

**CIC ASSET UNIT TRUST SCHEME
ANNUAL REPORT & FINANCIAL
STATEMENTS 2021**



OUR PHILOSOPHIES

WHO WE ARE

CIC Insurance Group is a leading Cooperative Insurer in Africa, providing insurance and related financial services in Kenya, Uganda, South Sudan and Malawi. The Group offers a wide range of products.



OUR MISSION STATEMENT

“To enable people achieve financial security.”

We are first and foremost a co-operative. This is our identity and heritage which we are unashamedly proud of. Consequently, we shall consider ourselves successful only when all our stakeholders achieve financial security on account of association with us.

OUR VISION

To be a world class provider of insurance and other financial services

Today’s consumer has unlimited choices. Advances in technology have made it possible for consumers to enjoy products/services from all over the world. CIC acknowledges that to remain relevant our services must meet global standards

OUR VALUES

- Integrity**
 - Be fair and transparent
- Dynamism**
 - Be passionate and innovative
- Performance**
 - Be efficient and results driven
- Cooperation**
 - Live the cooperative spirit

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CORPORATE INFORMATION

FUND MANAGER:	CIC Asset Management Limited
CHAIRMAN:	Cornelius Ashira
MANAGING DIRECTOR:	Stanley M. Mutua
TRUSTEE:	KCB Bank Kenya Ltd KCB Towers, 7 th Floor, Junction of Kenya Road & Hospital Road, Upperhill P.O. Box 30664 – 00100, Nairobi, Kenya.
CUSTODIAN:	Co-operative Bank of Kenya Ltd KUSCCO Centre Kilimanjaro Avenue P.O. Box 48231 – 00100, Nairobi, Kenya.
AUDITOR:	PricewaterhouseCoopers LLP Certified Public Accountants PwC Tower, Westlands P.O Box 43963-00100 Nairobi, Kenya.
ADDRESS:	CIC Plaza II, 8 th Floor, Upperhill, P.O. Box 59485 – 00200, Nairobi, Kenya. Telephone: (020) 2823000 Email: cic@cic.co.ke Website: www.cic.co.ke

CIC ASSET MANAGEMENT UNIT TRUST SCHEME ABRIDGED REPORT TO UNIT HOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2021

REPORT OF THE TRUSTEE

The Trustee has the pleasure of submitting the funds report together with the audited financial statements for the year ended 31 December 2021.

ESTABLISHMENT, NATURE AND STATUS OF THE FUNDS

The scheme was established, and is governed by a Trust Deed dated 6 January 2011 as a CIC unit trust scheme. The Scheme is registered with the Kenyan Capital Markets Authority and approved under the Income Tax Act. The Scheme is tax exempt and only withholds tax on interest distributed to unit holders on monthly basis.

The primary objective of the funds is to seek capital growth and income consistent with moderate investment risk from a wide range of securities thereby allowing access to diverse investment assets and returns. They ultimately aim to mobilize savings and allow access to investment assets and returns otherwise restricted to persons with access to large amounts of capital.

The funds are in unit trusts and the interest of the individual members are determined by the value of their units. They are administered by the trustee who is responsible for its affairs.

The funds are an approved collective investment schemes within the meaning of the Capital Markets Act; and the unit holders are not liable for the debts of the fund.

INVESTMENT

Under the terms of their appointment, CIC Asset Management Limited is responsible for the investment of funds. The overall responsibility for investment and performance lies with the Trustee.

MEMBERSHIP

As at 31 December 2021:

- **CIC Money Market Fund** had 53,636 - unit holders (2020: 35,172 unit holders)
- **CIC Fixed Income fund** had 1,805 - unit holders (2020: 901 unit holders)
- **CIC Balanced Fund** had 1,317 - unit holders (2020: 632 unit holders)
- **CIC Equity fund** had 2,175 - unit holders (2020: 1,074 unit holders)
- **CIC Wealth Management fund** had 6 - unit holders (2020: 3 unit holders)
- **CIC Dollar fund** had 211 - unit holders (2020:26 unit holders).

CIC ASSET MANAGEMENT UNIT TRUST SCHEME *(Continued)*
ABRIDGED REPORT TO UNIT HOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2021

FUND ADVISORS

The names and addresses of the Fund Manager, Trustee, Custodian and Auditor are as shown on page 4.

AUDITOR

PricewaterhouseCoopers LLP continues in office in accordance with the Fund's Trust Deed and section 55(4) of the Capital Markets (Licensing Requirements) (General) Regulations, 2002.

