

Key Features

Fund Manager	CIC Asset Management Ltd
Launch Date	Nov - 11
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 is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions.

Exchange rates: The U.S. dollar strengthened against nearly every other major currency to levels not seen in decades, as the Federal Reserve (Fed) aggressively hiked interest rates in a bid to combat inflation. The dollar has trended weaker since the confluence of factors that had proved so supportive of the dollar earlier in 2022 has since inverted. Forecasts for the dollar in 2023 across currency pairs are more related to country-specific drivers, in the medium term it is expected to be broadly neutral, focusing instead on regional growth rotation trends away from the U.S.

Inflation: Inflation has remained sticky globally. Nonetheless, US inflation eased to 3% in June, a two year low, on the back of easing energy prices. Fed Chair Jerome Powell stated at the June FOMC press conference that the risks to inflation are to the upside. Market expectations call for one more quarter-point rate hike in the Fed Funds rate at the July meeting, and no rate cuts until 2024 at the earliest.

Interest rates: US growth surprised to the upside, with a 'soft landing' scenario now being the market consensus. The US 10-year yield climbed back from 3.47% to 3.81%, with the two-year going from 4.03% to 4.87%, marking a further inversion of the curve Outlook: Rates are bound to increase both in the US and in Kenya. Combined with the strength of the USD, the dollar fund presents an opportunity to reel in higher returns while also preserving one's investments from FX depreciation. The fund is expected to continue registering strong performance in Q3'23.

Key benefits

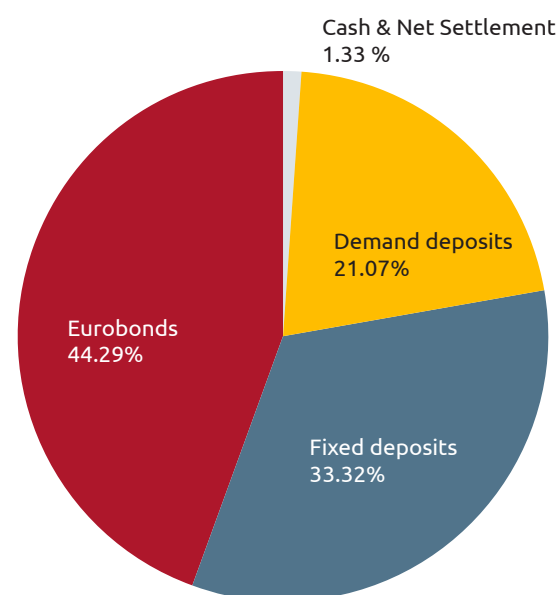
- **Liquidity:** The client is able to withdraw their funds at short notice with no penalty fees.
- **Flexibility:** The client is able to switch or transfer funds to another fund that he/she may have with CICAM.

- **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.

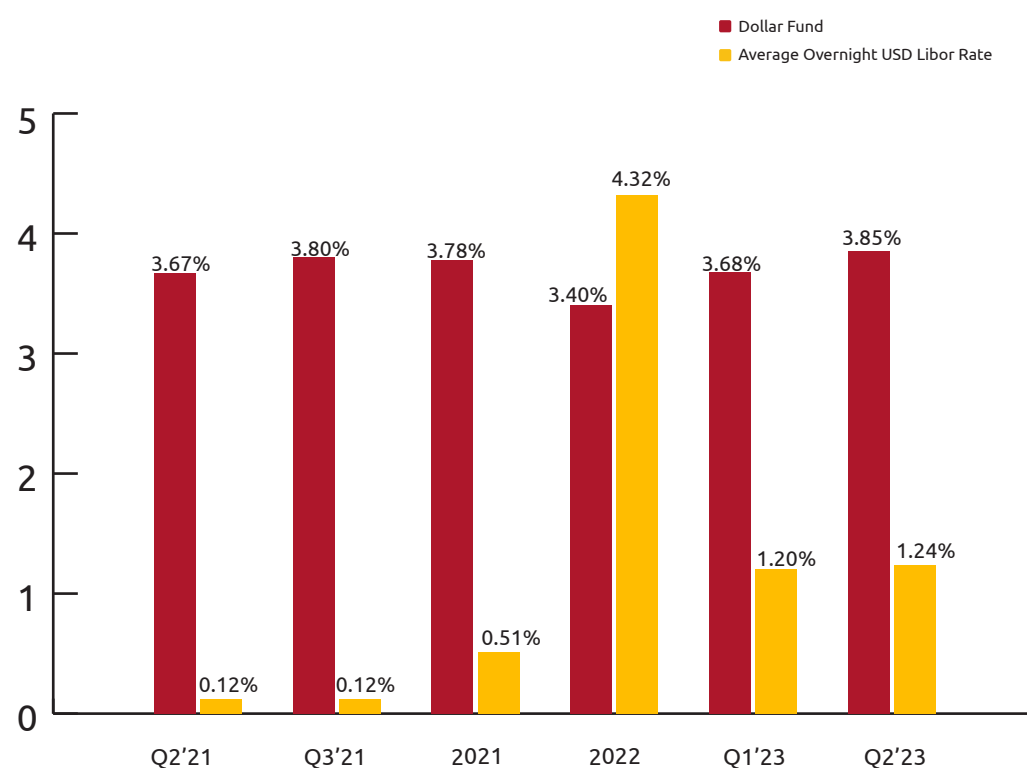
Fund Objective

- 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.