



CIC ASSET MANAGEMENT LIMITED
MINUTES OF 11TH CIC UNIT TRUST SCHEME ANNUAL GENERAL MEETING
CONDUCTED VIRTUALLY VIA ELECTRONIC COMMUNICATION ON FRIDAY 24TH JUNE, 2022
STARTING AT 10:00 A.M

Present.

1. Stanley Mutuku - Managing Director (Administrator & Fund Manager)
2. Florence Nduba - KCB Trustee Services

In Attendance:

1. Cornelius Ashira - Chairman CIC Asset Management Limited
2. Patrick Nyaga - Group Chief Executive Officer - CIC Insurance Group Plc
3. Nicholas Mwachilumo - Finance Manager- CIC Asset Management Limited
4. Mary Wanga - Company Secretary – Kenya Subsidiaries
5. Teddy Yanga - Fund Manager – CIC Asset Management Limited
6. Alex Muthaka - Investment Fund Manager
7. Linda Oyaya - Pension Relationship Manager -CICAM
8. Susan Robi - Risk Compliance Manager-CIC Insurance Group Plc
9. Lydia Muchiri - Co-operative Bank Limited Custodial Services
10. Richard Njoroge - Audit Manager- PWC Auditors
11. Faith Mwendu - Capital Markets Authority Representative
12. Unit Trust Holders participating virtually inclusive of proxies - 5866
(List Attached Herewith).

MIN.AGM 01/2022: CONFIRMATION OF QUORUM

The Managing Director of CIC Asset Management Limited, Mr. Stanley Mutuku, representing the Fund Administrator/Fund Manager, while acknowledging that he will be chairing the meeting with the permission of the Trustee who is the bonafide Chair of the Trust, called the meeting to order at 10.00am and welcomed all CIC Unit Trust Scheme Holders and appointed proxies following the proceedings virtually and all the invited guests in attendance, to the virtual 11th Annual General Meeting and thereafter requested Ms. Ruth Ngaruiya to say the opening prayers.

The Fund Manager proceeded to welcome and introduce the representatives of the caretaker team, the Chairman of CIC Asset Management Limited Mr. Cornelius Ashira, the Group Chief Executive Officer Mr. Patrick Nyaga, the Company Secretary Kenya Subsidiaries Ms. Mary Wanga, Representatives of the Capital Markets Authority (CMA), KCB Trustee Services, PWC Auditors, Co-op Custodial Services, CICAM Staff as well as the Executive Management team of CIC Insurance Group Plc who are following the proceedings virtually and thanked them for their continued dedicated service and commitment during the year 2021. He



also acknowledged the presence of Image Registrars team and thanked them for their support and work towards the success of this virtual meeting.

The Fund Manager thereafter called upon Ms. Mary Wanga – Company Secretary Kenyan Subsidiaries who confirmed that the Trust deed allows Annual General Meetings to be held virtually. The Secretary confirmed the meeting was properly convened and duly constituted with requisite quorum to conduct business as contained in the notice and that a total number of 5,866 unit holders were in attendance virtually inclusive of proxies representing not less than 25% (twenty-five percent) in value of all the units in issue in line with the Trust Deed Rules.

The Fund Manager thereafter declared the meeting properly convened and duly constituted. Unit Holders were informed that all questions which had been submitted prior to the meeting will be answered during the question and answer sessions.

MIN.AGM 02/2022: READING OF NOTICE AND ADOPTION OF THE AGENDA.

The notice of the 11th Annual General Meeting dated 31st May, 2022 was read out by the Secretary and adopted as earlier circulated to all unit holders through various platforms including emails, company's website and SMS on 2nd June 2022.

Proposer: Ngugi Thomas Kamau (No: 04146)

Seconder: Wambua Henry Mbithi (No: 07968)

MIN.AGM 03/2022: CONFIRMATION OF 10TH AGM MINUTES

The Minutes of CIC Unit Trust Scheme 10th Annual General Meeting dated 18th June, 2021 were confirmed as a true record of the deliberations therein and signed by the Fund Manager.