The trustee monitors the effectiveness, objectivity and independence of the auditor. The responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the unit holders.

SIGNED ON BEHALF OF THE TRUSTEE

For: KCB BANK KENYA LTD.


CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.


CORPORATE TRUSTEE**2 March 2022**

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Kenyan Capital Markets Act requires the Trustee to prepare financial statements for each financial year that give a true and fair view of the financial position of the Funds at the end of the financial year and of its profit or loss for that year. The Trustee is responsible for ensuring that the Funds keeps proper accounting records that are sufficient to show and explain the transactions of the Funds; disclose with reasonable accuracy at any time the financial position of the Fund; and that enables them to prepare financial statements of the Funds that comply with prescribed financial reporting standards and the requirements of the Kenyan Capital Markets Act. They are also responsible for safeguarding the assets of the Funds and for taking reasonable steps for the prevention and detection of fraud and other irregularities..

The Trustee accepts responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Capital Markets Act. They also accept responsibility for:

- i. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then apply them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Funds ability to continue as a going concern, the Trustee is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Funds' ability to continue as a going concern.

The Trustee acknowledges that the independent audit of the financial statements does not relieve them of their responsibility.

By order of the trustee

KCB Bank Kenya Limited

For: KCB BANK KENYA LTD.

.....
CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.

.....
CORPORATE TRUSTEE

2 March 2022

CIC ASSET MANAGEMENT LIMITED

FROM THE **CHAIRMAN'S DESK**



"We will remain centred on driving profitable growth through customer focus, and tailor our services to not only ensure excellent customer service and responsiveness but also sustain above market average returns."

It is my pleasure to present the annual report and financial statements of CIC Unit Trust Scheme, for the year ended 31st December 2021. Generally, the global and domestic economy witnessed mixed performance in 2021 majorly on account of the Covid-19 pandemic as most economies began re-opening towards the end of 2021. CIC Asset Management had a successful

and rewarding year. We continue to reshape the business to address the fundamental changes taking place in the market.

GLOBAL ENVIRONMENT

Global growth is projected to have expanded by 5.9%, according to IMF, World Economic Outlook (October 2021) following a contraction of 4.4% in 2020. The growth is projected to be widespread across both the developed and the emerging markets. IMF projects that the new COVID-19 variants coupled with the slow vaccine distribution will continue to pose a risk on the recovery.

KENYAN ENVIRONMENT

Leading economic indicators point to an economic rebound in 2021. The economy averaged 6.9% growth by Q3'21 compared to a contraction of -0.63% by Q3'20. The recovery was buoyed largely by re-opening of learning institutions, manufacturing, accommodation and food services on eased restrictions after the third wave of covid-19. Despite the wide dispersion in output in various sectors, our balanced economy and resilience was evident in posting a positive GDP print for 2021.

Inflation remained well anchored despite a significant increase to average 6.11% in 2021 from 5.28% in 2020; largely due to higher global oil prices amid rising demand as economic borders began to re-open. We experienced drought conditions in the second half of the year that elevated food prices and subsequently higher consumer price levels.

The Central Bank of Kenya maintained the base lending rate 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 equities market registered gains

in 2021 with the NASI & NSE-20 gaining 9.43% and 1.83% respectively after a year of losses in 2020 as the country's GDP witnessed a recession (-0.3%). The gains were largely in first three quarters of the year when the economy began to gain some momentum as covid-19 measures were relaxed despite the interference caused by the 3rd (Delta) and 4th (Omicron) variants of covid-19.

BUSINESS GROWTH

Our priority still remains growing the business while delivering value to shareholders for their investment. We continue to revamp and introduce new products and are committed to leveraging on technology to effectively serve and add value to our customers.

UNIT HOLDERS FUNDS IN CIC TRUST FUNDS

Fund	2021 KShs	2020 KShs	AUM change %
CIC Money Market Fund	55,137,402,547	42,306,962,985	30%
CIC Equity Fund	220,670,119	198,574,961	11%
CIC Balanced Fund	289,497,277	266,299,129	9%
CIC Fixed Income Fund	108,219,221	54,898,799	97%
CIC Wealth Management Fund	362,044,346	27,252,181	1228%
Total	56,117,833,510	42,853,988,055	31%

	2021 USD	2020 USD	AUM change %
CIC Dollar Fund	8,038,836	-	-

GOING FORWARD

We are very optimistic that the business will grow despite the challenging macro and micro environment. We have put in place a robust strategy and team to drive future growth.

