

Key Features

Fund Manager	CIC Assets Management Ltd
Launch Date	Jun - 11
Risk Profile	Low
Trustee	Kenya Commercial Bank
Custodian	Co-op Custodial Services
Auditors	PWC
Minimum Investment	Ksh 5,000
Minimum Top-Up	Ksh 1,000
Initial Fee	Nil%
Annual Management Fee	2.0%
Distribution	Monthly
Asset Under Management	KES 56.4 Billion

Fund Objective

- Capital preservation whilst getting inflation protection.
- High degree of capital stability with limited risk.
- A short-term investment vehicle for surplus funds particularly in times of market volatility.

Who Should Invest

An investor who is seeking:

Liquidity: The client is able to withdraw their funds at short notice with no penalty fees.

Flexibility: The client is able to switch or transfer funds to another fund that he/she may have with CICAM.

Security: The fund invests in government paper and liquid instruments.

Competitive Returns: Interest is calculated daily and credited at the end of each month. As an institutional client, the fund benefits from placing deposits in large sums and as such is able to negotiate for competitive rates.

Professional Fund Management: prospective investors benefit from the expertise of our seasoned professionals.

Market Commentary

GDP - Real GDP expanded by 5.0 per cent in 1Q24 compared to 5.3% in 1Q23 (vs 5.5% in 4Q23). The positive growth was primarily notable in the Agriculture sector +6.1%/y/y on increased tea, milk, sugarcane production, though weighed by lower coffee and flower exports. Notable growth was also noted in real estate +6.6%/y/y, financial and insurance services +7.0%/y/y, ICT +7.8%/y/y, accommodation and food services +28.0%/y/y.

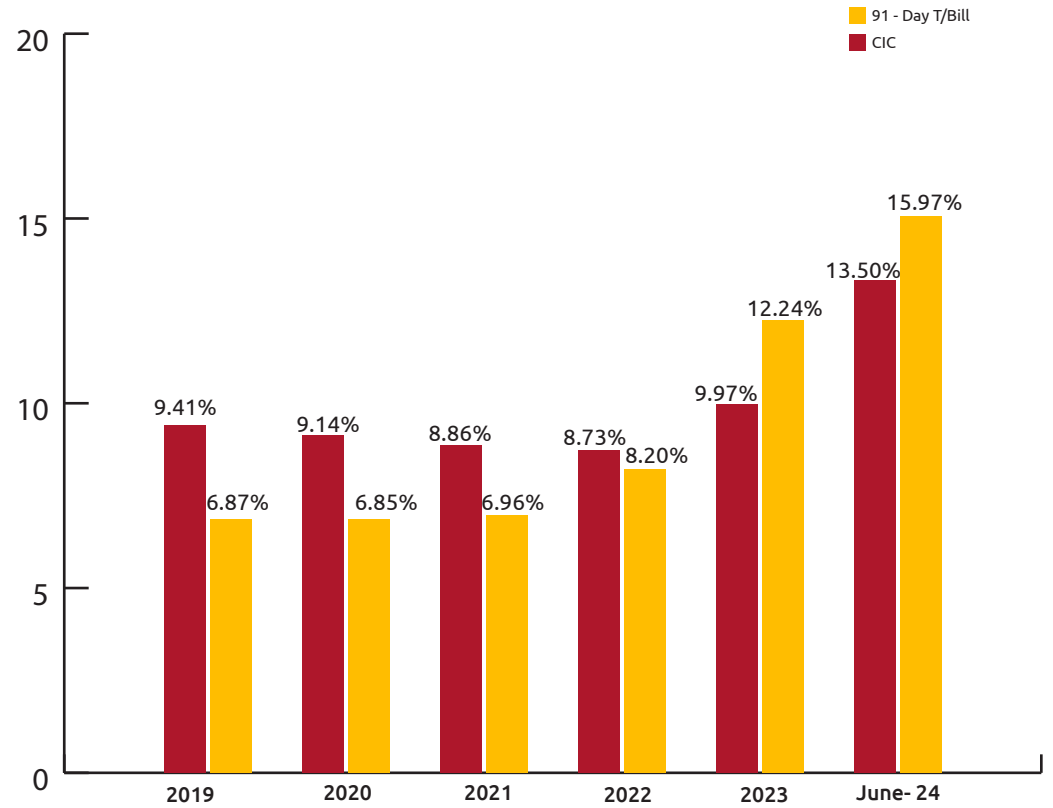
Interest Rates - Relative price stability combined with fairly decent economic growth prospects prompted the MPC to retain the Central bank rate at 13%. The increase in short-term papers has been somewhat moderate, with the 91, 182 and 365 day papers closing the first half of the 2024 at 15.98%, 16.76% and 16.79% respectively.

