By addressing these issues, the study aimed to provide insights and recommendations for improving the financial performance and operational efficiency of Saccos in the region.

Saccos are expected to offer a variety of financial services tailored to market demands, which necessitates a robust current assets structure managed by qualified staff. Effective asset management enables Saccos to meet their financial obligations promptly, leading to improved net profits by avoiding unnecessary expenses such as interest on costly loans.

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However, Kenyan Saccos have faced significant challenges related to low liquidity ratios. These financial institutions have struggled to consistently maintain the required 15% monthly legal cash flow ratios, often resorting to costly bank loans for support (Sacco Societies Regulatory Authority, 2020). The liquidity ratios for Saccos declined from 54.10% in 2017 to 52.68% in 2019. This decline is problematic because, according to the Sacco Societies Regulatory Authority (2020), six out of the 175 deposit-taking Saccos (34%) failed to maintain the 15% threshold, putting client deposits at risk of bankruptcy.

The persistent liquidity issues stem from the lack of reliable cash management systems, including cash, debtors, short-term securities, and inventory management systems, which are essential for meeting short-term obligations cost-effectively (Sacco Societies Regulatory Authority, 2020). The failure to address these liquidity problems has led to significant fund transfers from Saccos to mainstream banks, further weakening Sacco financial systems. If this trend continues, clients risk losing their deposits or facing significant delays in retrieving their funds if Saccos become bankrupt.

Previous studies, such as those by Ikayo (2022) and Muli et al. (2022), have explored various aspects of cash management like cash and inventory management but have not adequately addressed debtors' management. Local studies by Agong and Otinga (2020) identified risks related to credit defaults and undiversifiable loan products in microfinance institutions, while Nyawira (2019) examined debtor management techniques in financial institutions but failed to consider internal control measures for credit extension. Additionally, Muhindo and Rwakihembo (2021) found inventory management to be crucial for organizational performance, yet organizations struggled with maintaining stock levels and managing high costs.

These gaps highlight the need to examine the influence of cash management on the financial performance of savings and credit cooperative societies in Meru County, Kenya. By investigating effective management of cash, the study aimed to provide solutions to improve liquidity and overall financial performance of Saccos in the region.

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2.0 Literature Review

2.1 Theoretical Literature

The pecking order theory, developed by Myers and Majluf (1984), provides a framework for understanding cash management and short-term securities management. The theory posits that organizations should prioritize funding operations and projects using internal sources first, followed by external sources such as retained earnings, and resorting to debt only when

necessary. According to Myers and Majluf (1984), the decision to finance initiatives within an organization is largely dependent on the availability of internal and external resources.

This theory explains cash management in Saccos, as it emphasizes the importance of managing cash flows carefully. It suggests that Saccos should prioritize using their internal resources to fund operational activities and projects. Effective cash management involves maintaining accurate and updated records of cash inflows, adhering to liquidity policies, avoiding spending cash at its source, and creating and following budgets.

The pecking order theory also guides short-term securities management, as Saccos aim to ensure their long-term viability by maximizing investment operations, including those involving securities. Financial institutions generally seek to grow by expanding their income sources, such as through short-term securities investments. This process involves investing cash surpluses in hiring investment staff and computerizing investment operations to act as intermediaries between clients and trading houses.

Additionally, Saccos should strive to promptly pay their operational expenses to prevent accumulation over time. By doing so, they attract depositors, loan clients, and investors. It is crucial for Sacco management to develop strategies to increase income streams, thereby improving internal funding and reducing reliance on external borrowing for recurring expenditures.

The pecking order theory has been criticized by Guizani (2020) for being impractical and biased towards highly profitable firms, which tend to avoid using debt due to their large capital structures. However, this critique does not significantly impact the study, as its primary focus is on how Saccos can maximize the use of internal resources rather than relying on external debt.

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2.2 Cash Management and Financial Performance

Cash management involves the process whereby a SACCO representative, irrespective of their capacity, gathers and carefully plans the expenditure of money to minimize wastages from various institutional operations such as investments, customer deposits, and interest payments (Mafuno, 2021; Muli et al., 2022; World Council of Credit Unions Inc, 2019). The study explored various cash management methods, including liquidity policies, budgets, recording of cash inflows and outflows, payment of expenses, and investment of cash surpluses (World Council of Credit Unions Inc, 2019).