We will remain centered on driving profitable growth through customer focus, and tailoring our services to not only ensure excellent customer service and responsiveness but also sustain above market average returns to attract more funds.

The company is cognizant of the constant change in customer investment needs and desire for good governance and will endeavour to keep abreast with the new business environment and any risks that could arise.

ACKNOWLEDGEMENT

I wish to thank my colleagues and the board for their support, strategic guidance and dedication to the company. My appreciation also goes to the management and employees for their hard work, commitment and enthusiasm in serving the company. I would also like to thank all our stakeholders including partners, brokers, independent agents and the regulator for their support. We sincerely believe that we would not have achieved these results without you. We look forward to even greater partnership in 2022 and beyond and we promise to keep our word.



Cornelius Ashira

Chairman

FUND MANAGER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

We would like to thank the unit holders for their continued trust in the CIC Unit Trust Scheme since its inception in June 2011. During the past one year, the Funds remained focused on obtaining a high level of current income for investors while preserving capital and ensuring high liquidity.

We remain committed to our investment philosophy of capital growth, providing our clients with competitive returns and cushioning them from market volatility.

The economy averaged 6.9% growth by the third quarter of 2021 compared to a contraction of -0.63% in 2020. The recovery was buoyed largely by re-opening of learning institutions (education sector +64.7%), manufacturing (+9.5%) and accommodation and food services (+24.8%) on eased restrictions after the third wave of covid-19. The agricultural sector recorded negative output for 3 consecutive quarters of 2021 impacted by uneven weather patterns during the long and short rain seasons. Despite the wide dispersion in output in various sectors, our balanced economy and resilience was evident in posting a positive GDP print for 2021.

Kenya's activity indicators point to a more upbeat pace of recovery in 2022 despite overhang risks. The emergence of a vicious cycle of new variants has brought renewed fears globally amid politics taking centre stage as we gear up for elections. Given the impressive degree of recovery across sectors and full reopening of the country effective 20th October 2021, we expect economic growth to exceed the 5.3% forecasted by the government for the 2021/22 fiscal year in the budget review outlook paper. The International Monetary Fund (IMF) retains a forecast of 5% for full year 2021 GDP and 4.7% for 2022.

Inflation remained well anchored despite a significant increase to average 6.11% in 2021 from 5.28% in 2020; largely due to higher global oil prices amid rising demand as economic borders began to re-open. We experienced drought conditions in the second half of the year that elevated food prices and subsequently higher consumer price levels. Soaring global energy prices and a potential trigger of food supply shocks pose an upside risk heading into 2022. However, enduring weak demand from household consumption should strap inflation below the Central Bank of Kenya's (CBK) upper target band of 7.5%. This should lessen the likelihood of CBK raising its base rate (7%), at least for the first half of 2022. We expect headline inflation to remain above 5% in 2022 on account of the above.

The Kenya Shilling depreciated by 3.5% to the USD in 2021. A number of factors jointly contributed to this led by a marginal rise in our import bill, reduced inflows from agricultural exports and tourism and servicing of euro bond debt obligations. The country received program support from the IMF by way of an extended fund facility but this did not suffice to tame currency volatility. We expect the shilling to remain under relentless pressure owing to the country's

trade imbalance, higher crude oil prices and a strengthening dollar in the global markets. The country's forex reserves provides some cushion to the central bank in their efforts to tame the depreciation and we believe the coming year will be one of focus in managing the exchange rate. We expect further depreciation of the shilling as global economies recover and a loose monetary policy persists.

The yield curve steepened as both short term and long term rates rose in 2021. This was driven by higher demand for government securities by banks and institutional investors seeking to increase their exposure. The CBK persisted in issuing more long term papers at attractive interest rates to meet their funding needs while at the same time seeking to lengthen the country's debt maturity profile. The Central Bank Rate (CBR) was retained at 7% in 2021 with the CBK opining that the accommodative stance was still needed to rebuild the economy. We expect a rise in yields across the curve as the government seeks to plug the budget deficit. High levels of liquidity in the banking sector as well as local institutions guarantees this borrowing appetite will remain well funded as we head into 2022.

