

## Key Features

Fund Manager	CIC Asset Management Ltd
Launch Date	Jun - 11
Risk Profile	Moderate
Trustee	Kenya Commercial Bank
Custodian	Co-op Custodial Services
Auditors	PWC
Minimum Investment:	Ksh 5,000
Minimum Additional Investment	Ksh 1,000
Initial Fee	Nil
Annual Management Fee	2.00%
Distribution	Semi-annual
Assets Under Management	KES 131 Million

## Market Commentary

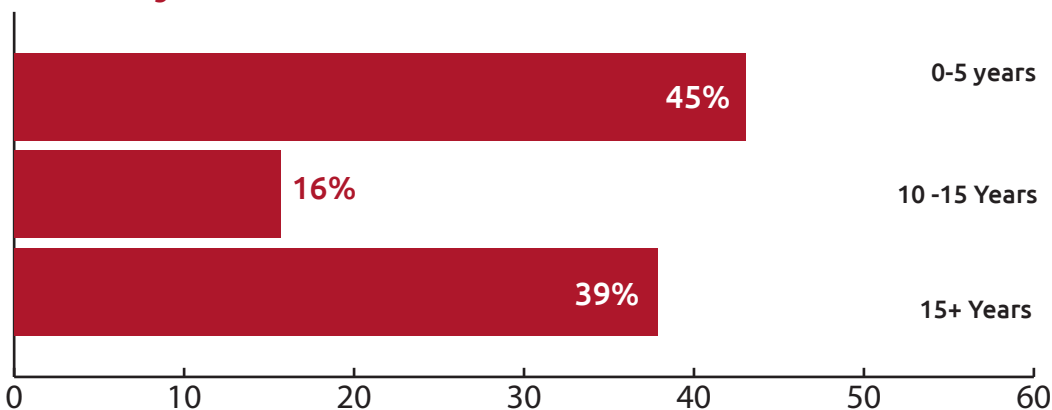
**GDP** - Real GDP expanded by 5.0 per cent in 1Q24 compared to 5.3% in 1Q23 (vs 5.5% in 4Q23). The positive growth was primarily notable in the Agriculture sector +6.1%/y/y on increased tea, milk, sugarcane production, though weighed by lower coffee and flower exports. Notable growth was also noted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

**Outlook** - The fund is poised to continue taking advantage of the elevated interest rate regime to provide investors with returns that beat benchmarks as it has done historically. An improved performance is expected for the fund as new in-flows and maturities come in which will be reinvested at higher yields in the current interest rate environment. The fund provides an opportunity for investors with low liquidity needs to lock in higher returns.

