



STERLING INVESTMENT BANK

Member of the Nairobi Stock Exchange

WEEKLY MARKET REPORT NO.30

WEEKLY MARKET REPORT

WEEK ENDED FRIDAY JULY 25, 2008

E-Mail: research@sterlingstocks.com

Website: www.sterlingstocks.com

STERLING INVESTMENT BANK - EXPANDING INVESTMENT HORIZONS

Kenya Roundup

Summary for the Week

The NSE Index

The week ended July 25, 2008 [week 30] saw the NSE 20-share index shave-off a total of 62.38 points (or 1.2 percent) to settle at 4,963.46 against the 5,025.84 recorded in the previous week.

The index's down-trend may have been due to an extended general bearish sentiment that has been ruling the market for the last few weeks emanating from reduced investible funds held by investors and reduced market liquidity in the post Safaricom-IPO period. The lower liquidity situation itself could be as a result of lower disposable real incomes, up-trending interest rates and investor confidence issues now that the country still does not have an executive finance minister to drive policy. Large supply of Safaricom shares (which accounts for about 80% of market volumes) has also been responsible for lower re-investible funds, leading to a depressed price and ultimately reduced enthusiasm by investors.

It is however noteworthy that most companies' fundamentals remain strong, as exemplified by recent announcements by Equity bank, BAT(K), CMC Holdings and ARM. It is on the basis of this that we feel the market may have over-reacted to the negative stimuli and that on a net basis, it will pick itself up.

Equity Turnover

Turnover for the week ended July 25, 2008 decreased by 58.4%, from Kshs. 5.6 billion to Kshs. 2.3 billion.

In the coming week, we expect turnover figures to largely remain at the current levels as investors re-examine their portfolio holdings and seek to buy into relatively cheaper counters to average out their prices.

Key Market Indicators

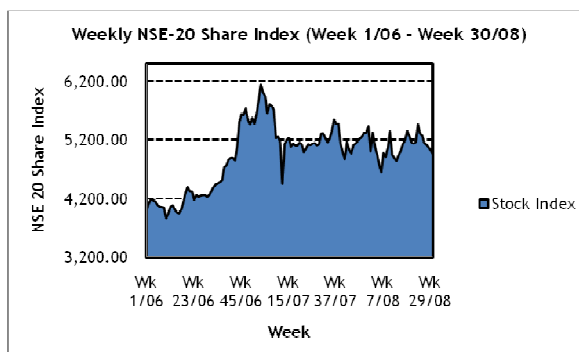
In the week, the number of deals struck decreased by 5.2% from 27,530 to 26,110 while the level of market capitalization (in Kshs. terms) decreased by 0.4 percent, from Kshs. 1,169.02 billion to Kshs. 1,164.92 billion.

The number of shares traded decreased to 228 million from the 231 million shares posted in the previous week, representing a 1.4% decrease.

In the secondary bonds market, activity improved, with bonds worth Kshs. 562 million changing hands, against Kshs. 531 million worth of bonds that got transacted in the previous week.

Likely Market direction

In the coming week, the secondary equity market could see a modest performance as investors keenly observe the Safaricom price movement. It is also worth noting that most companies in the banking sector will most likely be announcing in the coming weeks with KCB doing it on July 31. Investors will therefore be observing earnings in these companies to justify their positions or revise them accordingly.



Source: NSE Weekly Statistics

NASI

The NSE All Share Index (NASI) registered a loss of 0.2 percent to settle at 105.71 points against 105.95 points recorded last week, indicating a decline in market activity.

