

Key Features

Fund Manager	CIC Asset Management
Launch Date	June 2011
Risk Profile	Moderate
Trustee	Kenya Commercial Bank
Custodian	Co-operative Bank
Auditors	PWC
Minimum Investment	KES 5,000
Minimum Top-up	KES 1,000
Initial Fee	2.25%
Annual Management Fee	2.00%
Distribution	Quarterly
Assets Under Management	KES 230.5 Million

Fund Objective

- Typically, ready to invest over the medium to long-term.
- Investors seeking moderate risk with above market returns.
- Seek to benefit from a well-diversified portfolio of market instruments.

Market Commentary

INTEREST RATES - The Monetary Policy Committee (MPC) maintained the Central Bank Rate (CBR) at 8.75% in May, citing risks to energy prices arising from the Middle East conflict and the need to anchor inflation expectations. Yields on short-term government securities increased during the period, with the 91-day, 182-day, and 364-day Treasury bills settling at 8.39% (+0.61% m/m), 8.21% (+0.32% m/m), and 8.59% (+0.32% m/m), respectively. This upward movement reflects heightened investor expectations of higher interest rates, largely driven by mounting inflationary pressures.

EQUITIES - The Kenyan equity market ended the month on a mixed note, with the NASI and NSE 10 advancing by 0.2% and 0.9% m/m, respectively, while the NSE 20 and NSE 25 declined by 1.0% and 0.2% m/m. The downturn was largely driven by price declines in selected large-cap stocks, including Absa (-5.7%), Stanbic Bank (-5.8%), and BAT (-9.4%). However, these losses were partially offset by gains in counters such as Co-operative Bank (+2.6%), EABL (+1.8%), and Equity Bank (+1.0%). As a result, overall market capitalization edged up slightly by 0.2% to KES 3,411.3Bn, reflecting a relatively balanced market performance amid mixed investor sentiment.

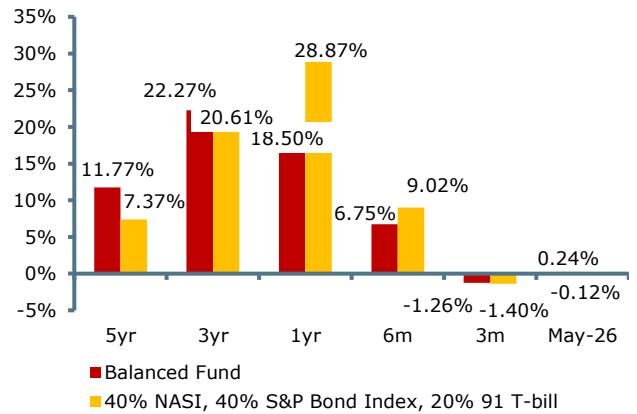
Fund Outlook

The fund remains well positioned to navigate the evolving global environment buoyed by diversified allocation to equities and bonds. Stabilizing yields in the bond market provide an opportunity to lock in attractive returns, as equity markets digest shocks from the Middle East conflict.

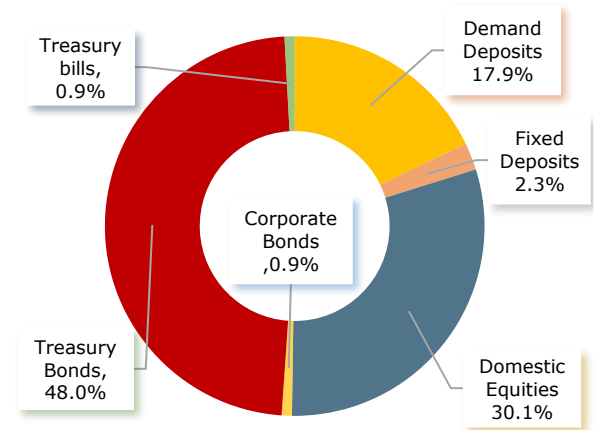
Net Asset Value (NAV)

Maximum NAV	Minimum NAV
7.51	7.21

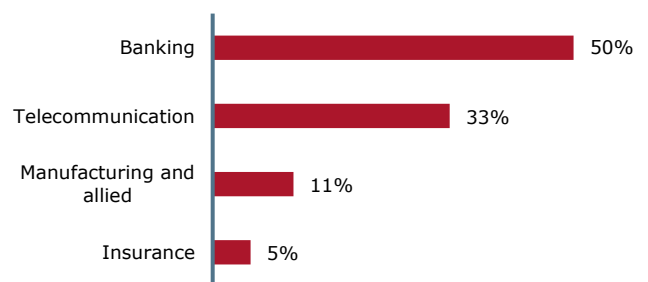
Fund Performance



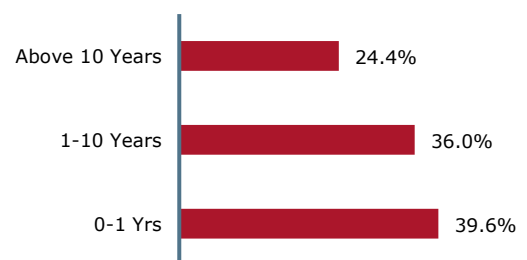
Asset Allocation



Equities allocation by sector



Maturity Profile



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