

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 55.6 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 - The government has projected a 5.4% real GDP Growth in 2024, lower than earlier prediction of 5.7%. This was after a 5.0% growth in Q1-2024, which was a slower rate compared to 5.5% in 1Q23. The overall economy recorded a slower growth compared to 5.1% in 4Q23 with all key sectors thinning in performance. Leading indicators point to a resilient performance in the Kenyan economy; pegged on the growth in agricultural sector expansion.

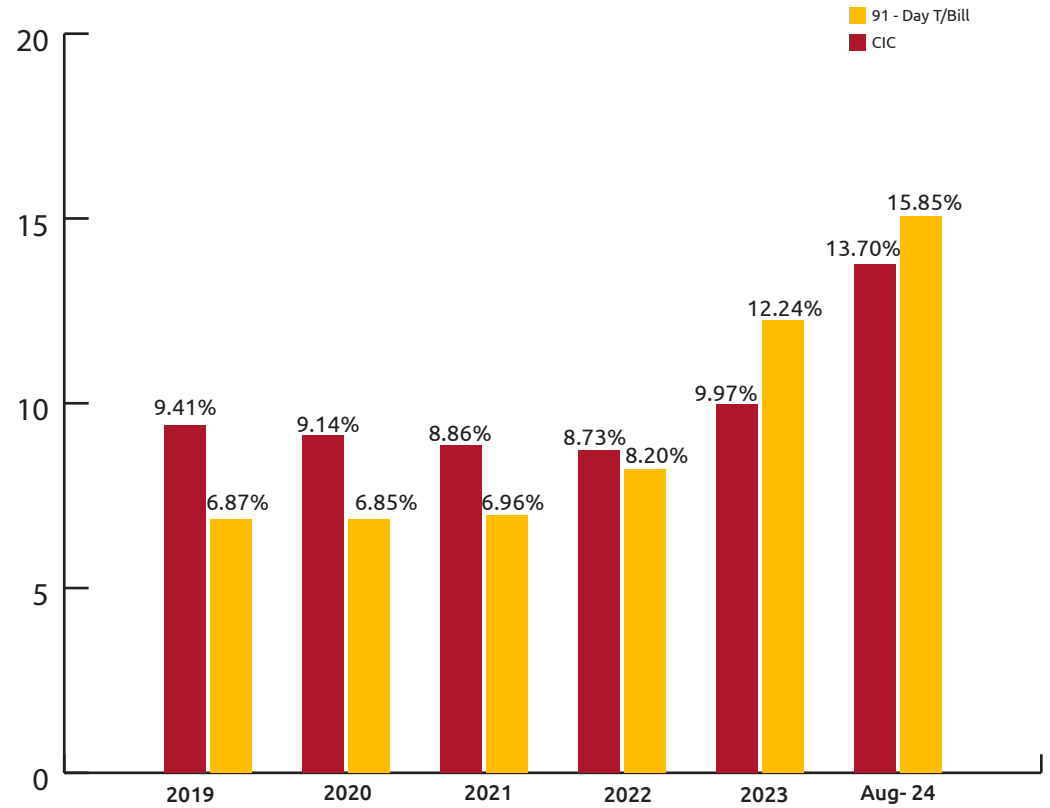
Interest Rates - Rates on short term papers continued to taper down, with the accepted rates on the 91, 182 and 365 day papers closing the month of August at 15.78%, 16.63% and 16.84%, down 0.21, 0.01 and 0.08 percentage points month-on-month (m/m). The drop in yields mirrors CBK's policy rate cut of 0.25% earlier in the month as well as broad market sentiment of lower interest rates going forward.

Inflation - Headline inflation rose for the first time in seven months, albeit marginally, to 4.4% in August from 4.3% in July 2024. The rise is largely attributable to higher fuel prices while food inflation decelerated m/m. We reiterate that we expect the annual inflation rate to oscillate within the mid-point (5.0%) of CBK's target range supported by favourable weather.