Proposer: Stephen Ndege Obura (No: 06125)

Seconder: Hellen Mkakela Mruttu (No: 06971)

MIN. AGM 04/2022: ADOPTION OF CHAIRMAN'S/MANAGING DIRECTOR'S REPORT

- i. The Managing Director gave a general overview of the 2021 Unit Trust Funds Performance and outlook of the investments markets, macroeconomic environment and climate for 2022 going forward. Generally, the global and domestic economy witnessed improved performances in 2021 on account of eased restrictions after the third wave of Covid-19. During 2021, the domestic economy expanded by 7.5% compared to a contraction of 0.3% in 2020 due to the reopening of the economy.



- ii. Growth was further supported by manufacturing, accommodation and food services. Kenya's economy has shown considerable resilience to the enormous shocks of the pandemic and we expect a further positive GDP print in 2022 owing to broad based sector growth.
- iii. With regard to investment markets, the local equities market exhibited an upward trend with the NSE All Share Index (NASI) and NSE-20 gaining 9.43% & 1.83% respectively in 2021. Inflation however remained benign throughout the year and thus short term rates remained stable. Inflation averaged 6.11% during the year, well within the Central Bank's target range of 2.5% - 7.5%. The interest rate environment continued to exhibit stability during the year, while the base lending rate by Central Bank of Kenya maintained at 7.0% during the year, citing that the measures implemented since March 2020 were having the intended effect on the economy and as such, remained appropriate and effective. The yields on the 3 – month, 6 – month and 1 – year treasury bills rose marginally across the board to 7.2%, 8.0% and 9.3% respectively.
- iv. On 2021 fund performance; all the unit trust funds outperformed their respective benchmarks for the year 2021, owing to our comprehensive research and prudent investment strategy while managing these funds. Total assets under management grew by 31% from Kshs 42.942Bn in 2020 to Kshs 56.278 Bn in 2021 while market share expanded from 41.1% in 2020 to 41.8% in 2021.
- v. Comparative funds' performance;
 - a. Money Market fund performed at 8.86% compared to a benchmark of 6.96%.
 - b. Fixed Income fund performed at 10.47% compared to a benchmark of 7.58%.
 - c. Balanced fund performed at 10.17% compared to its benchmark of 8.30%.
 - d. Equity fund performed at 10.80% compared to its closed benchmark of 8.90%.
 - e. Dollar Fund performed at 3.78% compared to its benchmark of 0.51%.
 - f. Wealth Fund performed at 10.50% compared to its benchmark of 7.20%.
- vi. 2022 outlook on medium to long term is positive. According to the World Bank, Kenya's economy is expected to expand by 5.4% in 2022. The rebound assumes that economic activity will normalize due to a full reopening of the economy, the Economic Recovery Strategy being successfully implemented and Kenya capitalizing on an expected improvement in external liquidity and benefiting from initiatives to meet its external financing needs. Further, we don't expect the elections to have a significant negative impact on the economy in 2022. We opine that there has been a notable pivot in the attitude of voters that might positively influence how this year's general elections play out. Inflation is projected to remain within the Central Bank of Kenya's target range of 2.5% to 7.5%, while fiscal and current account deficits are forecast to narrow as a result of deceleration in the growth of the import bill, improving international travel and robust growth in remittance. However, the downside risks to the outlook could emanate from failure to secure external financing to execute the budget, a slowdown in global growth and disruptive social conditions during the run-up to the 2022 elections.
- vii. The Chairman concluded by expressing his optimism in the continuous growth of the business despite the current macro and micro environmental challenges which may be present. He further stated that, the business has put in place a robust strategy and a great team to drive future growth and will endeavor to keep abreast with the new business environment, customer investment needs,



desire for good governance and any risks that could arise. All investors were encouraged to patronize other products offered at CIC Asset Management Limited and CIC Insurance Group Plc at large including insurance products. He further urged that the Company remained committed to the belief that a well-researched in-depth investment philosophy is the best hedge against market volatility in times of great uncertainty.