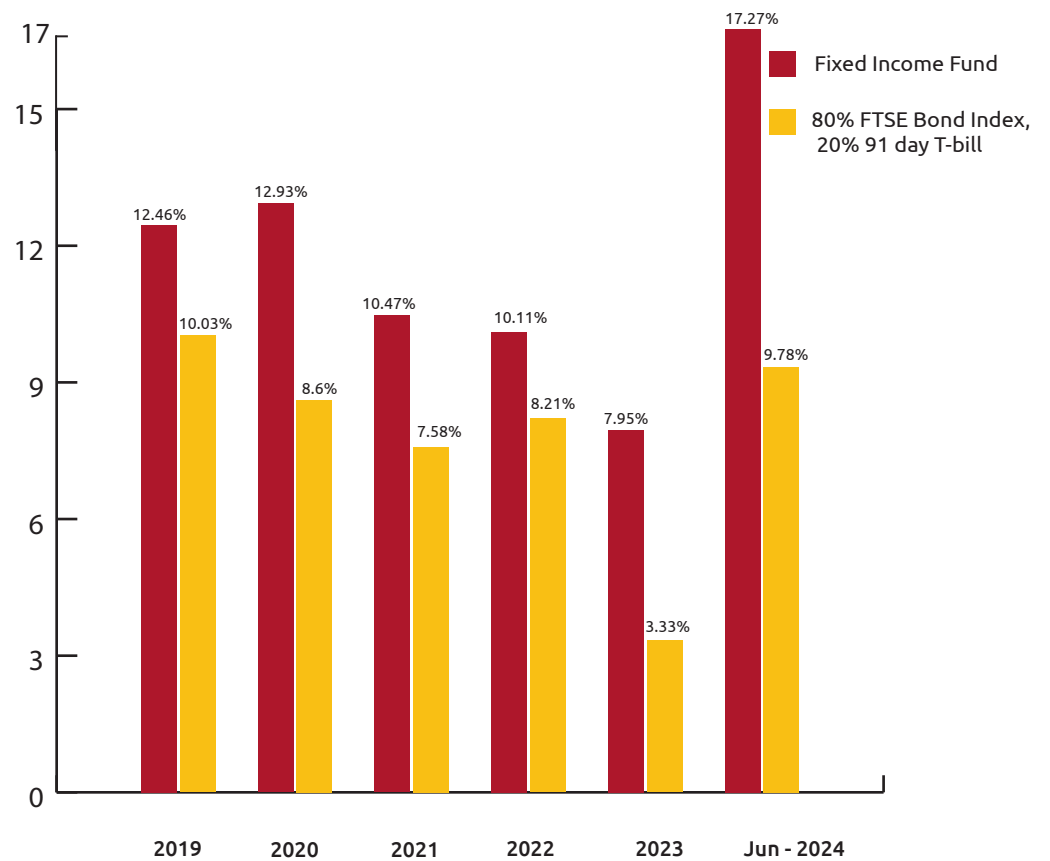
## Maturity Profile



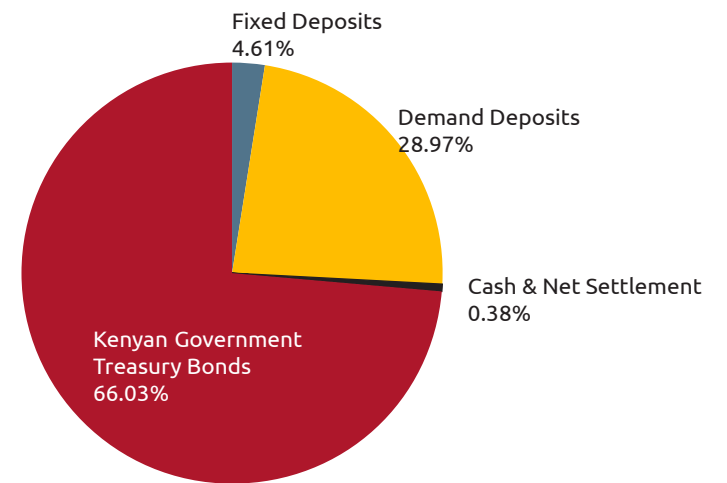
## Fund Objective

- Medium to long-term investments
- Extra returns at moderate risk.
- Reasonable return from a well-diversified portfolio of fixed income securities.

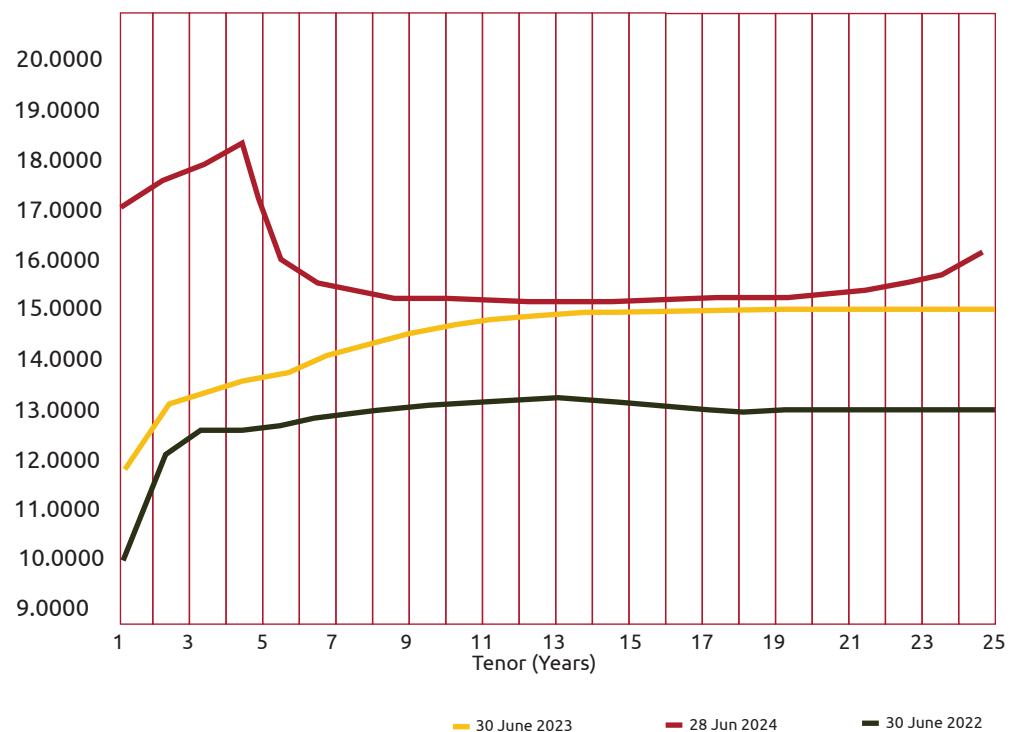
## Fund Performance



## Asset Allocation



## NSE Yield Curve



Statutory Disclaimer: The value of units may go down as well as up and past performance is not necessarily a guide to the future. There are no guarantees on the client's capital 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.