The equities market registered gains in 2021 with the NASI & NSE-20 gaining 9.43% and 1.83% respectively after a year of losses in 2020 as the country's GDP witnessed a recession (-0.3%). The gains were largely in first 3 quarters of the year when the economy began to gain some momentum as covid-19 measures were relaxed despite the interference caused by the 3rd (delta) and 4th (Omicron) variants of covid-19. Local investors continue to cherry pick supply of stocks as optimism lies on earnings growth and resumption of dividends to boost equity returns. We expect the market to exhibit weakness in 2022 on concerns around global rate hikes and geopolitics as well as local political disruption to both public and private investments.

The residential sector recorded an improvement in average year on year total returns to investors at 5.5%, up from 5.0% in 2020. Commercial office sector recorded a decline in average rental yields by 0.1% to 6.9% in the first half of 2021 from 7.0% in 2020 while occupancy rates declined by 1.4% to 76.3% in the first half of 2021 from 77.7% in 2020. The decline in asking prices and rates will persist as landlords aim to retain existing tenants. Land remained resilient recording an average annualized capital appreciation of 1.6% as at H1'21, indicating that investors consider land a good investment asset in the long run. We expect land to continue being supported by improving infrastructure in satellite areas and positive demographics amid continued focus by the government on the affordable housing initiative.

Money Market and Fixed Income Funds

These funds invest in liquid, high yield short term and long-term interest bearing instruments, mainly bank deposits, corporate and government securities. The low-risk nature of these funds, increased financial awareness and the uncertainty caused by the COVID-19 pandemic has attracted investors seeking low risk investments. Consequently, the assets under management for these funds have grown substantially in the last one year.

Equity and Balanced Funds

Investments in shares listed in the NSE provides investors with a diversification option albeit with higher risk. We witnessed massive sell-offs amid Covid-19 in the equities market in 2020 as investors divested away from risky assets to safe haven assets such as government securities, hard currencies and commodities. However, with economic recovery witnessed across all economic sectors, we saw a significant rebound in the equities market in 2021 as earnings outlook improved. Uncertainties as to the direction of interest rates, rising inflation and emergence of new Covid variants remain a hurdle.

Wealth Management Fund

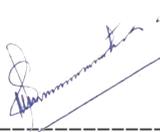
The fund invests in higher yielding bank deposits and commercial papers. Earnings uncertainties brought about increased risk in corporate notes and hence reduced investor appetite. With the continued improvement in the economy, we expect the corporate notes market to regain vibrancy. While bank deposits are preferred, they will not provide higher yield compensation as they are slightly less risky compared to corporate notes.

Dollar Fund

This is the newest fund launched in November 2020 in response to the investment needs of our clients. The fund invests in high-quality money market and fixed income instruments denominated in US dollars with a maturity profile that ensures adequate liquidity. It has become an excellent parking bay for investors who prefer to invest in dollars to mitigate against the depreciating local currency. The fund has grown exponentially since its launch.

Accordingly, we intend to maintain our precautionary investment approach anchored on safeguarding capital value. In this regard, we will not shy away from taking up any bargain opportunities that may arise either in the debt or equity markets. We are confident that through our disciplined investment philosophy and robust investment strategy, the delivery of predictable and consistent competitive returns throughout the year is achievable. We wish to reiterate our commitment towards ensuring the realization of the specific underlying objectives of each of the funds including offering above average returns while providing adequate liquidity to meet ongoing obligations, capital preservation and conservative risk exposure to the investors.

We would like to thank you for selecting CIC Asset Management Limited as your investment vehicle of choice and look forward to working closely with you to realize and exceed your financial and investment objectives.



Signed on behalf of the Fund Manager

2 March 2022

REPORT OF THE CUSTODIAN FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with the Capital Markets (Collective Investment Schemes) Regulations 2001, (the Regulations) and the Custody Agreement between The Co-operative Bank of Kenya Limited as the Custodians and CIC Asset Management Limited as the Fund Manager, we confirm that:

- a. we have discharged the duties prescribed for a Custodian under Regulation 35 of the Regulations, to the CIC Unit trust scheme,
- b. the issue, sale, redemption 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; and,
- c. the investment and borrowing powers and restrictions applicable to the scheme in accordance with the Regulations and the documents of incorporation have not been exceeded.

For the year ended 31 December 2021, we have held the assets for the scheme, including title deeds, 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.