- viii. In his parting shot, the Chairman thanked all the investors for attending the 11th Unit Holders Annual General Meeting and wished them well and reiterated that CICAM remained committed to tirelessly working towards ensuring that the business continued to deliver competitive returns at all times.

The Report was unanimously adopted and approved by the members.

The Managing Director then invited the Group Chief Executive Officer Mr. Patrick Nyaga to give his address.

The Group Chief Executive Officer's Remarks:

The GCEO welcomed and thanked all the stakeholders for taking the time to attend the 11th Annual General Meeting of the CIC Unit Trust Scheme. He noted that CIC Insurance Group continues to record remarkable growth and the 2021-2025 strategic plan is fully on course and aimed at driving the company to the next level of growth. In 2021, the economy witnessed remarkable growth across all sectors amid recovery from the covid-19 pandemic that had persisted in the whole of 2020. We witnessed increased competition in the industry as fund managers strived to increase their market share. Despite the stiff competitive environment, the Assets under Management grew 33% in 2021 closing at Kes. 57.3 billion attributed to the economic recovery and increased financial awareness among investors. The Company contributed a record PBT of Kes. 523 million to the group in 2021 from Kes. 361 million in 2020 retaining its position as the most profitable fund manager in the country. The market share also slightly improved to 42.1% in 2021 from 41.4% in 2020. The schemes assets under management grew to Kes. 57.6 billion as at the end of May 2022. This affirms the confidence and trust that the investors have in the company.

Profitability was also experienced across all the funds with the Money Market registering a PBT of Kes. 2.6 billion in 2021 from Kes. 2.1 billion in 2020, the Fixed Income Fund recorded a PBT of Kes. 6.4Mn in 2021 from Kes. 4.5Mn in 2020, the Balanced Fund recorded a PBT of Kes. 20.7Mn from a loss of Kes. 7.7Mn in 2020, the Equity Fund recorded PBT of Kes.17.6 Mn from a loss of Kes.34.5Mn in 2020, the Wealth Fund recorded a PBT of USD 21,746 in its first year of operation. He noted that this was testimony that prudent investment strategies were put in place to give value to investments and that the Company will continue to do so to ensure we grow your wealth.

In conclusion, he encouraged all stakeholders and unitholders to continue in their support to the Unit Trust scheme and to patronize the business including insurance products offered by other sister companies within CIC Insurance Group Plc. He thanked the unit holders for their support and urged that the entire team lead by him is dedicated to preserving and growing their wealth.



CIC Asset Management (CICAM) Board Chairman Remarks:

The Chairman appreciated and welcomed the stakeholders and the investors for creating time to participate in the 11th Unit Holder's Annual General Meeting. He noted that the global and domestic economy witnessed a recovery in 2021 on account of reduced covid-19 restrictions and CIC Asset Management had a successfully rewarding year and seeks to continue to strategize and align the business to match the fundamental changes and trends taking place in the market.

In 2021, the Company focused on a profitability driven strategy, where total assets under management increased by 24% from Kshs. 80.6 Bn in 2020 to Kshs. 100.2 Bn in 2021. Fund management fees increased by 33.9% from Kshs. 628Mn in 2020 to Kshs. 841Mn in 2021. Profit Before tax for the year was 523.45Mn compared to Kshs. 361.10Mn in 2020. The Unit Trust scheme recorded a growth of 33.6% in 2021 capturing a market share of 42% as at 31st December 2021. The Company seeks to remain customer centric and tailor our services to not only ensure excellent customer service and responsiveness but also sustain above market average returns.

Going forward, growing the business while delivering value to stakeholders for their investment remains our priority while we continuously revamp and introduce new products and we are committed to leveraging on technology to effectively serve and add value to our customers.

The Board Chairman concluded by thanking all the Unitholders and stakeholders including partners, brokers, independent agents and the regulator for their support and further thanked the investors in their choice to invest in the CIC Unit Trust Scheme.

MIN.AGM 05/2022: TO RECEIVE, CONSIDER AND IF DEEMED FIT, ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021 TOGETHER WITH THE AUDITOR'S, TRUSTEE'S, FUND MANAGER'S AND CUSTODIAL REPORTS.

