

## Britam Imarika Fund Commentary 31 March 2018

### Markets Review

- **Annual inflation dropped to 4.18% in March 2018 from 4.46% in February 2018.** This was mainly as a result of base effects from a high Consumer Price Index (CPI) level recorded last year. The CPI increased by 1.39% from 188.0 in February 2018 to 190.62 in March 2018. Food and Non-Alcoholic Drinks' Index increased by 1.54% between February and March 2018. Year-on-year Food inflation however decreased from 3.83% in February 2018 to 2.19% in March 2018.
- **The Monetary Policy Committee (MPC) lowered the Central Bank Rate (CBR) to 9.50% at its March 19, 2018 meeting.** The MPC cut the base lending rate by 0.50%, seeking to support economic activity.
- **Short-term interest rates as indicated by the 91-Day, 182-Day and 364-Day Treasury bill rates fell within the month.** The 91-Day shed 0.027% to close at 8.005%. The 182-Day closed at 10.385% in March 2018 from 10.395% in February 2018. The 364-Day Treasury bill declined slightly to 11.126% from 11.131% a month earlier.
- **Fixed Income markets interest rates fell within the month, shedding an average of 0.185%.** In the March 2018 Treasury bond auction, the Central Bank of Kenya offered KES 40.0Bn of FXD1/2018/5 and FXD1/2018/20. Total bids received amounted to 51.38B at a market weighted average of 12.394% and 13.423% for the 5-yr and the 20-yr respectively. The Central Bank took up KES 31.56Bn at an average rate of 12.299% and 13.336% respectively. CBK later took up an additional 15.508Bn through a tap sale.
- **Equities markets rose during the month;** The NSE-20 Share Index increased by 89.57 points to close the month at 3,845.34 points. The index is up 2.4% from last month. The NSE All Share Index (NASI) increased by 9.32 points in March to close at 191.23 points. Year to date, the NASI is up 11.70%.

### Imarika Fund Performance

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

### Outlook and Strategy

We seek to ensure sustained performance in the long-run by through guided investment decisions. We aim to have 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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