Signed on behalf of the Custodian

2 March 2022

REPORT OF INDEPENDENT AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We We have audited the accompanying financial statements of the following funds of the CIC Unit Trust Scheme:

1. CIC Money Market Fund for the year ended 31 December 2021
2. CIC Balanced Fund for the year ended 31 December 2021
3. CIC Equity Fund for the year ended 31 December 2021
4. CIC Fixed Income Fund for the year ended 31 December 2021
5. CIC Wealth Management Fund for the year ended 31 December 2021
6. CIC Dollar Fund for the period ended 31 December 2021

(the “Fund(s)”) which comprise the respective Fund’s statement of financial position at 31 December 2021 and the statements of profit or loss and other comprehensive income, changes in unit holder balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of CIC Unit Trust Scheme Funds at 31 December 2021 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Funds in accordance with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

*PricewaterhouseCoopers LLP, PwC Tower, Waiyaki Way/Chiromo Road, Westlands
P O Box 43963 – 00100 Nairobi, Kenya*

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Partners: E Kerich B Kimacia M Mugasa A Murage F Muriu P Ngahu R Njoroge S O Norbert’s B Okundi K Saiti

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001 and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Trustee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters

in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

We confirm that the financial statements have been properly prepared in accordance with the Capital Markets Authority (Collective Investment Schemes) Regulations, 2001.

The Capital Markets Authority (Collective Investments schemes) Regulations, 2001 also requires that in carrying out our audit we consider and report to you on the following matters:

- If the auditor is of the opinion that proper accounting records for the collective investment scheme have not been kept or that the accounts are not in agreement with those records;
- If the auditor has not been given all the information and explanation which, to the best of his knowledge and belief, are necessary for the purpose of his audit; or
- If the auditor is of the opinion that the information given in the report of the Trustee for that period is inconsistent with the accounts.

We confirm that there are no matters to report in respect of the foregoing requirements.



**Certified Public Accountants
Nairobi**

31 March 2022

**FCPA Richard Njoroge, Practising certificate No. 1244.
Signing partner responsible for the independent audit.**



ASSET



Financial protection to grow your investments with **CIC Asset Management**

CIC UNIT TRUSTS SCHEME**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

MONEY MARKET FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	Kshs	KShs
Investment income	3,699,695,623	3,137,397,702
Fair value gain/(loss) at fair value through profit or loss	89,471,436	(118,560,467)
Other income	2,801,493	-
Increase in allowance for expected credit losses	(2,345,404)	(24,718,624)
Operating expenses	(1,126,723,828)	(829,673,398)
Profit before taxation	2,662,899,320	2,164,445,213
Tax charge	-	-
Profit for the year before distribution to unit holders	2,662,899,320	2,164,445,213

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

MONEY MARKET FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	Kshs	KShs
ASSETS		
Investment balances	55,246,080,153	42,390,913,574
Bank balances	377,200	148,377
TOTAL ASSETS	55,246,457,353	42,391,061,951
LIABILITIES		
Payables and accruals	109,054,806	84,098,968
Total liabilities attributable to unit holders	109,054,806	84,098,968
Net assets attributable to unit holders	55,137,402,547	42,306,962,983
FUND BALANCE	55,137,402,547	42,306,962,983

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.

 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.

 CORPORATE TRUSTEE

Trustee

2 March 2022

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

CIC UNIT TRUSTS SCHEME**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

FIXED INCOME FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	Kshs	Kshs
Investment income	6,663,413	5,113,626
Fair value gain on financial assets at fair value through profit or loss	2,111,449	1,024,552
Decrease in allowance for expected credit losses	75,121	27,409
Operating expenses	(2,415,364)	(1,630,642)
Profit before taxation	6,434,619	4,534,945
Taxation charge	-	-
Profit for the year before distribution to unit holders	6,434,619	4,534,945

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FIXED INCOME FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	Kshs	Kshs
ASSETS		
Investment balances	108,381,719	55,033,284
Bank balances	188,597	57,747
TOTAL ASSETS	108,570,316	55,091,031
LIABILITIES		
Payables and accruals	351,095	192,232
Total liabilities excluding net assets attributable to unit holders	351,095	192,232
Net assets attributable to unit holders	108,219,221	54,898,799
FUND BALANCES	108,219,221	54,898,799

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

Trustee
2 March 2022

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

CIC UNIT TRUSTS SCHEME**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

BALANCED FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	Kshs	Kshs
Investment income	20,942,297	22,743,182
Fair value gain/(loss) on financial assets at fair value through profit or loss	8,373,911	(22,713,599)
Decrease in allowance for expected credit losses	174,770	239,746
Operating expenses	(8,786,634)	(8,025,726)
Profit/(loss) before taxation	20,704,344	(7,756,397)
Tax charge	-	-
Profit/(loss) for the year before distribution to unit holders	20,704,344	(7,756,397)