Equity Turnover for the week

Day	Previous Week	This Week	
	Kshs. Million	Kshs. Million	% Δ
Monday	334	290	-13.2%
Tuesday	545	348	-36.1%
Wednesday	422	348	-17.5%
Thursday	337	287	-14.8%
Friday	3,985	1,064	-73.3%
Total	5,623	2,337	-58.4%

Source: NSE Weekly Statistics

Key NSE Indicators

Indicator	Previous week	This week	% Δ
NSE-20 Share Index	5,025.84	4,963.46	-1.2%
NSE All Share Index (NASI)	105.95	105.71	-0.2%
Number of Deals	27,530	26,110	-5.2%
Week's Volume shares traded	231,592,814	228,371,512	-1.4%
Week's Value of shares traded (Kshs.)	5,623,565,160	2,336,418,926	-58.5%
Week's Bonds Volume (Kshs)	530,850,000	561,550,000	5.8%
Market Capitalization (Kshs Billion)	1,169.020	1,164.920	-0.4%
Market Capitalization (US \$ Million)	17,448	17,387	-0.3%

Source: Derived from NSE weekly statistics

Activity in the primary and secondary bonds market is expected to continue to be robust as more investors shift their focus to this market. Specifically, the shorter-end of the yield curve will be attracting much interest due to the widely held view that interest rate levels will increase, especially in light of the fact that there will be increased government appetite for liquidity to meet its short-term budget obligations in the coming months.

CONTENTS

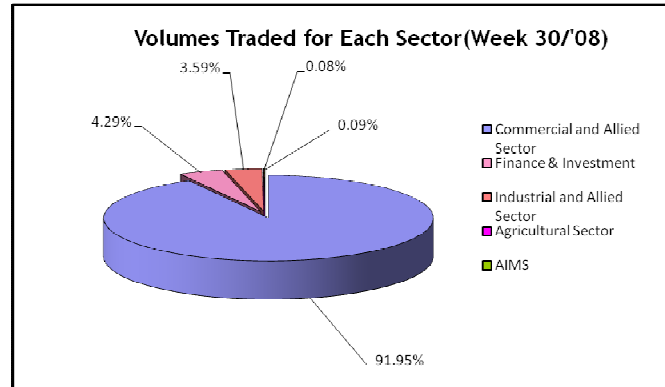
Kenya Roundup	1
Kenya's Week Highlights	2
Other markets Summary	4
Recent Corporate Actions	5
Stock picks	6
International Markets	7

Equity Turnover figures

During the week ended July 25, 2008, in the Main Investment Market Segment (MIMS), the Commercial & Allied sector led the rest of the market by moving 209.98m shares, representing 91.95% of the week's total traded shares, followed by the Finance & Investment sector which moved 9.80m shares, representing 4.29% of the total number of shares traded. The Industrial & Allied sector moved 8.19m shares (or 3.59%) of the total shares traded, while the Agricultural sector traded 0.19m shares, representing 0.08% of the total number of shares that were traded during the week.

In the Alternative Investment Market Segment (AIMS) a total of 0.21m shares were moved, representing 0.09% of the total number of shares traded during the week.

The Commercial & Allied sector is expected to continue dominating the rest of the sectors in the coming weeks, even months.



Source: Derived from NSE daily reports

Top Gainers

Eveready, Williamson Tea and Safaricom Ltd were the week's top gainers. The share price appreciation of most of these counters could have been due to supply and demand factors, as investors (especially of Eveready) attempted to maximize on the volumes.

Top Gainers			
Stock	Price Past Week	Price this Week	% Δ
Eveready	5.10	5.40	5.88%
Williamson Tea	73.00	75.00	2.74%
Safaricom Ltd	6.20	6.35	2.42%
KenGen	24.00	24.50	2.08%
NMG	333.00	339.00	1.80%
Kakuzi	34.50	35.00	1.45%
Kenya Oil	90.00	91.00	1.11%
Sameer Africa	9.00	9.10	1.11%
BAT	158.00	159.00	0.63%

Top Losers

E.A Portland, KPLC and Eaagads were the losers in the week. EAPCC and KPLC are likely to announce end-year results in due course and until the figures are out, it may be safely said that price decline could largely be attributed to demand and supply factors. Eaagads has not been performing well and as noted in our weekly statistics future performance could heavily depend on management effort and favourable weather. The other counters' price decline could largely be attributed to demand and supply factors.

