

Key Features

Fund Manager	CIC Asset 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	0.0%
Annual Management Fee	2.0%
Distribution	Semi-annual
Asset Under Management	KES 159.8 Million

Fund Objective

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

Market Commentary

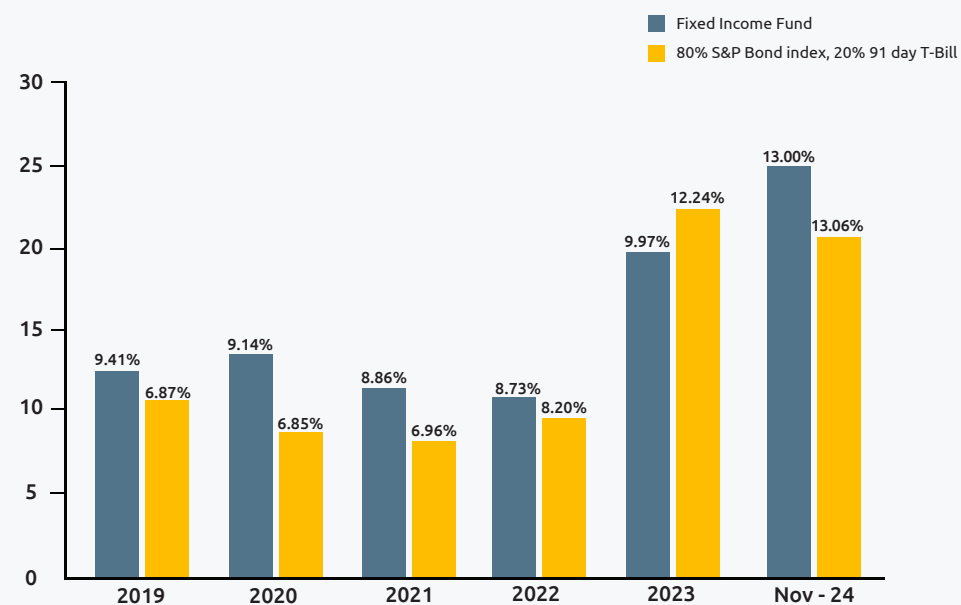
GDP - GDP growth slowed to 4.6% in Q2 2024, down from 5.6% recorded in Q2 2023. This slowdown mainly reflected deceleration in growth in most sectors of the economy. Some sub-sectors in industry contracted, underscoring the challenges to growth stemming from low government spending and consumer demand as well as sticky input prices. Overall, the economic growth outturn for 2024 is thus far slower than earlier projected and we see GDP growth could remain weak to end-year.

INTEREST RATES - In the first week of December, the Monetary Policy Committee voted to lower the policy rate from 12% to 11.25%, noting that its previous measures have maintained exchange rate stability and anchored inflation. It urged banks to take the necessary steps to lower their lending rates in order to stimulate credit to the private sector and subsequently economic activity. The short term papers closed the quarter at 11.25%, 11.34% and 12.49% for the 91, 182 and 365 day papers respectively.

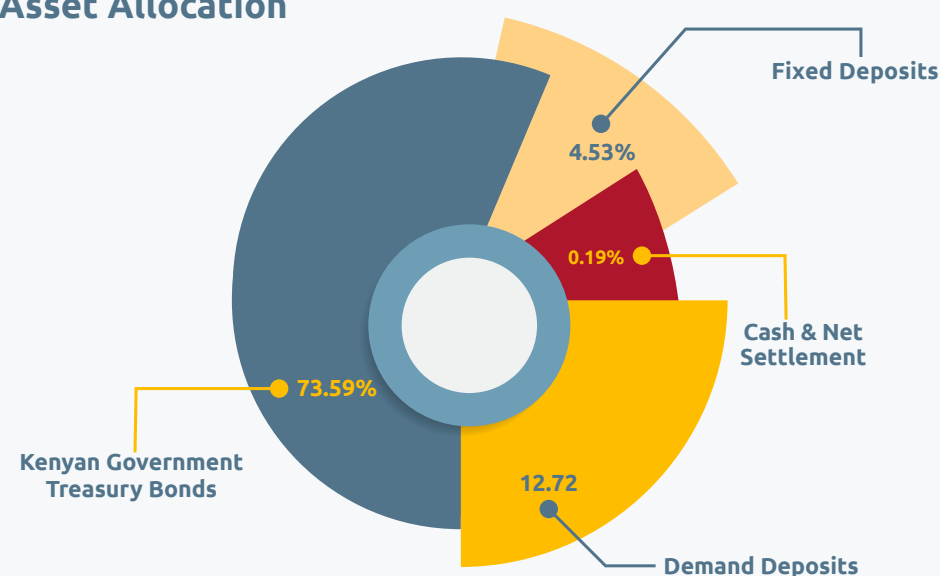
INFLATION - Overall inflation recorded a marginal increase to 2.8% in November from 2.7% in October 2024- general prices rose by 0.3%. The lower inflation levels thus far provides sufficient room for further monetary policy easing; as the focus is now slowly shifting from price stability to stimulation of aggregate demand.

OUTLOOK - An improved performance is expected for the fund as new inflows and maturities come in which will be reinvested at higher yields in the current interest rate environment. The fixed income fund will experience significant upside from bond revaluations anchored by the declining interest rates. The fund provides an opportunity for investors with low liquidity needs to lock in higher returns.

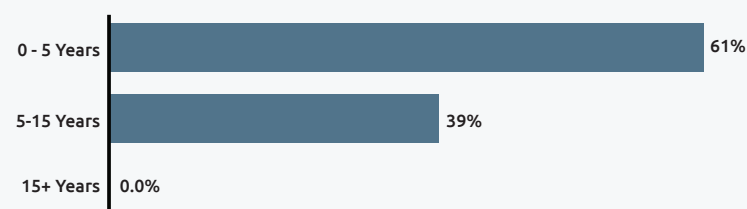
Fund Performance



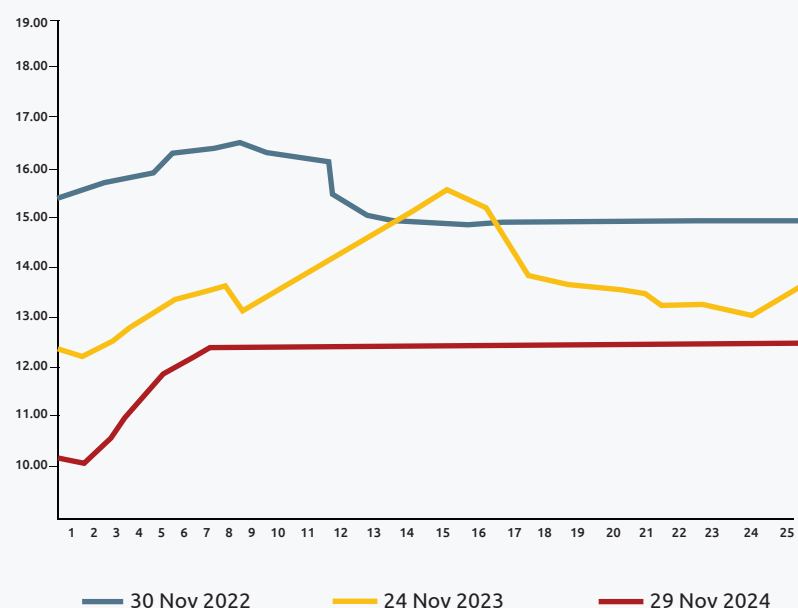
Asset Allocation



Deposit Maturity Profile



NSE Yield Curve



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.