Inflation - Inflation decelerated, hitting a near 4-year low, due to slower growth in food and fuel prices. June inflation print came in at 4.6% compared to a restated 5.0% in May. 1H24 inflation averaged 5.6% vs 8.5% in 1H23. We anticipate the annual inflation rate to oscillate within the mid-point (5.0%) of CBK's target range supported by the declining food and fuel inflation

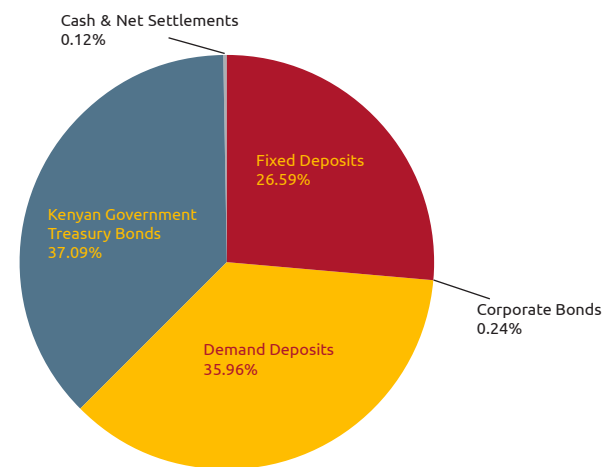
Fund Outlook

- Rates on government securities should remain elevated as interest rates remain high. The money market fund rate is therefore expected to gradually increase as maturities are repriced to reflect the high rates. Interbank rates are still on the rise pointing to higher rates in the near term.

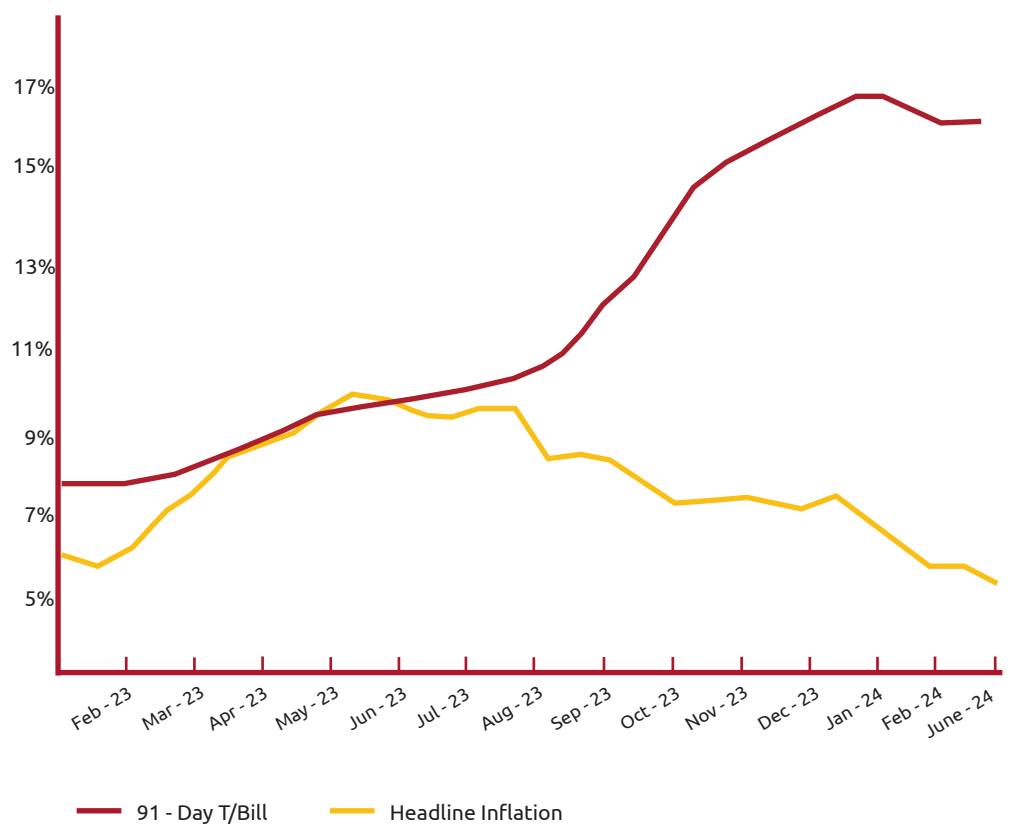
Fund Performance



Asset Allocation



91 Day T- Bill & Inflation Rate



— 91 - Day T/Bill — Headline Inflation

Statutory Disclaimer: The fund's past performance is not necessarily a guide to the future. The client's capital remains intact as the performance of units in the fund is determined by changes in the value of underlying investments hence value of your unit trust investment. Effective annual yield presented is net of fees and gross of withholding tax.