



**CIC ASSET MANAGEMENT LIMITED**

**MINUTES OF 13<sup>TH</sup> CIC UNIT TRUST SCHEME ANNUAL GENERAL MEETING**  
**CONDUCTED VIRTUALLY VIA ELECTRONIC COMMUNICATION ON FRIDAY 28<sup>TH</sup> JUNE 2024**  
**AT 10:00 A.M**

**Present.**

1. Humphrey Gathungu - Managing Director (Administrator & Fund Manager)
2. Rose Limo - KCB Trustee Services

**In Attendance:**

1. Cornelius Ashira - Chairman CIC Asset Management Limited
2. Patrick Nyaga - Group Managing Director – CIC Insurance Group Plc
3. Linda Kanana - Finance Manager
4. Mary Wanga - Company Secretary
5. Nicholas Ngumunu - Fund Manager
6. Ruth Ngaruiya - Head of Unit Trust Operations
7. Dennis Maranga - Portfolio Manager
8. Lydia Muchiri - Co-operative Bank Limited Custodial Services
9. Daniel Kiilu - Audit Manager- PWC Auditors (Attended Virtually)
10. Faith Mwendu - Capital Markets Authority Representative
11. Unit Trust Holders participating virtually inclusive of proxies - 9,317  
(List Attached Herewith).

**MIN.UT.AGM 01/2024**

**WELCOMING REMARKS**

The Managing Director – CIC Asset Management Limited, Mr. Humphrey Gathungu representing the Administrator and the Fund Manager chaired the meeting with permission of the Trustee who is the bonafide chair of the Trust who on behalf of the Management of CIC and the Board of Directors of CIC Asset Management Ltd, welcomed all CIC Unit Trust Scheme Holders together with the appointed proxies following the proceedings together with all the invited guests in attendance to the 13<sup>th</sup> CIC Unit Trust Scheme Annual General Meeting.

He then called upon, Ruth Ngaruiya, Head of Unit Trust Operations, to say the opening prayer. The Managing Director confirmed that the virtual meeting has been convened as per the Unit Trust -Trustee Deed amended in 2020.

The Fund Manager then acknowledged the presence of the Chairman of the Board of Directors of CIC Asset Management Limited Mr. Cornelius Ashira, the Group Managing Director & CEO Mr. Patrick Nyaga and the Company Secretary Ms. Mary Wanga. He further went ahead to introduce other officers within the company



Linda Kanana- Finance Manager, James Njagi- Head of Business Development Dennis Maranga, Nicholas Ngumunu and Muthoni Muuo - Fund Managers Ruth Ngaruiya- Head of Unit Trust.

The Fund Manager then introduced the representatives of the caretaker team being Ms. Faith Mwende - Capital Markets Authority (CMA), Ms. Rose Limo - KCB Trustee Services, Mr. Daniel Kilu - PriceWaterhouseCoopers (PWC) and Ms. Lydia Muchiri Co-op Custodial Services who were present at the meeting. The Fund Manager also acknowledged the presence of the Executive Management Team who were following the proceedings virtually, and thanked them for their continued and dedicated service and commitment during the year 2023.

He also took the opportunity to acknowledged the presence and support provided by the Image Registrars team as the providers of the virtual platform upon which the Annual General Meeting was conducted and thanked them for their support and work towards the success of this virtual meeting.

#### **MIN.UT.AGM 02/2024**

##### **CONFIRMATION OF QUORUM**

The Company Secretary confirmed that a total number of 9,317-unit holders were in attendance virtually inclusive of proxies. She also confirmed that the trust deed allowed the Fund Manager to hold a Virtual Annual General Meeting. To this end, the Trust Scheme has the mandate to convene and conduct this Annual General Meeting of the Trust Scheme via electronic means.