Top Loser Shares			
Stock	Price Past Week	Price this Week	% Δ
E.A. Portland	115.00	108.00	(6.09%)
K.Pow. & L.	203.00	191.00	(5.91%)
Eaagads	37.00	35.00	(5.41%)
Centum Investment	26.00	24.75	(4.81%)
E.A.Cables	38.75	37.00	(4.52%)
Olympia Capital	15.20	14.55	(4.28%)
Housing Finance	30.00	28.75	(4.17%)
PAI Holdings	73.00	70.00	(4.11%)
Mumias	11.65	11.20	(3.86%)

Source: Derived from NSE daily reports

Kenya - Week's Highlights

Market regulators announce new plans on bonds trading

The Central Bank of Kenya, and the Capital Markets Authority, announced plans to trade both government and corporate bonds outside the Nairobi Stock Exchange in an over-the-counter system. This is meant to speed up the issuance of new bonds and increase trading at the secondary market while making it cheaper for companies seeking long term borrowing from the public.

RVR cites lack of funding as a key obstacle in operation

Rift Valley Railways (RVR), the consortium managing the railway line between Kenya and Uganda from November 2006 announced that the delay in funding has been a major obstacle preventing them from meeting their targets for upgrading the railway services. The \$64 million loan was expected from the International Finance Corporation and the German KfW.

Equity bank announces a 197 percent rise in half year profits

Equity Bank announced a 197 percent increase in pretax profits from Kshs 1.037 billion to Ksh 3.087 billion shillings. The improved performance is attributed to the Bank's ability to efficiently balance growth, profitability and control systems. Equity currently maintains deposit accounts numbering 2.5 million, accounting for over 45 percent of all such accounts in the banking industry in the country.

EABL announces Kshs. 2b expenditure in new packaging line

East African Breweries Ltd (EABL) announced plans to spend Kshs. 2 billion in a packaging line that is aimed at improving efficiency and reducing electricity costs which are estimated at over Kshs. 40 million every month. The packaging line to be commissioned in November has the capacity to produce in excess of 80,000 bottles of the company's products every hour.

Safaricom launches broadband internet service in Mombasa

Mobile phone provider, Safaricom launched broadband Internet service with speeds of between 3.2 and 7.2 Megabytes per second (Mbps) in Mombasa. The firm also announced that it had invested Kshs. 1.8 billion in license fees and infrastructure development to launch the service which comes with a range of pricing packages from as low as Kshs. 999.

ARM announces a 22 percent growth in half year

Athi River Mining announced a 22 per cent growth in its pre-tax profit for the six months ended June 30. The profits increased to Kshs. 349 million up from Kshs. 285 million recorded over the same period last year, while turnover grew from Kshs. 1.8 billion in 2007 to Kshs. 2 billion this year, representing an 11 per cent growth.

BAT announces a five percent rise in half year earnings

British American Tobacco Kenya Ltd announced Kshs. 790 million pre-tax profits for the six months ended June 30, 2008. BAT's turnover stood at Kshs. 8.1 billion representing a 16 per cent increase from Kshs. 7 billion in the first half of 2007, while its contribution to Government revenues rose by 25 per cent as it paid Kshs. 3.5 billion as excise duty and Value Added Tax to the Government.

Other Markets' Summary

A. Fixed Income Securities Market

The bonds market recorded improved activity in the week ended July 25, 2008, relative to the previous week. Bonds worth Kshs. 562 million were transacted, compared to Kshs. 531 million worth of bonds dealt in during the previous week. The market's performance is likely to be on an up-trend against a backdrop of a fairly subdued performance in the equity market.

B. Money Market

In the Treasury bill auction of July 24, 2008, the Government offered for sale, T-bills worth Kshs. 5.0 billion and received bids totaling Kshs. 7.5 billion. The government accepted bids totaling Kshs. 4.7 billion, of which, Kshs. 4.1 billion were in the competitive bids category.

The average inter-bank rate edged upwards from 8.05 percent recorded in the week ended July 17 2008, to 8.09 percent in the week ended July 24th 2008.