Liquidity policies encompass the regulations that ensure a SACCO can meet its financial obligations as they arise (Kinyenze & Ondabu, 2023). For instance, maintaining specific cash

levels within departments at all times is a liquidity policy. Budgets are critical for planning expenditures, ensuring clarity on how much money is spent, where it is spent, and for what purposes. Recording cash inflows and outflows involves meticulous bookkeeping to account for all money received and spent, adhering to standard accounting practices (Deloitte, 2020).

Paying expenses promptly is also a significant aspect of cash management, as the ability to settle bills efficiently can prevent the accumulation of debt. Proper management of expenses contributes to a debt-free institution. Additionally, investing excess cash in further investment options to increase revenue channels helps Saccos avoid the depreciation of cash value due to inflation (Agong & Otinga, 2020).

The relevance of cash management in improving financial performance has been debated in various studies. Fidelity National Information Services Inc (FNIS) (2019) documented its transformational plan for digital payments in the Philippines, highlighting that financial inclusion in remote areas was facilitated by introducing various digital payment methods to improve cash collection. FNIS reported that 50% of its retail payments had shifted to e-payments, and the history of cash collection methods evolved from ATMs in the 1980s-90s, online banking in 2000-2010, to the consolidation of Bancnet and Megalink operations between 2010-2015.

The growth metrics showed a significant increase in ATM access points from 499 to 21,777 in 2019, a 2.3% growth compared to 2018. Conversely, POS terminals and credit cards saw declines of -26% and -4.2%, respectively. Transactions increased by 36%, indicating a shift to online transactions. To address this, FNIS used InstaPay, EFT credit ACH, and Multiple batch net settlement (MBNS) of PESONet transfers.

Ali et al. (2020) explored how the performance of Nigerian Saccos was influenced by cash management techniques using annual reports from 2014-2018. They found that investing cash relative to total assets had no influence on performance, while the cash-to-total-assets ratio negatively influenced performance. The study highlighted that insufficient emphasis on maintaining cash reserves led to frequent liquidity issues, suggesting a need to expand the study to Kenyan Saccos to assess their cash management practices.

Kakaire (2019) examined how cash management influenced the performance of Ugandan Saccos, focusing on cash planning, budgeting, and control. Using a cross-sectional design, the study collected data from 40 Sacco members through interviews, questionnaires, and report analysis. The findings indicated that proper control of cash against misuse, misappropriation, and theft positively influenced financial performance. However, Kakaire

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did not assess other cash management methods such as expense payments and cash surplus investment.

Githaiga (2022) investigated how 443 Microfinance Institutions (MFIs) across 108 nations achieved sustainable financial capacity through revenue diversification, using secondary data from 2013-2018. The diversification methods included loan products, current accounts, savings accounts, and mortgages, with various payment methods like online transfers, ATM banking, and mobile banking. The study found a positive relationship between revenue diversification and sustainability but did not consider agency banking as part of revenue management.

Consults and Abdi (2022) conducted a study in Hargeisa-Somaliland on how cash management affected financial institution performance. Using a descriptive research design, they collected data from 112 staff members, with a 95% response rate. The study found poor cash management methods, such as disbursement and debtors management, negatively impacted performance. Limited cash collection methods, mainly in-person deposits, led to late repayments and high default rates due to frequent system errors in e-payments.

Nso (2018) investigated how cash management techniques affected the profitability of financial institutions in Cameroon. The study used a case study design, collecting data from 30 staff members through questionnaires and interviews. The methods examined included concentration banking, lock-box systems, e-funds transfers, and slow payment disbursement. The study found that appropriate cash management methods, such as e-fund transfers, improved profitability. However, the study did not present qualitative findings and did not conduct a pre-test on the instruments.

Mwambui and Koori (2019) assessed how liquidity management influenced the performance of banks in Nairobi. The study targeted branch managers, credit managers, and credit officers from 13 financial institutions, using questionnaires and secondary data to measure Return on Assets (ROA). The findings indicated that effective cash management, including cash policies, ratios, forecasts, standard liquidity minimums, and high reserves, positively influenced performance. However, the study did not cover other financial performance metrics such as Return on Equity (ROE).