In addition, she confirmed that the Trust Deed Rules require the quorum to conduct an Annual General Meeting to be at least three (3) holders who on the date of the AGM are registered as the holders representing not less than 25% in value of all the Units in Issue. To that end the Company Secretary confirmed that the required quorum was present in accordance with the Trust Deed Rules.

Upon confirmation of quorum, the Fund Manager declared the meeting properly convened and duly constituted. He then proceeded to notify the Unit Scheme holders that any resolutions to be made requiring a vote at the meeting, shall be passed by a poll and participating unit holders shall receive an SMS or email prompt to cast their vote in respect to the resolutions.

The Fund Manager notified the unit holders that the poll results shall be published on the Company's website within 24 hours and the outcome shall be deemed to be a resolution of this meeting enforceable immediately.

#### **MIN.UT.AGM 03/2024**

##### **READING OF NOTICE AND ADOPTION OF THE AGENDA.**

The notice of the 13<sup>th</sup> Annual General Meeting dated 30<sup>th</sup> May 2024 was read out by the Company Secretary and adopted as earlier circulated through various platforms including emails, company's website and SMS on 30<sup>th</sup> May 2024.

Proposer: Ooko Solomon Pinya (No: 04407)

Seconder: Mwanza Gladys Ndinda (No: 06654)



#### **MIN.UT.AGM 04/2024**

#### **CONFIRMATION OF 10<sup>TH</sup> AGM MINUTES**

The Minutes of the 12<sup>th</sup> Annual General Meeting of the CIC Unit Trust Scheme dated 23<sup>rd</sup> June 2023 were confirmed as a true record of the deliberations therein and signed by the Fund Manager.

Proposer: Mbugua Samuel Kamau, Mugo Peggy Evaline Wangui & Kimamo Mary Warukira (No: 05805)

Seconder: Catherine Nyambura Kanyua (No: 05997)

#### **MIN.UT.AGM 05/2024**

#### **ADOPTION OF CHAIRMAN'S/MANAGING DIRECTOR'S REPORT**

The Fund Manager gave an overview of the investment environment that was in 2023 key highlights among them being:-

1. GDP expanded by 5.6% in 2023, an increase from 4.8% growth in 2022. The growth was mainly supported by a rebound in agricultural activity and the services sector.
2. Inflation trended downwards in 2023 largely on high base effects from the previous year.  
In 2023, the average inflation level was 7.70% for the year, above the higher CBK target level. This was largely due to rising food & fuel prices and a weakening Kenya Shilling (KES lost 27% in 2023).
3. Government bond yields increased due to pressure to plug the budget deficit, weakening of the Kenya Shilling thus increasing Kenya's debt service amount on foreign currency debt, and government's response to elevated inflation levels globally which led to most countries raising their interest rates.
4. The equities market also registered losses in 2023, with the NASI returning -27.7% for the year.  
High interest rates in developed markets and concerns over the dollar availability in Kenya resulted in foreign investor sell-offs in the local bourse. However, corporate earnings remained strong.
5. 2024 Outlook is positive, as economic growth is expected to remain positive above 5% in 2024, driven by Agriculture and the services sector. Inflation has moderated and is expected to remain within the CBK's preferred target level of 5% - 7.5%, supported by the appreciation of the Kenya Shilling and stable commodity prices. The Kenya Shilling is expected to be less volatile (has appreciated by 19% to the Dollar). Dollar availability has also improved. Interest rates are expected to come down on the back of Government shift towards external funding for the budget deficit. The equity market activity is likely to remain positive in 2024 supported by increased foreign investor inflows, following an improvement in dollar availability in the country. Policy rate cuts in developed markets will make the local exchange more attractive. As at May, NASI is up 23% in 2024.
6. CICAM maintained its position with the largest market share at 29.4% as 31<sup>st</sup> December 2023. Whilst we firmly remain the largest unit trust provider in Kenya, our overall AUM decreased by 0.23% in 2023 due to increased competition in the industry. The Number of Unitholders has grown by 213% from 2019, there is a 9.4% growth in 2023 representing 22,897-unit holders from 20,937-unit holders in 2022.