The 91-day Treasury bill interest rate increased from 8.13 percent in the week ended July 17th, 2008 to 8.21 percent in the week ended July 24, 2008.

The REPO rate increased to 6.81 percent in the week ended July 24, 2008 compared to 6.69 percent recorded in the previous week.

The cumulative Government expenditure on interest and other charges on domestic debt amounted to Kshs. 0.33 billion during the period starting July 1, 2008 to July 18, 2008 compared with Kshs. 0.63 billion in the same period last fiscal year.

Monetary Policy

During the week July 23th, 2008, the Central Bank mopped up a total of Kshs. 25.1 billion from the market using the Open Market Operations. With Kshs. 17.5 billion repo maturing during the week, the level of commercial banks repo holdings increased from Ksh 8.9 billion on July 16, 2008 to Ksh 16.5 billion on July 23, 2008.

C. Foreign Exchange Market

During the week to July 24, 2008, the Kenya shilling appreciated against all major foreign currencies, except the sterling pound, driven by increased supply of foreign exchange.

Foreign Exchange Reserves

As of July 24, 2008, CBK had accumulated usable official foreign reserves to the tune of US\$ 3,320.2 million, up from US\$ 2,692.7 million a year earlier.

Value of Bonds Transacted (Kshs. Millions)

Day	Previous week	This week	%Δ
Mon.	30	216	620.0%
Tues.	6	10	66.7%
Wed.	100	142	42.0%
Thurs.	395	1	-99.7%
Friday	0	193	--
Total	531	562	5.8%

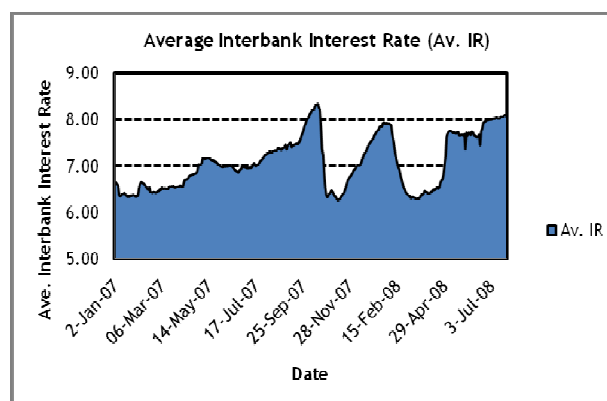
Source: NSF

Inter-bank Deals and Interest Rates

Date	No. of Deals	Average Interest Rate
11-July-08	96	8.04
14-July-08	102	8.04
15-July-08	104	8.04
16-July-08	92	8.08
17-July-08	90	8.07
July 11 - July 17 , 2008	484	8.05
18-July-08	91	8.08
21-July-08	99	8.10
22-July-08	94	8.11
23-July-08	85	8.09
24-July-08	83	8.08
July 18 - July 25 , 2008	452	8.09

Source: CBK

We expect interest rates to continue to be on an up-trend in the short-to-medium term.



Source: Derived from CBK Weekly Bulletin

Currency	Previous week	This week	%Δ
Ksh/\$	67.17	67.07	-0.15%
Ksh/£	133.82	133.87	0.04%
Ksh/100¥	63.38	62.67	-1.12%
Ksh/€	106.56	106.12	-0.41%