In summary, these studies provide insights into the importance of effective cash management in enhancing the financial performance of SACCOs and other financial institutions. They highlight the need for comprehensive strategies that include liquidity policies, budgeting, accurate recording, prompt expense payments, and strategic investment of cash surpluses to ensure financial stability and growth.

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3.0 Materials and Methods

3.1 The materials

A research design serves as a detailed plan that directs a study throughout the data collection process. Various research designs exist, such as mixed method, exploratory, and descriptive designs, among others (Sileyew, 2019). This study adopted a descriptive research design to examine the impact of current asset management on the financial performance of savings and credit cooperative societies (Saccos) in Meru County, Kenya. The descriptive design was chosen to gain insights into how cash management practices influence the performance of Saccos (Sileyew, 2019). Additionally, the study investigated different methods of debtor appraisal, the investment in short-term securities, and the management of inventories by these Saccos.

The target population for the study comprised 24 deposit-taking SACCOs in Meru County (Appendix I). The respondents included 42 customer care officers, 114 tellers, 93 back-office staff, and 120 loan officers, totaling 369 individuals (Nyumoo, 2020; SASRA, 2023). These specific officers were chosen due to their direct involvement in managing cash, debtors, securities, and inventory within the SACCOs. Customer care officers and tellers were included because they handle cash management and securities, back-office staff were selected for their interaction with inventories, and loan officers were chosen for their daily dealings with debtors.

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3.2 Methods

Data analysis commenced immediately after data collection concluded. The researcher first cleaned the data, excluding any incomplete or unanswered questionnaires. Subsequently, SPSS version 27 was employed to analyze both quantitative and qualitative data derived from the questionnaires and financial reports. For the quantitative data, descriptive statistics such as frequency, percentage, and mean were calculated. Additionally, various diagnostic tests, including normality, linearity, multicollinearity, and correlation tests, were conducted to verify the suitability of the collected data.

The study also utilized inferential statistics, including model summary, ANOVA, and regression coefficients, to assess the influence of independent variables on the dependent variable, test hypotheses, and develop the regression model with appropriate coefficients. The

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results were then presented in tables, followed by detailed explanations. The study's regression model in question is an indicated below:

$Y = C + \beta 1X1$

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Where:

Y = Financial Performance

βi = Coefficients to be estimated

C= Constant

XI= Cash management

4.0 Results and Discussion

4.1 Response Rate

The research included a sample of 13 accounts department officers, 34 tellers, 28 back-office employees, and 36 loan officers, all from 7 SACCOs, resulting in a total of 111 participants. 97 respondents submitted fully completed questionnaires, representing a response rate of 87.4%. According to Mugenda and Mugenda (2003), a response rate above 70% is deemed very good for research purposes. Therefore, the response rate for this study was considered satisfactory.

4.2 Cash Management practice

The primary aim of the research was to ascertain how cash management affected the financial performance of certain credit and savings cooperative societies located in Meru County, Kenya. Table 1 shows the findings of a questionnaire used to assess factors such as cash inflow and outflow records, budgets, liquidity policies, expenditure payments, and cash surplus investment.

Table 1: Descriptive Statistics of Cash Management practices

Statements	N	Min	Max	Mean	Std. Deviation
There are clear policies that guide on how much cash a specific staff can handle within their department	97	2	5	3.78	0.710
Cash is never spent without an approval of a budget by the branch manager	97	1	5	4.58	0.965

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There are qualified staff who are trained on maintaining books of accounts hence recording cash inflow and outflows in accordance to accounting standards	97	1	5	3.91	0.758
There are various options that the SACCO management is allowed to invest excess cash as way of increasing the income revenue	97	1	5	2.24	0.662
The SACCO operations staff ensures that they notify the management on any accruing expenses for payments purposes	97	1	5	4.47	0.792
Valid N (listwise)	97				

Source: Researcher (2024)

According to Table 1, respondents agreed that there were clear policies outlining the amount of cash each staff member could handle within their department (M=3.78, Std Dev=0.710). They also agreed that there were qualified staff trained to maintain accounting records, ensuring proper documentation of cash inflows and outflows in line with accounting standards (M=3.91, Std Dev=0.758). However, respondents disagreed with the statement that the SACCO management had various options to invest excess cash to increase income revenue (M=2.24, Std Dev=0.662). Additionally, respondents strongly agreed that the SACCO operations staff notify management of any accruing expenses for payment purposes (M=4.47, Std Dev=0.792) and that cash is never spent without the branch manager's budget approval (M=4.58, Std Dev=0.965).