The fund manager concluded by expressing his optimism on the continued growth of the business and affirmed that in 2024 the business aims at maintaining a dynamic approach in all investment actions to ensure all Funds outperform the set benchmarks through the optimal use of our research competencies, superior security selection and systematic implementation of our investment strategy. Our IT platforms are continuously revamped to enhance accessibility, facilitate self-service and improve customer experience.

In his parting shot, the Fund Manager thanked all the investors for attending the 13<sup>th</sup> Unit Holders Annual General Meeting and for their continued support and wished them well.

The Report was unanimously adopted and approved by the Unit Trust Holders.

### **The Group Managing Director & CEO's Remarks:**

The GCEO welcomed and thanked all the stakeholders for taking time to attend the 13<sup>th</sup> Annual General Meeting of CIC Unit Trust Scheme.

### **CIC Asset Management Overview and Performance**

CIC Asset Management (CICAM), the fund manager for the CIC Unit Trust, is a wholly owned subsidiary of CIC Insurance Group Plc. The Group's 2021-2025 strategic plan focuses on 12 transformational initiatives to drive growth and profitability. In 2023, the Group recorded a PBT of Kshs 2.5 billion, demonstrating continued growth.

CICAM, a fully autonomous financial institution, is built on values of integrity, dynamism, performance, and cooperative spirit. The company adheres to laws and regulations in all its operations and product offerings.

Reflecting on the economic landscape, the country's economic growth accelerated to 5.6% in 2023, driven by favorable weather conditions and agricultural growth. In the industry, competition increased with the entry of new fund managers and efforts by established firms to expand market share. The total industry AUM rose to Kshs 215 billion in 2023 from Kshs 161 billion in 2022, due to increased financial awareness and innovative products.

CICAM's AUM grew by 1.4%, reaching Kshs 63.1 billion in 2023, up from Kshs 62.4 billion in 2022. The company also recorded a PBT of Kshs 704 million, up from Kshs 644 million in 2022, retaining its position as the most profitable fund manager in the country. With a market share of 29.4% as of December 31, 2023, CICAM continues to be the market leader, reflecting strong investor confidence in its Unit Trust Scheme.

The Group Managing Director thanked all Stakeholders and Unitholders for their continued support to the Unit trust scheme and to the CIC Group product offerings and the business at large. In his parting short he requested all stakeholders and unitholders to continue patronizing our products as they are affirmed by the stability of the Group.

He thanked all the stakeholders and unitholders for their continued support and assured them of his commitment and that of the entire team to serving, preserving and growing their wealth.



### **CIC Asset Management (CICAM) Board Chairman Remarks:**

The Board Chairman introduced himself as the representative of the Board of Directors for the Fund Manager and welcomed all members including their proxies to the meeting and proceeded to his statement.

### **Economic and Business Overview**

In 2023, the Company navigated a challenging external environment marked by high inflation, interest rates, currency fluctuations, and geopolitical tensions. Despite these challenges, the business showed resilience, delivering strong returns to customers and adapting to market shifts.

Global growth remained steady at 3.2% in 2023, with projections indicating continued stability. While economic pressures persist due to inflation and weak growth prospects, positive signs such as disinflation and improved supply chains offer hope for future economic stimulation.

The country's economy grew by 5.6% in 2023, driven by a recovery in agriculture. Despite global challenges, investor interest remains strong, supporting product innovation. The business will continue to assess risks, provide customer solutions, and adapt to emerging trends. Sustainability remains a core focus, guided by an ESG framework that addresses environmental and societal impacts.

### **Business Growth and Strategy**

The Group closed the year with notable growth, achieving a 15% increase in assets under management, reaching Kshs 146 billion, up from Kshs 127 billion in 2022. Profitability rose 10.4%, and the company's customer-centric approach resulted in a 30% increase in its client base. The business remains committed to maintaining this momentum through innovative products and expanding its geographical reach.

