

Britam Imarika Fund Commentary

28 February 2019

Markets Review

- **Annual inflation stood at 4.14% in February 2019, down from 4.70% in January 2019.** This was mainly as a result of base effects as the Consumer Price Index (CPI) increased by 0.82% from 194.18 points in January 2019 to 195.78 points in February 2019. The Food and Non-Alcoholic drinks' Index rose by 1.70% between January and February 2019. The Transport Index decreased by 0.50%.
- **Short-term interest rates as indicated by the 91-Day, 182-Day and 364-Day Treasury bill rates fell in February 2019.** The 91-Day shed 0.16% to close February 2019 at 6.96% from January's close of 7.12%. The 182-Day rate declined by 0.45% to close at 8.38% compared to 8.83% recorded as at close of January 2019 while the 364-Day dropped by 0.42% averaging 9.49% from January 2019's close of 9.91%.
- **Fixed Income market interest rates fell slightly in February 2019, falling by an average of 0.14%.** The Central Bank of Kenya (CBK) aimed to raise KES 50Bn through an offer of FXD1/2019/5 and FXD1/2019/10 in February. Bids received totaled KES 41.927Bn for the FXD1/2019/5 and KES 36.332Bn for the FXD1/2019/10 at a weighted average rate of 11.378% and 12.463% respectively. The CBK accepted KES 20.594Bn for the FXD1/2019/5 at a weighted average rate of 11.304% and KES 32.808Bn for the FXD1/2019/10 at a weighted average rate of 12.438%.
- **Equities market as shown by the Nairobi All Share Index (NASI) rose during the month;** the NSE All Share Index gained 2.22 points in February 2019 to close at 152.56 points. The NSE All Share Index is up 8.64% year-to-date. The NSE-20 index shed 64.16 points to close the month at 2,894.20 points. The NSE-20 index is up 7.39% year-to-date.

Imarika Fund Performance

Return for the month was 0.99%. The Funds annualized year-to-date return stands at 13.69% p.a.

Outlook and Strategy

Our strategy is geared towards achieving sustained long-term performance by taking guided investment decisions. To preserve capital, manage risks and drive portfolio returns, we target a well-diversified and balanced asset allocation. With carefully selected and diversified securities, we can maximize risk-adjusted returns and ensure market beating returns.



advised to first seek independent professional advice on the merits and risks involved in an investment opportunity. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied, is made regarding future performance.