Source: CBK Weekly Bulletin

Recent Corporate Actions

Company	Action	Amount (Kshs.)	Annc. Date	Book Close	Payment/ Upload Date
Jubilee	FD	3.25	26/04/07	28/06/07	20/07/07
Jubilee	Bonus	1:4	26/04/07	28/06/07	--
KQ	FFD	1.75	30/05/07	01/10/07	--
Eaagads	FD	1.25	08/05/07	27/06/07	17/07/07
BAT	FD	7.50	21/02/07	21/03/07	03/05/07
BAT	ID	4.50	16/07/07	15/08/07	07/09/07
NIC	Rights	1:5	26/07/07	2/10/07	22/11/07
NIC	Bonus	2:1	26/07/07	STA	--
NMG	ID	3:00	27/07/07	17/08/07	15/09/07
BBK	ID	0.50	02/08/07	30/08/07	02/11/07
SCBK	FD	5.00	28/02/08	03/04/08	22/05/08
Jubilee	ID	1.00	08/08/07	21/09/07	09/10/07
City Trust	FD	3.75	14/09/07	25/10/07	30/11/07
City Trust	Bonus	1:4	14/09/07	25-31/10/07	--
EAPCC	FD	1.30	17/09/07	29/11/07	20/12/07
KenGen	FD	0.40	18/09/07	16/11/07	01/02/08
Kenol	ID	1.50	26/09/07	16-17/10/07	15/11/07
Centum	FFD	0.45	26/09/07	15/11/07	04/02/08
KPLC	ID	1.40	26/02/08	28/03/08	30/04/08
Carbacid	FD	5.00	26/10/07	16/11/07	11/12/07
CFC	ID	1.40	26/11/07	16/11/07	--
SCBK	SID	2.50	08/11/07	05/12/07	21/12/07
CMC	FD	0.35	10/01/08	31/01/08	22/02/08
CMC	Bonus	1:5	10/01/08	31/01/08	STA
Rea Vipingo	FFD	0.80	08/01/08	14/03/08	03/06/08
Eveready	FD	0.45	23/01/09	10/03/08	30/05/08
Car & General	FD	0.67	31/01/08	22/02/08	31/03/08
East African Cables	FD	0.90	13/02/08	21/03/08	29/04/08
Barclays	FD	1.15	20/02/08	19/03/08	09/05/08
AccessKenya	FD	0.30	20/02/08	28/04/08	16/05/08
SCB	FD	5.00	28/02/08	03/04/08	22/05/08
KCB	FFD	0.70	28/02/08	27/03/08	16/05/08
Bamburi	FD	0.50	26/02/08	28/03/08	05/06/08
NIC Bank	FD	0.80	27/02/08	04/04/08	21/05/08
KPLC	ID	1.00	26/02/08	28/03/08	30/04/08
EABL	ID	2.40	29/02/08	28/03/08	14/04/08
Diamond Trust	FFD	1.40	04/03/08	30/05/08	30/06/08
PAI Holdings	FFD	1.60	04/03/08	21/05/08	09/06/08
Equity Bank	FD	2.00	07/03/08	04/04/08	STA
HFCK	FFD	0.25	12/03/08	22/04/08	25/06/08
Total Kenya	FD	2.50	13/03/08	28/05/08	25/06/08
Nation Media	Share Split	2:1	18/03/08	STA	STA
Nation Media	FD	7.50	18/03/08	16/05/08	30/06/08
BAT	FD	10.50	18/03/08	22/04/08	07/05/08
Express Kenya	FFD	0.50	19/03/08	STA	STA
City Trust	FD	3.75	25/03/08	STA	STA
Jubilee	FD	3.25	26/03/03	19/05/08	11/06/08
CFC	FD	0.50	27/03/08	STA	STA
ARM	FD	1.25	31/03/08	28/05/08	STA
TPS (EA)	FD	1.25	03/04/08	30/05/08	01/07/08
Scangroup	FD	0.90	16/04/08	20/05/08	19/06/08
Standard Group	ID	1.10	29/04/08	11/07/08	15/08/08
Limuru Tea	FFD	5.00	28/04/08	21/05/08	STA
Kenya Re	FFD	0.35	28/04/08	07/07/08	30/09/08
Crown Berger	FD	1.00	29/04/08	16/06/008	17/007/08
HFCK	Rights	1:1	02/05/08	12/05/08	07/07/08
Kenol	ID	1.25	06/05/08	29/05/08	17/06/08
KCB	Rights	1:9	23/05/08	04/06/08	15/08/08
KQ	FFD	1.75	30/05/08	--	--
CFC	ID	0.50	3/06/08	20/06/08	--
Kenya Re	FFD	0.35	28/04/08	07/07/08	30/09/08
Williamson Tea	FFD	0.50	17/06/08	25/07/08	--
Kapchorua	FFD	0.50	17/06/08	25/07/08	--
Olympia Holdings	FFD	0.20	01/07/08	23/07/08	11/08/08
BAT	ID	4.50	18/07/08	15/08/08	05/09/08

FD - Final Dividend FFD - First and Final Dividend ID - Interim Dividend SID - Second Interim Dividend SID - Special Interim Dividend.
Source: NSE weekly statistics STA - Subject to Approval Annc. - Announcement Source: Derived from NSE daily reports.

