

Key Features

Fund Manager	CIC Asset Management
Launch Date	June 2011
Risk Profile	High
Trustee	Kenya Commercial Bank
Custodian₂	Co-operative Bank
Auditors	PWC
Minimum Investment	KES 5,000
Minimum Top-up	KES 1,000
Initial Fee	2.50%
Annual Management Fee	2.00%
Distribution	Semi-annual
Assets Under Management	KES 454.6 Million

Fund Objective

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

Market Commentary

INTEREST RATES - The CBR held at **8.75%** in September, as there was no MPC meeting during the month; the next one is set for 7th October. Headline inflation rose to **6.8%** from **6.6%** in August, its highest level in a year. Food and transport costs drove the increase. Inflation remains within the CBK's target range of 2.5%–7.5% but is close to the upper end of the band. In the money market, short-term government securities were broadly stable. The 91-day Treasury bill edged up to **8.78% (+0.01% m/m)**, the 182-day eased to **8.89% (-0.05% m/m)**, and the 364-day was broadly unchanged at **9.04%**. The interbank rate remained anchored at the CBR of **8.75%**.

EQUITIES - The equities market paused in September after August's rally. The NASI and NSE 20 declined by **2.28%** and **0.20%** to **245.60** and **4,316.96** respectively, while the NSE 25 edged up **0.25%** to **6,977.73**. A mid-month sell-off after the Fed's rate hike and foreign net outflows of **KES 3.61 billion** weighed on the market, with Safaricom falling **7.83%** to **KES 35.90**. Total market capitalisation declined **2.28%** to **KES 4.12 trillion**.

Fund Outlook

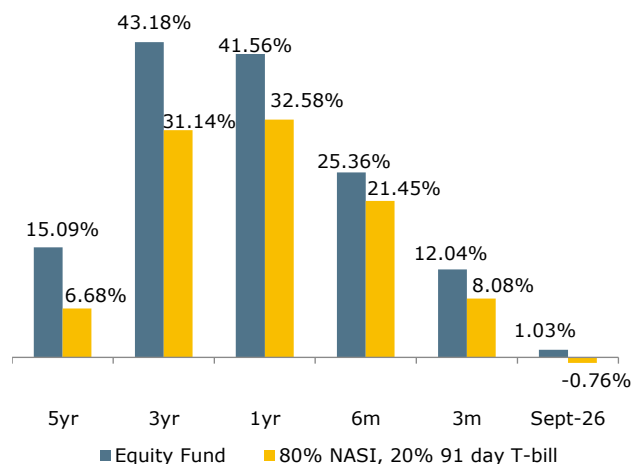
The outlook for equities remains cautiously optimistic. September's pullback has left valuations more attractive, and the market is still trading at undemanding earnings and dividend multiples. However, the Fed's rate hike, continued foreign selling and rising domestic inflation suggest volatility may persist in the near term. The Fund will remain selective, using price weakness to build positions in fundamentally resilient, dividend-paying companies.

Net Asset Value (NAV)

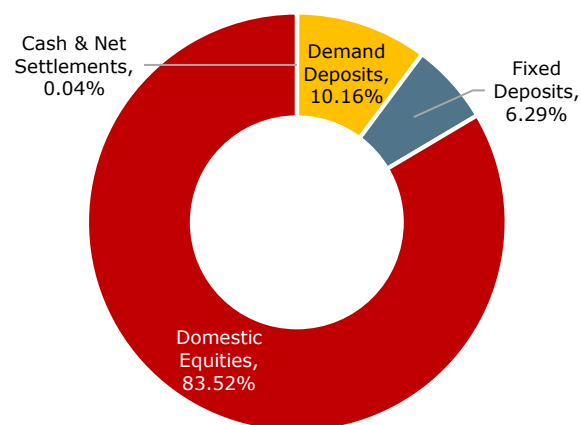
Maximum NAV	Minimum NAV
10.77	10.05

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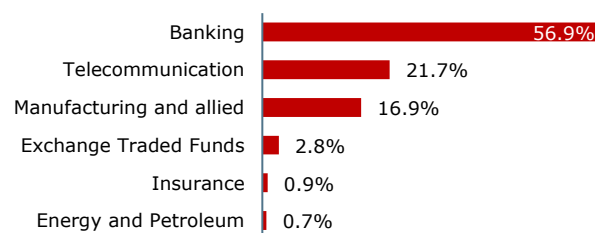
Fund Performance



Asset Allocation



Equities allocation by sector



Maturity Profile