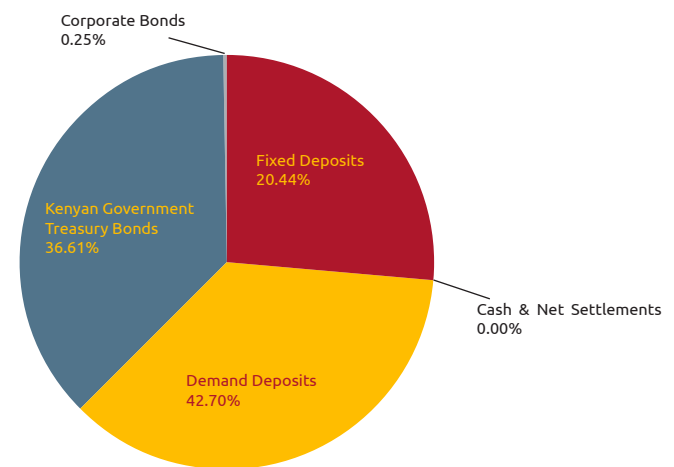
Fund Outlook

- 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.

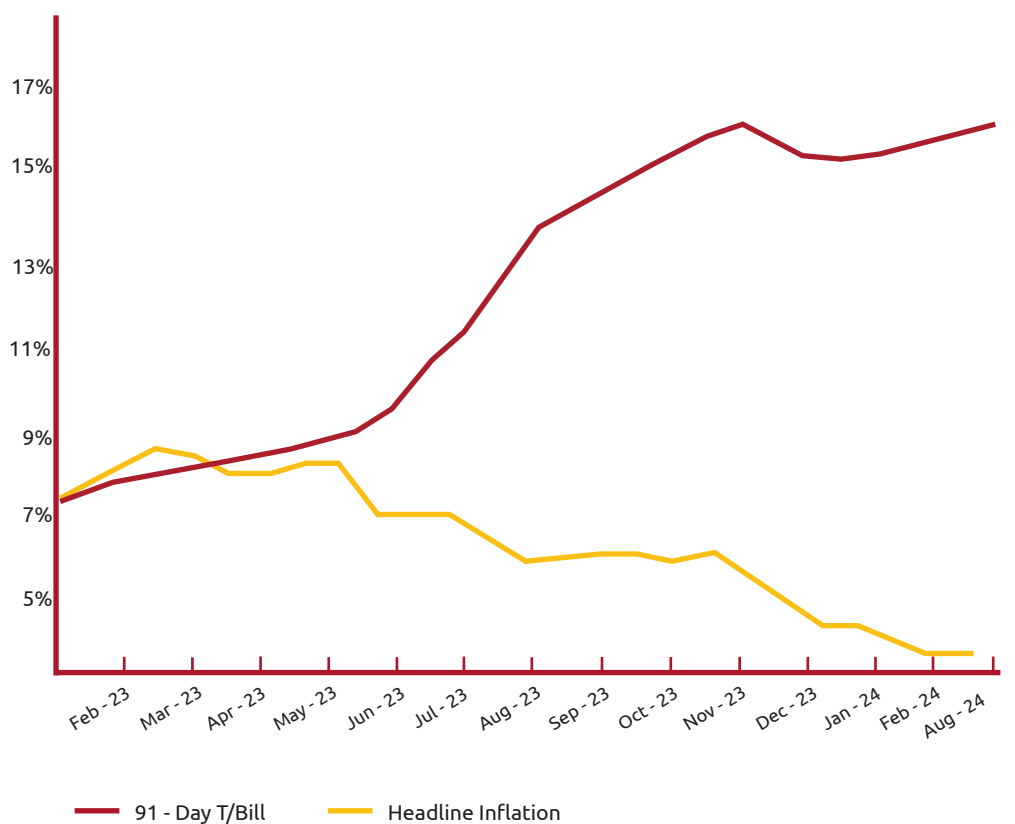
Fund Performance



Asset Allocation



91 Day T- Bill & Inflation Rate



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.