Looking ahead, the management team is focused on driving growth, strengthening market position, and enhancing brand reputation, with an emphasis on improving customer experience, operational efficiency, and employee development.

### **Acknowledgements**

The Board Chairman expressed profound gratitude to management and staff for their dedication and collaboration, which contribute to the company's success. He also thanked the Board for their strategic guidance and acknowledged stakeholders, including partners, brokers, independent agents, and the regulator, for their continued support. The company remains committed to delivering on its promises and looks forward to continued collaboration in 2024 and beyond.

The members unanimously adopted and approved the Chairman/Managing Director, Group Managing Director and the Board Chairman's report for the year.

Proposer: Sylvia Nyambura Kimani Account B (No: 11480)

Seconder: Mbugua Samuel Kamau, Mugo Peggy Evaline Wangui & Kimamo Mary Warukira (No: 05805)



**MIN.UT.AGM 06/2024:**

**ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022 TOGETHER WITH THE AUDITOR'S, TRUSTEE'S, FUND MANAGER'S AND CUSTODIAL REPORTS.**

The Finance Manager walked the investors through the Abridged Audited Financial Statements for year ended 31<sup>st</sup> December, 2023 noting that a complete copy of the audited financial statements and the auditor's report were availed through the company's website.

The key highlights of performance were presented as follows: -

- i. **The Money Market Fund:** The total income was Ksh.5.4Bn, Operating Expenses stood at Ksh. 1.3Bn and Profit Before Tax Ksh.4.1 Bn. Total assets stood at Ksh.56.4Bn while the net assets attributable to unit holders were ksh.56. 2Bn.
- ii. **Fixed Income Fund:** The total income was Ksh.9.0Mn, operating expenses Ksh. 4.1Mn the fund reported a profit before tax of Ksh. 4.9Mn.Total assets stood at Ksh.130Mn and those net assets attributable to unit holders stood at Ksh. 129Mn.
- iii. **Balanced Fund:** Total income for the fund was Ksh.3.1Mn, operating expenses Ksh. 7.7Mn and the loss before tax Ksh. 4.5Mn, total assets stood at Ksh. 243M, net assets attributable to unit holders Ksh. 242Mn.
- iv. **Equity Fund:** The Equity fund invests mainly in shares listed at the Nairobi Securities Exchange. The key performance indicators of the Exchange recorded negative performances in the year 2023 with the Nairobi all share Index (NASI) at negative (27.7%) and the NSE 20 share index recording at negative (10.4%). This reflected on our fund performance which recorded a negative income of Ksh. 28.4Mn with operating expenses of Ksh. 5.4Mn consequently the fund had a cumulative loss before tax of Ksh.33.8Mn. Total assets stood at Ksh. 171Mn and net assets attributable to unit holders closed at Ksh. 170.1Mn.
- v. **Wealth Fund:** This fund has achieved a remarkable growth in the year 2023 both in revenue and assets. The total income recorded Ksh. 147.3Mn, operating expenses were at Ksh.8.1Mn and profit before tax of Ksh.139.2Mn. Total assets closed at Ksh.3.44Bn and net assets attributable to unit holders were Ksh. 3.42Bn.
- vi. **Dollar Fund:** In its third year of operation, the Dollar Fund which primarily invests in dollar-denominated instruments has sustained a great growth trajectory with the total Income for the year standing at 1.2Mn USD, Total expenses of the fund were 199,000 USD and the profit for the year was 1.0Mn USD.Total assets grew by 91% over the year to close at 18.5 Mn USD and net assets attributable to the shareholders is 18.4Mn.

Overall, the net assets of the CIC Unit Trust Scheme grew by 1.3% closing at Ksh.63 Bn in 2023 up from Ksh.62Bn in 2022.