The results indicate that the SACCOs had established effective cash handling measures, such as setting maximum amounts to be held at workstations and ensuring proper recording of cash transactions. However, despite having available funds, the SACCO management faced challenges in further investing due to the lack of relevant policies and active investment departments. These findings align with Ali et al. (2020), who suggested that one effective way to manage cash flow is to diversify into less saturated investment opportunities, allowing an institution to dominate a specific market and enhance long-term profitability. Consults and Abdi (2022) also confirmed that financial performance is closely linked to diversification as a cash flow management strategy.

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4.3 Correlation Results of Study Variables

The research tested the association between cash management strategies and financial success using Pearson Correlation, as shown in Table 2.

Table 2: correlation

		Cash Management	Financial Performance
Cash Management	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	97	
Financial Management	Pearson Correlation	.732*	1
	Sig. (2-tailed)	0.002	
	N	97	97

***. Correlation is significant at the 0.05 level (2-tailed).**

Source: Researcher (2024)

Table 1 demonstrates that cash management practices have a Pearson correlation coefficient of r=0.732**, with a significance level of 99% and $\alpha < 0.000$. This suggests a strong positive correlation between cash flow management practices and financial performance. In contrast, Shahale and Ibrahim (2022) reported a correlation of 0.490 between cash management and performance, taking into account budgeting, expense forecasting, and cash adequacy.

4.4 Regression Analysis

Multiple regression analysis was conducted to evaluate the model summary, ANOVA, and regression coefficients. The model summary was utilized to investigate the strength of the relationship between asset management strategies and financial performance, as outlined in Table 3.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.779[a]	0.607	0.590	1.997

a. Predictors: (Constant), Cash Management

b. . Dependent Variable: Financial Performance

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According to Table 3, r was 0.779 and r-square was 0.607 with a Durbin Watson value of1.997. Therefore, current asset management practices had a 60.7% influence on financial performance with a positive correlation.

The study also conducted an ANOVA analysis to determine and confirm whether there was a positive or negative relationship between cash management practices and the financial performance of SACCOs, as detailed in Table 4.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.277	4	3.569	33.587	.000[b]
	Residual	91.537	93	0.995		
	Total	105.814	97			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Cash Management

According to table 4, the p-value was 0.000, which is below the 0.05 threshold. This indicates that cash management has a significant positive impact on the financial performance of Saccos in Meru County, Kenya. The critical F-value at a 5% significance level is 2.61, and with the calculated F-value being 33.587, it confirms that the proposed model is a good fit. The coefficients for the multiple regression model are detailed in table 5.

The study's regression model in question was $Y = C + \beta 1X1$

This is where:

Y = financial performance, βi = coefficients to be estimated, C= constant, XI=cash management Practices. The results are described in Table 4.

Table 5: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.09	0.798		5.312	0.00`
	Cash management	1.359	0.134	0.037	0.368	0.000

a. Dependent Variable: Financial Management

Source: Researcher (2024)

According to Table 5, the constant was 9.098, with coefficients for cash management practices at 1.359. This indicates that a unit increase or decrease in cash management would

result in a proportional change in financial performance corresponding to their respective coefficients. Thus cash management was statistically significant.

5.1 Conclusion

Many Saccos still lacked a developed investment department, thereby restricting their ability to authorize the incorporation of funds into investment options such as the capital markets. Consequently, this limitation constrained Saccos to function primarily as institutions for accepting deposits and savings, while simultaneously providing loans. This operational approach often failed to ensure consistent income due to competition from other financial institutions engaged in similar activities.

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5.2 Recommendations

The study recommends that the Board of Management (BOM) establishes policies and allocates sufficient funds to either establish an investment department if none exists or strengthen it if already in place. This initiative would expose Saccos to a multitude of investment opportunities in the capital markets, which boast well-structured and managed fund portfolios. Consequently, this diversification of operations would enhance Sacco income by spreading across various investment classes.

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