CIC Asset Finance Manager stated that a copy of the audited financial statements and the auditor's report were availed through the company's website.

He then proceeded to present the CIC Unit Trust Funds Abridged Annual Audited Financial Statements 2021. Key highlights of performance were presented as follows: -

- i. **Money Market Fund:** PBT moved up to Kshs 2.6Bn from 2.16Bn in 2020.
- ii. **Fixed Income Fund:** PBT moved up to Kshs 6.4Mn from 4.5Mn in 2020.
- iii. **Balanced Fund:** PBT at Kshs 20.7M from a loss of Kshs. 7.7Mn in 2020.
- iv. **Equity Fund:** PBT at Kshs 17.6M from a loss of profit before tax of Kshs 34.5M.
- v. **Wealth Fund:** PBT at Kshs 7.4M. from Kshs 7.4M.
- vi. **CIC Dollar Fund:** PBT at USD 21,747.



Overall the net assets of the CIC Unit Trust Scheme closed at 57Bn up from Kshs. 42Bn in 2020 representing a change of 33%.

He then requested the external auditors to present their opinion.

PWC Auditors led by Mr. Richard Njoroge confirmed that PWC carried out the audit report of CIC Money Market Fund, CIC Balanced Fund, CIC Equity Fund, CIC Wealth Management Fund and CIC Dollar Fund. He read out the independent auditor's report which confirmed that the Report of the Auditors' and the Audited Financial Statements for the year ended 31st December 2021, reflect in all material respect, the true and fair position of the collective investments scheme's funds for the year ended 31st December 2021 and an unmodified audit opinion has been issued.

The Fund Manager then requested that the audited annual financial statements FY 2021 together with the auditor's report be approved.

The financial statements and report was adopted and approved.

Proposer: John Muema Mutisya (No: 02626)

Seconder: Roselyne Jebichii Kite (No: 15427)

PRESENTATIONS OF VARIOUS REPORTS:

REPORT OF THE FUND ADMINISTRATOR FOR THE YEAR ENDED 31 DECEMBER 2021

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

The Fund Manager's key highlights:

- i. The business continues to register a strong growth in assets under management, with compounded annual growth rate (CAGR) 61% from December 2011 to December, 2021.
- ii. In line with assets under management (AUM) growth, the scheme continues to register strong growth in assets under management and closed the year at KShs 56.278Bn in December 2021 compared to Kes.42.942Bn in December, 2020, KShs 29.575Bn recorded in 2019 and Kshs KShs 307.2M in December, 2011.
- iii. Number of clients grew to approximately 57,500 as at 31st December 2021 as active investors compared to 152 in 2011.
- iv. Market position; CIC Unit Trust Scheme was the largest scheme with a market share of 42% as at December, 2021, compared to 41.6% recorded in 2020, 40% recorded in 2019 and 1% market share in 2011.
- v. Way forward; Fund Manager intends to sustain investment processes and systems to ensure correctness and timeliness in our responses to clients and will continue revamping the schemes' ICT platforms (both Website & Mobile) to enhance accessibility to facilitate self-service and



improve customer experience. The business will continue to build capacity through attracting and retaining high caliber professionals to deliver quality customer service while maintaining a dynamic approach in all our investments to ensure all funds outperform the set benchmarks this will be achieved through optimal use of our research competencies, superior security selection criteria and systematic implementation of our investment strategy.

REPORT OF THE CUSTODIAN FOR THE YEAR ENDED 31 DECEMBER 2021

Co-operative Bank Limited Custodial Services representative, Ms. Eden Kaberere walked the investors through a power point presentation of the custodian report and their duties giving the following key highlights:

1. In accordance with the Capital Markets (Collective Investment Schemes) Regulations 2001, (The Regulations) and the Custody Agreement between Co-operative Bank Limited as the Custodians and CIC Asset Management Limited as the Fund Manager, confirmation of the status of the schemes operations was as follows: -
 - i. That the custodian has discharged its duties prescribed under regulation 35 of the CIS regulations, to the CIC Unit trust scheme.
 - ii. The issue, sale, redemption of units and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income have been carried out in accordance with the regulations.
 - iii. 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 neither has any borrowings been made by the scheme.
 - iv. For the year ended 31st December 2021, 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.
2. Summarized custodian duties to the scheme was equally highlighted.