### **REPORT BY THE STATUTORY AUDITORS.**

Mr Daniel Kiilu representing the Company's statutory auditors; PriceWaterhouseCoopers, confirmed that the audit firm had carried out the audit of CIC Money Market Fund, CIC Balanced Fund, CIC Equity Fund and CIC Wealth Management Fund and proceeded to read out the independent auditor's report which confirmed that the Report of the Auditors' and the Audited Financial Statements for the year ended 31<sup>st</sup> December 2023, reflect in all material respect, the true and fair position of the collective investments scheme's funds for the year ended 31<sup>st</sup> December 2023 and issued an unmodified audit opinion.

The investors approved and adopted the annual report and the audited financial statements of the year ending 31<sup>st</sup> December 2023.

Proposer: Peter Wawire Ongeti & Grace Njeri Michuki (No: 04155)

Seconder: Ntheketha Nicholas Mwanza (No: 07501)

### **PRESENTATIONS OF VARIOUS REPORTS:**

#### **REPORT OF THE FUND ADMINISTRATOR FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023**

Mr. Dennis Maranga took the members through the fund manager's report giving the following key highlights:-

- i. The business continues to register a strong growth in assets under management at 9.4% growth in 2023 as at 31<sup>st</sup> December 2023.
- ii. In line with the strong growth registered by the business, assets under management closed the year at Kshs. 63.12Bn compared to Kshs.62.26Bn in 2022.
- iii. The number of clients has continued to record progressive growth closing the year at approximately 22,897 as at 31<sup>st</sup> December 2023 compared to 152 in 2011 and approximately 20,937-unit holders in 2022.
- iv. Market position; CIC Unit Trust Scheme maintained its position as the largest scheme with a market share of 29.4% as at December, 2023.
- v. Comparative Fund Performance:- the funds experienced a mixed bag performance due to the high interest rates and the equities market loss value during the year. The fund's performance was as below:-
  - Money Market Fund average return was 9.97% against a benchmark of 12.24%.
  - Dollar Fund performed at 9.08% against a benchmark of 5.19%.
  - Fixed Income Fund performed at 7.95% against a benchmark of 3.36%.
  - Equity Fund performed at -13.66% against a benchmark of -20.64%.
  - Balanced Fund performed at 0.00% against a benchmark of -9.14%.





## **REPORT OF THE CUSTODIAN FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023.**

Ms. Lydia Muchiri representing Co-operative Bank Limited Custodial Services presented the custodian report giving the following key highlights: -

- i. A summary of the custodian's history, establishment and ownership structure was presented highlighting a current valuation of the custodian's portfolio of over Kshs. 250 billion as at 31<sup>st</sup> March 2024.
- ii. While the Co-operative Bank Limited is licensed by the Central Bank of Kenya (CBK), its approved by both the Capital Markets Authority (CMA) and Retirement Benefits Authority (RBA) to perform the mandate of a custodian as envisioned in the Retirement Act 1997 and any subsequent legislation.
- iii. A summary of the custodian's services offered pertaining to the custodial bank were highlighted including:-
  - a. To receive and keep the scheme's financial assets in the respective accounts as well as safes & strong rooms for physical documents of title.
  - b. To ensure that all instructions received from the fund manager are settled promptly.
  - c. To ensure that proper books and records of accounts are kept and that the same are made available to the designated auditors annually.
  - d. To ensure that all the scheme's realized income- Dividends, interest, coupon- are received in a timely manner and accurately posted into the scheme accounts.
  - e. To submit comprehensive investments & cash movement reports to trustees at least quarterly.
  - f. To ensure benefits payments in favor of existing members are processed promptly.
- iv. A summary of the custodian's duties to the scheme were highlighted including securities safe keeping, settlement of purchase or sale of bonds, shares etc, Income collection such as dividend, bonus and payments such as scheme expenses and processing benefits.
- v. The custodian has discharged its duties as prescribed under the Capital Markets (Collective Investment Scheme) regulations 2001 and confirmed that the issue, sale, redemption and cancellation and circulation of the price of the scheme's units and the application for the scheme's income have also been carried out in accordance with the regulations.
- vi. The custodian representative confirmed that for the year ended 31<sup>st</sup> December 2023, the custodian held the assets for the scheme, securities and income that accrue thereof, to the order of the fund manager and administrator and facilitated the transfer, exchange or delivery in accordance with the instructions received from the fund manager.
- vii. The investments and borrowing powers and restrictions applicable to the scheme in accordance with the regulations and the documents of incorporation have not been exceeded.