Stock picks for the week

EABL	It deals in branded alcohol beverage business. The company has an annual turnover of over Kshs. 25 billion and commands the largest share of the formal beer market in the EA region. In the half year ended December 2007, the company recorded a 28.34% rise in EPS. It is a financially stable company, has a relatively good dividend yield and pays dividends regularly. It will be announcing end-year results soon.
KCB	The Bank provides banking and financial services ranging from retail banking to corporate and business banking. The bank recorded 61.90% rise in profit before tax for the first quarter ended March 2008. It plans to open 50 new branches in the 2007/08 financial period and this could have an incremental effect on the group's earnings in the long-run. Barring any unforeseeable circumstances, future prospects of the counter appear good. It will be announcing the H1 results soon.
Nation Media Group	It is engaged in the publication, printing and distribution of newspapers and magazines and radio and television broadcasting. In the end-year results for the period ended December 2007, the company registered a 39.17% growth in pre-tax profit. The company has been a consistent dividend payer. Given the stability of the demand for its products, going forward, the company appears set to create more shareholder value, after splitting its shares.
Standard Chartered Bank	The Bank is engaged in banking and provision of related services. The holding company of Standard Chartered Bank Kenya Limited is Standard Chartered PLC. It carries out its operations in retail and commercial banking. In the year ended December 2007, the bank recorded a 24% increase in earnings. It is a stable counter and pays dividends regularly. It has been and is likely to continue creating value for shareholders.
National Bank of Kenya	Following the government's payment of debts it had guaranteed for its corporations in the 1990s through a bond issue, the long term performance of the bank is likely to markedly improve. Latest quarterly results show a 77% growth in earnings. It is likely to start paying dividends in 2009.
Equity Bank	The Bank is mainly engaged in offering retail banking and microfinance services in various parts across Kenya. The Bank also has plans to enter markets in the East African region. Recently, it announced plans to enter the mortgage market. One of the striking traits about the Bank has been the phenomenal growth in both the customer accounts and profits in the recent past. It is expected that the Safaricom IPO share loans will markedly contribute towards its bottom-line. Management is also upbeat and opines that the Bank will continue growing at a rapid rate, well into the future. H1'08 earnings grew by 197%.
CMC Holdings	It is a leading player in the East African motor industry and also distributes farming implements from ploughs through to irrigation equipment. In the half - year ended March 2008, the company registered a 90% rise in pre-tax profit, relative to a similar period in the previous year. Given a successful share split and the subsequent improvement in liquidity, added to the inclusion in the NSE 20-share index, the counter appears to have a promising future.
ARM	It is engaged in the manufacture and sale of cement, mining and processing of industrial minerals and chemicals, and trading in other building products. The company's latest H1 results indicate that pre-tax profit was up 22%. Demand for the products is up, with the new cement clinker plant at Kaloleni installed in 2006 resulting in the company generating substantial revenues from cement business. It appears to have potential for growth.

International Markets

North America

US:

US stocks rose after better than the forecasted economic reports on durable goods orders, as new home sales figures got released during the week. A 1.7 percent gain by the S&P 500 in week to 1,257.76 from 1,236.74 was the first weekly advance since May. The index of large U.S. companies fell to a 2 1/2-year low on July 15 on concerns about bank losses stemming from the housing slump and record fuel prices.

Corporate America

General Electric Co. reduced its divisions to four from six, in an effort to shed slow-growing businesses as its shares traded at a five-year low. The main divisions will now be GE Technology Infrastructure, GE Energy Infrastructure, GE Capital and NBC Universal.

