

## Key Features

Fund Manager	CIC Asset Management Ltd
Launch Date	Nov - 20
Risk Profile	Low
Trustee	Kenya Commercial Bank
Custodian	Co-op Custodial Services
Auditors	PWC
Minimum Investment:	USD 1,000
Minimum Additional Investment	USD 100
Initial Fee	Nil
Annual Management Fee	1.2%
Distribution	Monthly

## Market Commentary

**GDP:** Global growth projections for 2024 are muted, as countries grapple with higher interest rates, shrinking fiscal flexibility, and trade fragmentation. Ongoing geopolitical conflicts and tensions are likely to depress growth further, while adding to inflationary pressures that are beyond the control of central banks. On the positive, sustained disinflation should allow the Fed to consider reducing policy rates as early as 2Q24, which should mitigate head-winds to growth and invigorate capital expenditures in anticipation of a cyclical economic rebound.

**Exchange rates:** In 2023, the KES depreciated 26.8% against the USD. The steep depreciation is mostly attributable to increased dollar demand amid low USD liquidity. We expect continued depreciation on the back of a weak macro backdrop in Kenya.

**Inflation:** In Dec 2023, US inflation rose 3.4% on an annual basis in December, above the 3.2% increase economists were expecting. The inflation rate is still above the 2% policy target hence Fed rate cuts are only likely come in once inflation is within target.

**Interest rates:** The performance of global bond markets in 2023 was volatile as investors weighed the possibility of central banks pushing out the timing of interest rate cuts because divergent inflation readings.

**Outlook:** USD rates are expected to decrease in 2024. However, the KES depreciation against the USD implies significant upside for KES investments into USD assets. We expect the fund to register strong performance in 2024 on the back of high yielding USD assets in the current environment.

## Key benefits

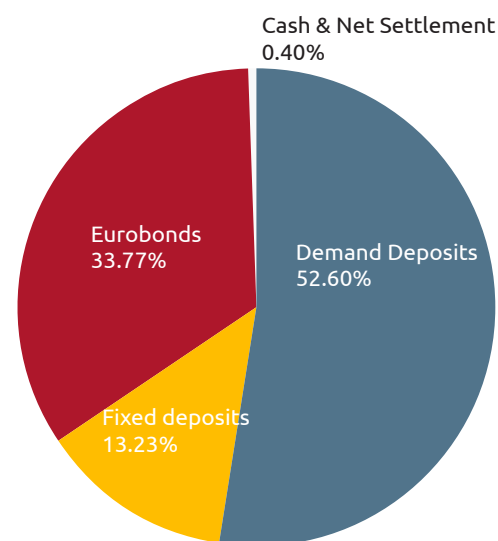
- **Liquidity:** The client is able to withdraw their funds at short notice with no penalty fees.
- **Flexibility:** The client is able to switch or transfer funds to another fund that he/she may have with CICAM.
- **Security:** The fund invests in government paper and liquid instruments.

- **Competitive Returns:** Interest is calculated daily and credited at the end of each month. As an institutional client, the fund benefits from placing deposits in large sums and as such is able to negotiate for competitive rates.
- **Professional fund management:** prospective investors benefit from the expertise of our seasoned professionals.

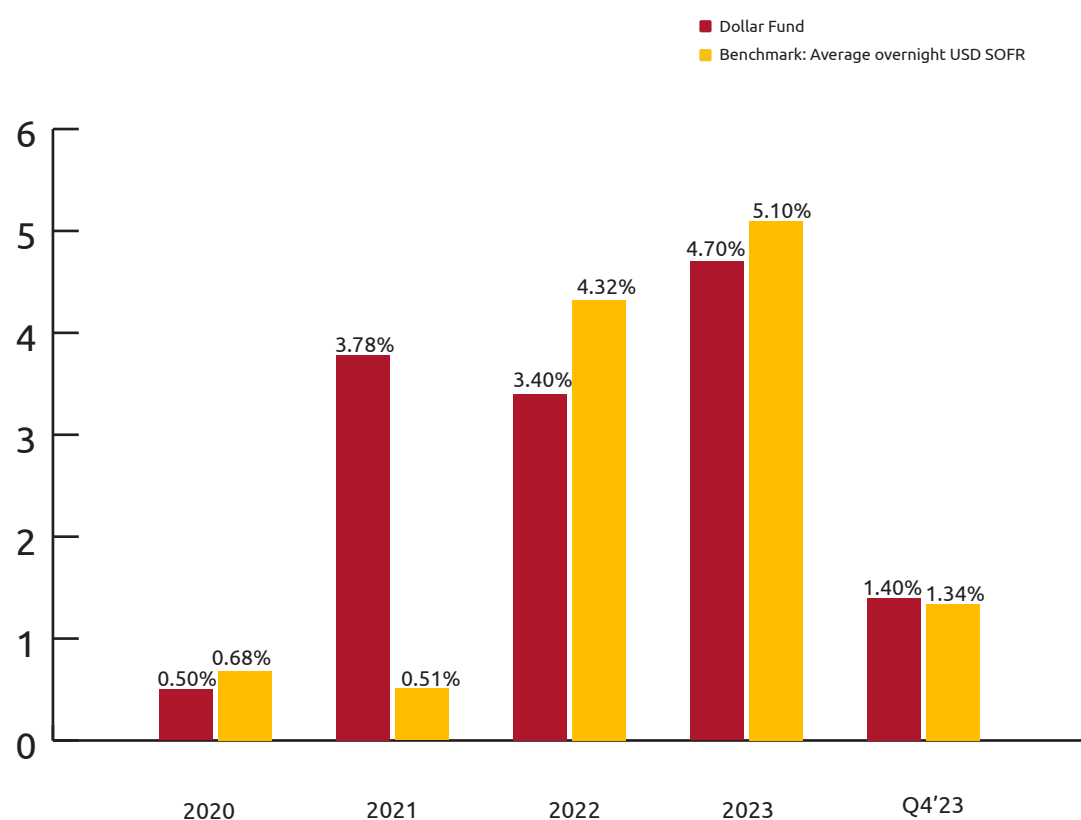
## Fund Objective

- Capital preservation whilst not seeking long-term capital growth.
- A high degree of capital stability and with a risk neutral appetite.
- Currency diversification.

## Asset Allocation



## Fund Performance



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.