



A Proposal for Investment
by CIC Asset Management Limited.

Contacts:

Stanley Mutua	Unit Trust Manager	stanley.mutuku@cic.co.ke	Tel: +254 2823 132
Victor Odendo	Investment Manager	victor.odendo@cic.co.ke	Tel: +254 2823 341

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THE CIC INSURANCE GROUP

A unit trust is a unique and excellent way to accumulate wealth. It is a pool of savings by unit holders (Members). This pool is invested by professionals (fund managers) in selected shares, cash, and interest bearing instruments.

A unit trust is a separate, independent legal trust set up to meet a stated investment objective. The trust is then broken up into equal-ranking units.

Each unit-holder receives units depending on the size and value of his/her investment.

A unit trust is a portfolio made up of different securities. When you invest in a unit trust you enjoy the benefit of the portfolio i.e. shares from different counters unlike buying directly from the market, where you only gain exposure to the counters you have bought from. Unit trust funds allow you to pool your money with that of many other investors so that the trust fund can buy a wide range of investments managed by a professional.

Benefits of investing in CIC Unit Trust

Our CIC Unit Trusts will provide you with additional advantages as opposed to buying stocks, shares and other securities independently:

- **Professional fund management** – prospective investors benefit from expertise of our seasoned professionals
- **Diversification** – Diverse investing mitigates market risks
- **Choice** – There are various unit trusts to choose from
- **Easy Access** – You can convert unit trusts easily to cash
- **Flexibility** – You can switch or transfer funds between the various funds
- **Cost effective** – A simple and effective way of investing small amounts
- **Disciplined investing** – Systematic investing pays back
- **Higher returns** – Potential to deliver excellent returns (inflation beating)
- **Tax benefits** – Income is tax exempt
- **Minimum Investment Amount: Kshs. 5,000** for all our funds
- **Minimum Additional Purchase / Top up: Kshs. 1,000.00**
- Monthly statement
- Access to your money is when required with a short notice of 2 - 4 working days.

1. CIC Money Market Fund

The CIC Money Market fund is a low risk fund which invests in diversified near cash holdings, fixed deposits and high yielding interest bearing instruments in the Kenyan market.

This fund is:

- Conservative.
- A safe parking for an investor with a low risk appetite - preservation of capital.
- Ideal during times of stock market turbulence.

Returns on the Money Market Fund.

Returns consist of interest from the various interest bearing instruments and is credited monthly. It is recommended that the interest be reinvested in to the fund so as to maximize return on investment through compounded growth.

The interest is automatically rolled over into our clients' investment account or credited into their bank account monthly in the case of an investor who needs a regular cash flow.

The current rate of return is **9.4%** and will move with market dynamics. CIC endeavors to invest prudently and negotiate competitively to give its customers the best rates possible in the market whilst taking into consideration the investor's investment security.

MONTH	INITIAL PRINCIPLE	INTEREST RATE	INTEREST/ YEAR	INTEREST/ MONTH	COMPOUNDED AMOUNT/MONTH
1	1,000,000.00	9.40%	94,000.00	7,833.33	1,007,833.33
2	1,007,833.33	9.40%	94,736.33	7,894.69	1,015,728.03
3	1,015,728.03	9.40%	95,478.43	7,956.54	1,023,684.56
4	1,023,684.56	9.40%	96,226.35	8,018.86	1,031,703.43
5	1,031,703.43	9.40%	96,980.12	8,081.68	1,039,785.10
6	1,039,785.10	9.40%	97,739.80	8,144.98	1,047,930.09
7	1,047,930.09	9.40%	98,505.43	8,208.79	1,056,138.87
8	1,056,138.87	9.40%	99,277.05	8,273.09	1,064,411.96
9	1,064,411.96	9.40%	100,054.72	8,337.89	1,072,749.85
10	1,072,749.85	9.40%	100,838.49	8,403.21	1,081,153.06
11	1,081,153.06	9.40%	101,628.39	8,469.03	1,089,622.09
12	1,089,622.09	9.40%	102,424.48	8,535.37	1,098,157.47

9.82%

98,157.47

The table above is an illustration of investing in the CIC Money Market fund for a one year period, assuming an investment of Kshs **1,000,000.00** at **9.4%** interest. There is **NO INITIAL FEES CHARGED** on Money Market Fund.

2. CIC Fixed Income Fund

The CIC Fixed Income Fund is a moderate to medium risk fund which invests in a well-diversified portfolio of fixed income securities issued by the Kenyan government and corporations. The fund is suitable for investors seeking a reasonable level of current income and a steady growth of their capital.

Returns on the Fixed Income Fund

Returns consist of interest from the bonds reinvested quarterly. It is recommended that the income be reinvested into the fund so as to maximize investment returns through compounded growth. It is recommended that the funds be invested for at least 2-3 years to realize a good return. Projected returns of the CIC Fixed Income Fund are 10%-12% per annum.

Investment Performance: Assuming an average return of 11% for a period of 1 year, an investment of Kshs 10M would generate a 1.15M inform of cash above investment.

An initial fee of **2.5%** is charged on all new money invested into the fixed income fund.

3. CIC Equity Fund

The CIC Equity fund invests in professionally selected securities listed in the Nairobi Securities Exchange. Suitable for investors seeking medium to long-term growth through capital gains from the investments.

This fund is ideal for the individuals and or institutions looking for and to seek:

- *Capital growth*
- *Potential to beat inflation*
- *Long term focus on investment*
- *High risk and higher returns over time - due to volatility in the stock market*

Returns on the Equity Fund

Returns consist of dividends, capital gains and an interest portion. Dividend distributions are done biannually (June &December)
We recommend reinvestment of dividends in order to benefit from compounded growth.

- Recommended investment term is 4+ years. *An investor can withdraw their investment at any time at the prevailing prices. At withdrawal it is important for the investor to consider their investment goal and fund values. You only realize a gain or loss when you liquidate your investment.*
- *It is always recommended that you invest in lump sum amounts to benefit from the funds. The fund has an initial fee 5%.*

N.B: The prices of the equity fund changes on a daily basis depending on the performance of the underlying assets held moving up or down due to the impact of market forces.

3. CIC Balanced Fund

The CIC Balanced Fund invests in stocks of listed companies for growth and in interest bearing instruments for income. Suitable for investors seeking a medium or average outlook to risk where they can enjoy a mixture of safety, income and capital appreciation.

The fund is ideal for individuals and or institutions looking for and to seek:

- *A balanced portfolio offering exposure to all sectors of the market (including offshore), but with a lower risk profile than pure equity funds.*
- *medium risk exposure*
- *Potential to beat inflation*

Returns on the Balanced Fund

Returns consist of dividends, capital gains, interest portion and miscellaneous income from offshore investments. Distributions are done quarterly. We recommend reinvestment of the distributions so as to benefit from compounded growth.

- *Recommended investment term is 3-5 years. An investor can withdraw their investment at any time at the prevailing prices. At withdrawal it is important for the investor to consider their investment goal and fund values. Remember you only realize a gain or loss when you liquidate your investment.*
- *Recommended that you invest in lump sum amounts to benefit from the funds.*
- *The fund has an initial fee 4.5%.*

DISCLAIMER

Past performance should not be used as a guide to future investment performance. The prices of the CIC Equity may change on a daily basis.

Price of units can go up as well as down as a result of changes in the value of the underlying investments.

There are no guarantees on the clients' capital as the performance of units and interest-bearing investments in the underlying unit trust determines the value of your unit trust investment.