

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 1,000,000
Minimum Top-Up	Ksh 1,000
Initial Fee	0%
Annual Management Fee	2.00%
Distribution	Semi-Annual
Asset Under Management	KES 221.2 Million

Fund Objective

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

Market Commentary

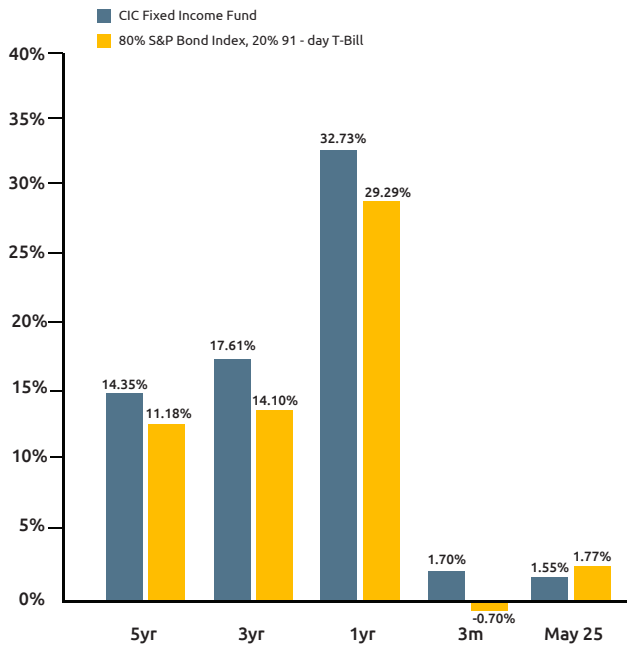
GDP - Kenya's economy expanded by 4.7% in 2024, down from a revised growth of 5.7% in 2023. The slowdown was primarily driven by a decline in performance across several economic sectors, with notable setbacks in the Construction, Mining and Quarrying sectors. However, the growth was underpinned by strong perfor-mance in various sectors (agriculture, real estate, transportation, financial & insur-ance services). Kenya's GDP is expected to grow by 5.4% in 2025 & 5.6% in 2026 bolstered by resilience of agriculture & key service sectors, private credit growth and improved exports.

INTEREST RATES - In April the Monetary Policy Committee convened to review the outcomes of its previous measures to anchor inflationary expectations and maintain exchange rate stability. The committee voted to further lower the CBR by 75bps to 10% from 10.75%, on account of stimulating private sector credit and economic growth. In the month of May, short term papers remained under pressure, with the 91, 182 & 364 days papers settling at 8.32% (-12bps) , 8.58% (-4bps) & 10.00% (-2bps) respectively.

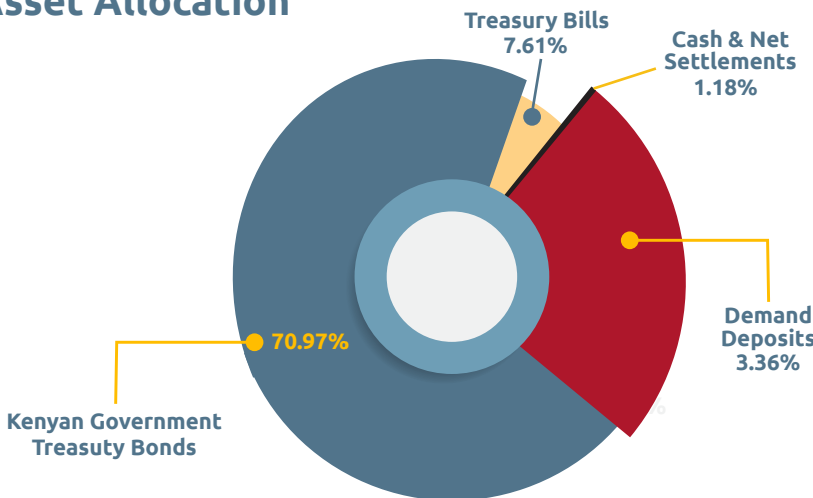
INFLATION - Overall inflation eased to 3.8% in May from 4.1% in April 2025, mainly due to a drop in non-core inflation, which fell to 6.0% from 8.4% on the back of lower vegetable, energy and electricity prices. Meanwhile, core inflation rose to 2.8% from 2.5%, driven by higher processed food prices.

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 experi-ence 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.

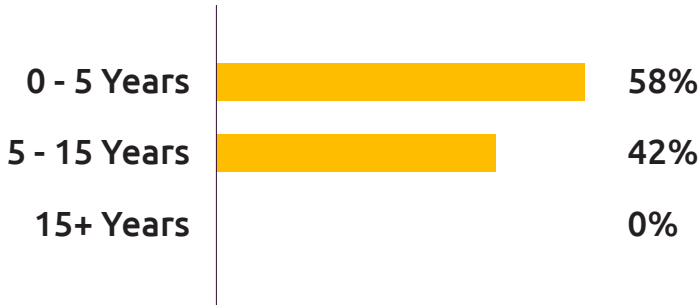
Fund Performance



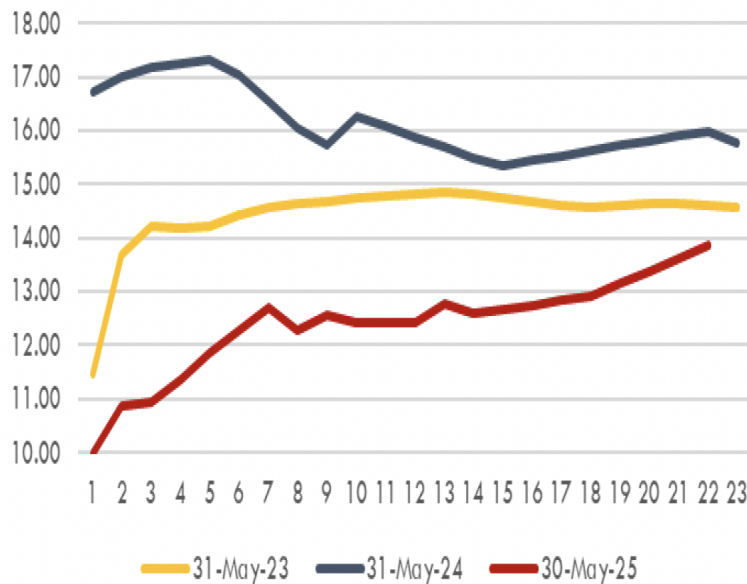
Asset Allocation



Maturity Profile



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. Effective annual yield is presented net of fees and gross of withholding tax.