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BALANCED FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	Kshs	Kshs
ASSETS		
Investment balances	290,200,296	267,056,693
Bank balances	244,001	57,181
TOTAL ASSETS	290,444,297	267,113,874
LIABILITIES		
Payables and accruals	947,020	814,745
Total liabilities attributable to unit holders	947,020	814,745
Net assets attributable to unit holders	289,497,277	266,299,129
FUND BALANCE	289,497,277	266,299,129

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

Trustee
2 March 2022

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

CIC UNIT TRUSTS SCHEME**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

EQUITY FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	Kshs	Kshs
Investment income	9,494,000	11,653,118
Fair value gain/(loss) on equity investments through profit or loss	14,710,602	(40,242,007)
Decrease in allowance for expected credit losses	121,045	80,061
Operating expenses	(6,694,373)	(6,056,669)
Profit/(Loss) before taxation	17,631,274	(34,565,497)
Tax charge	-	-
Profit/(loss) for the year before distribution to unit holders	17,631,274	(34,565,497)

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

EQUITY FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	Kshs	Kshs
ASSETS		
Investment balances	221,168,645	199,181,303
Bank balances	255,547	22,600
TOTAL ASSETS	221,424,192	199,203,903
LIABILITIES		
Payables and accruals	754,073	628,942
Total liabilities excluding net assets attributable to unit holders	754,073	628,942
Net assets attributable to unit holders	220,670,119	198,574,961
FUND BALANCE	220,670,119	198,574,961

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.

 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.

 CORPORATE TRUSTEE

Trustee

2 March 2022

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

WEALTH MANAGEMENT FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	Kshs	Kshs
Investment income	20,015,809	10,590,256
Increase in allowance for expected credit losses	(832,740)	252,876
Operating expenses	(1,778,868)	(3,442,270)
Profit before taxation	17,404,201	7,400,862
Tax charge	-	-
Profit for the year	17,404,201	7,400,862

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

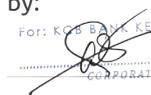
FOR THE YEAR ENDED 31 DECEMBER 2021

WEALTH MANAGEMENT FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	Kshs	Kshs
ASSETS		
Investment balances	363,552,263	30,467,942
Bank balances	46,929	30,149
TOTAL ASSETS	363,599,192	30,498,091
LIABILITIES		
Payables and accruals	1,554,846	3,245,910
Total liabilities excluding net assets attributable to unit holders	1,554,846	3,245,910
Net assets attributable to unit holders	362,044,346	27,252,181
FUND BALANCE	362,044,346	27,252,181

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

Trustee
2 March 2022

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

DOLLAR FUND STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	USD	USD
Investment income	(190,879)	-
Fair value gain on financial assets at fair value through profit or loss	256,782	-
Increase in allowance for expected credit losses	(2,149)	-
Operating expenses	(42,008)	-
Profit before taxation	21,746	-
Tax charge	-	-
Profit for the year before distribution to unit holders	21,746	-

The full set of financial position can be obtained from CIC Kenya's website: www.cic.co.ke

CIC UNIT TRUSTS SCHEME
FINANCIAL STATEMENTS

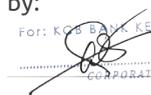
FOR THE PERIOD ENDED 31 DECEMBER 2021

DOLLAR FUND STATEMENT OF FINANCIAL POSITION

	2021	2020
	USD	USD
ASSETS		
Investment balances	8,048,989	-
Bank balances	341	-
TOTAL ASSETS	8,049,330	-
LIABILITIES		
Payables and accruals	10,494	-
Total liabilities excluding net assets attributable to unit holders	10,494	-
Net assets attributable to unit holders	8,038,836	-
FUND BALANCE	8,038,836	-

The financial information is extracted from the Fund's financial statements which were approved for issue by the trustee on 2 March 2022 and signed on its behalf by:

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

For: KCB BANK KENYA LTD.



 CORPORATE TRUSTEE

Trustee
2 March 2022

The full set of financial position can be obtained from CIC Kenya's website:
www.cic.co.ke

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CIC ASSET MANAGEMENT LIMITED

KENYA • SOUTH SUDAN • UGANDA • MALAWI

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