## **REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023**

KCB Ltd Scheme Corporate Trustee Services representative Ms. Rose Limo tabled the corporate trustee's report and gave the following key highlights:

- i. The Trustee gave a brief overview of the CIC Unit Trust Scheme.
- ii. Confirmation that there were indeed no changes in service providers and their contracts in that KCB Bank Kenya Limited remains as the Corporate Trustee responsible for the proper management and safeguarding of the assets of the scheme, CIC Asset Management Limited is the Fund Manager and supports the trustee in investment decisions while Co-operative Bank of Kenya Limited is the Custodian responsible for the safekeeping of the scheme's assets.
- iii. In line with the Trustee's fiduciary responsibilities towards the scheme for the year ending 31<sup>st</sup> December 2023, it was confirmed that:-
  - a. The Trustee executed its fiduciary role of oversight of the scheme's operations.
  - b. The Trustee is responsible for the financial reports tabled by the external auditors and the Trustee reports for the sub-funds are also contained in the audited accounts.
  - c. That there were no changes made to the incorporation documents (Trust Deed & Rules and Information Memorandum).
  - d. The operations of the scheme for the year 31<sup>st</sup> December 2023 were carried out in accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 and the Funds' Trust Deed and Rules.
  - e. The schemes ability to continue as a going concern as the Trustee is not aware of any material uncertainties that may cast doubt upon the scheme's ability to continue as a going concern.

The unit holders unanimously approved and adopted the Fund Manager, Custodian and Trustee's report.

Proposer: Mwanza Gladys Ndinda (No: 06654)

Seconder: David Ngangi Mutisya (No: 55905)

## **PLENARY SESSION:**

### **Questions and Answers / Observations /Remarks:**

The Fund Manager invited the Unit Holders to send in questions using the "question button" on the dash board or via the mobile phone USSD code \*483\*584# and follow the prompts. He further advised that the live calls are invited during the session for those who had registered. He informed the unit holders that answers to the queries that had been earlier sent either through email addressed to [cicunittrust@image.co.ke](mailto:cicunittrust@image.co.ke) or by delivering physically to the offices of Image Registrars Limited, 5<sup>th</sup> Floor Absa Towers or through dialing using live stream platform provided in the AGM notice had been submitted to the respective parties.

The Fund Manager further stated that, a full list of all questions and/or clarifications received and the answers thereto will be published on CIC's website within 24 hours after the start of the general meeting.



The Fund Manager answered the questions that had been raised and called upon Mr. Nicholas Ngumunu – Fund Manager to take the Unit Holders and Stakeholders through the question and answer session of the FAQs that had been sent prior to the meeting.

***Questions and Answers Attached.***

**MIN.UT.AGM 07/2024:**

**Any Other Business**

There being no other business, the Fund Manager thanked all the investors and participants for attending the 13<sup>th</sup> Annual General Meeting and their valuable contributions and brought the meeting to a closure at 12:40pm. He then invited Mr. James Njagi – Head of Business Development to make a presentation on member education. Thereafter he called upon Ms. Muthoni Muuo – Fund Manager to close the meeting with a word of prayer.

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**Trust Secretary:**

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**Date**

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**Fund Manager (Chairman)**

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**Date**