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2021

KCB Ltd Scheme Corporate Trustee Services representative Ms. Florence Nduba tabled the corporate trustee's report giving the following key highlights:

- i. The Trustee gave a brief overview of the CIC Unit Trust Scheme as below: -
 - a. Money Market Fund: - seeks short term capital growth and income consistent with moderate investment risk from a wide range of securities. The Fund primarily invests in interest bearing financial instruments.



- b. Balanced Fund: - seeks long term capital growth and income consistent with moderate investment risk from a wide range of securities. The fund primarily invests in quoted equity securities, corporate bonds and government securities.
 - c. Equity Fund: - seeks long term and income consistent with moderate investment risk from a wide range of securities. The fund primarily invests in quoted equity securities.
 - d. Fixed Income Fund: - seeks long term capital growth and income consistent with moderate investment risk from a wide range of securities. The Fund primarily invests in interest bearing financial instruments.
 - e. Wealth Management Fund: - seeks to attain an enhanced level of return while preserving capital. The fund primarily invests in interest bearing financial instruments.
 - f. Dollar Fund: - seek short term capital growth and income in US dollar terms. The fund primarily invests in interest bearing financial instruments in local and offshore capital markets denominated in US dollars.
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- ii. KCB Bank Kenya Limited is the Corporate Trustee of the CIC Unit Trust Funds responsible for safeguarding the assets of the Funds.
 - iii. CIC Asset Management Limited is the Fund Manager and supports the Trustee in the investment decisions. The overall responsibility for investment and performance lies with the Trustee.
 - iv. The Co-operative Bank of Kenya Limited is the Custodian of the Funds charged with safekeeping of the Fund's assets.
 - v. We confirm that the operations of the Funds were carried out in accordance with the Capital Markets (Collective Investment Schemes) Regulations, 2001 and the Funds' Trust Deed.
 - vi. Having assessed the Funds' ability to continue as a going concern, the Corporate Trustee is not aware of any material uncertainties that may cast doubt upon the Funds' ability to continue as a going concern.

The above reports were adopted and unanimously approved by the unit holders.

MIN.AGM 06/2022: TO CONFIRM AND APPROVE THE APPOINTMENT OF PRICEWATERHOUSECOOPERS, CERTIFIED PUBLIC ACCOUNTANTS, AS THE AUDITORS OF THE SCHEME FOR THE YEAR 2022 AND AUTHORIZE THE FUND MANAGER TO FIX THEIR REMUNERATION.

The Scheme Unit Holders approved the appointment of PriceWaterhousecoopers (PWC), as auditors' for the Scheme for the year ended 31st December 2021, and their re-appointment to continue in office in year 2022 as such having expressed their willingness and the Trustee/ Fund Administrator be authorized to fix their remuneration.

Proposer: Joyce Mwiki Mwenda (No: 12584)



Secunder: Nancy Nyokabi Wachiuri (No: 02350)

PLENARY SESSION:

Questions and Answers / Observations /Remarks:

The Fund Manager invited the Unit Holders to send in questions using the “ask question button” on the dash board and follow the prompts. He further advised that the live calls are invited during the session for those who had registered. He informed the meeting that answers to the queries that had been earlier sent either through email addressed to cicunittrust@image.co.ke or by delivering physically to the offices of Image Registrars Limited, 5th Floor Absa Towers or through dialing using live stream platform provided in the AGM notice had been submitted to the respective parties.

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

MIN.AGM 7 /2022:

Any Other Business

There being no other business, the Fund Manager thanked all the investors for attending the Annual General Meeting and their valuable contributions and brought the meeting to a closure at 1.00pm with Ms. Elizabeth Njuguna saying the closing prayer.

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Trust Secretary:

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Date

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Fund Manager (Chairman)

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Date