KEY WORLD INTEREST RATES

	Canada	US	Japan	UK	Euro zone
3-Month LIBOR					
25/07/08	3.32	2.79	0.91	5.80	4.96
1 week ago	3.39	2.79	0.91	5.81	4.95
1 Year ago	4.66	5.36	0.78	6.05	4.24
2 - Year	Canada	US	Japan	UK	Germany
25/07/08	3.15	2.68	0.79	4.98	4.42
1 week ago	3.18	2.63	0.76	5.11	4.54
1 Year ago	4.70	4.73	1.02	5.65	4.38

Africa Briefs

Uganda:

Uganda Clays Limited and Bank of Baroda announced plans to execute stock splits at the Uganda Securities Exchange before the end of the year. A stock split is a corporate action in which a company's existing shares are divided into multiple shares to increase their number but maintain their value. The impending splits are set to ease the scarcity of high value shares at the Exchange as the two firms' shares are the highest priced on the USE.

Nigeria:

FTN Cocoa Processor Plc, an indigenous cocoa processing company joined the list of quoted equities with the official listing of its 2 billion ordinary shares of 50 kobo each at N2.20 per share at the Nigerian Stock Exchange (NSE).

GLOBAL DATA SUMMARY

Japan	GDP Year-over-Year	Q1 - 2008	1.3%
	CPI	Jun - 2008	2.0%
	Unemployment	May - 2008	4.0%
Euro zone			
	GDP Year-over-Year	Q1 - 2008	2.2%
	CPI	Jun - 2008	4.0%
	Unemployment	May - 2008	7.2%
UK			
	GDP Year-over-Year	Q2- 2008	2.3%
	CPI	Jun- 2008	3.8%
	Unemployment	Jun- 2008	2.6%
Canada			
	GDP Year-over-Year	Q2- 2008	1.2%
	CPI	June - 2008	3.1%
	Unemployment	June - 2008	6.2%

KEY WORLD EXCHANGE RATES

	Euro (\$/€)	Pound (\$/£)	Yen (¥/\$)	Swiss Franc
25/07/08	1.571	1.990	107.846	1.038
1 week ago	1.585	1.999	106.965	1.023
1 Year ago	1.372	2.054	120.510	1.213

Africa Roundup

Stock	July 18, 2008	July 25, 2008	% Δ
Zambia			
LUSE	4,075	3,980.22	-2.33%
Ghana			
GSE AllShare	10,567.92	10,613.00	0.43%
Kenya			
NSE 20	5,025.84	4,963.46	-1.24%
Egypt			
CASE 30	9,475.17	9,498.51	0.25%
Morocco			
Top 25 index	29,396.80	29,288.51	-0.37%
Nigeria			
NSE AllShare	52,286.88	50,422.78	-3.57%
Tanzania			
DSE	1,077.94	1,078.16	0.02%
Tunisia			
Tunis SE	2,099.44	2,131.02	1.50%
Zimbabwe			
ZSE Industrial	78,996,328	85,899,345.91	8.74%

Source: SIB Research

Mr. Stanley Ngaine
Chairman
Phone: + 254 (20)2211915
Email: sngaine@sterlingstocks.com

Mr. Ahmed Ndope
Chief Executive Officer
Phone: +254(20)2211917
Email: ndope@sterlingstocks.com

Mr. John Kirimi
Executive Director
Phone: +254(20)2211916
Email: jekirimi@sterlingstocks.com

Mr. David Ithanya
Executive Director
Phone: (+254(020) 2213914
Email: david@sterligstocks.com

Mr. Justus Agoti
Research Analyst
Phone: (+254(020) 2213914, 244077
Email: research@Sterlingstocks.com

Disclaimer

All facts and figures are from sources deemed reliable and believed to be accurate. Information contained in this document has been prepared from data available as at the date of preparation and may have since changed. Past performance does not guarantee future results. This document should not be misconstrued to be an express recommendation for a buy, sell or hold position on any security. The investor should consider their investment objective and risk tolerance before taking any investment action.