

Britam Imarika Fund Commentary 28 February 2018

Markets Review

- **Annual inflation dropped to 4.46% in February 2018 from 4.83% recorded in January 2018.** This was attributed to the year on year food inflation decrease from 4.71% in January to 3.83% in February 2018. However, the food and non-alcoholic's index between January and February increased by 2.22% which was higher than 1.69% recorded between January 2018 and December 2017.
- **Short-term interest rates as indicated by the 91-Day, 182-Day and 364-Day Treasury bill rates showed an upward movement in February 2018.** The 91-Day and 364 Day Treasury bills grew by 0.028% while the 182 Day Treasury Bill grew by 0.169%. The 91-Day closed the month of February at 8.032 %, the 182-Day closed at 10.395% While the 364-Day closed at 11.131 %. This due to the IFB1/2018/15 tap sale angling.
- **Fixed Income markets interest rates rose within the month, increasing by an average of 0.0592%.** In the February 2018 treasury bond auction, the Central Bank of Kenya offered KES 40.0Bn of FXD1/2010/15 and FXD2/2013/15. Total bids received amounted to 21.14B at a weighted average of 12.764% and 13.000%. The Central Bank took up KES 13.21Bn at an average rate of 12.676% and 12.906% respectively. CBK later made an additional 3.82Bn through a tap sale.
- **Equities markets slightly rose during the month;** The NSE-20 Share Index increased by 15.74points to close the month at 3,750.75 points. The index is up 0.36% from January 2018. The NSE All Share Index (NASI) increased by 1.09 points in February to close at 181.77 points. Year to date, the NASI is up 0.64%.

Imarika Fund Performance

The Fund's annualized return stands at 13.18% pa.

Outlook and Strategy

We seek to ensure a sustained performance in the Long-run by ensuring we take guided investment decisions. We target a well-diversified balanced asset allocation to drive returns and ensure capital protection. We understand that with carefully selected and diversified securities, we can maximize risk-adjusted returns and ensure market beating returns. We continue to take advantage of higher interest rate regime and careful selection within the Equities market.

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