

**MINUTES OF THE FIRST ANNUAL GENERAL MEETING OF THE CYTONN UNIT TRUST SCHEME (COMPRISING OF THE CYTONN MONEY MARKET FUND, CYTONN EQUITY FUND AND CYTONN BALANCED FUND) HELD AT THE NAIROBI CLUB AT NAIROBI ON 4<sup>TH</sup> JUNE 2019, AT 8:30 AM**

**1. QUORUM**

**a. Present**

Madhav Bhalla	-	Chairman of the Board
Mike Bristow	-	Board Member
James Maina	-	Board Member
Maurice Oduor	-	Principal Officer
Holliness Lumbi	-	Company Secretary

**b. Absent with apologies**

Prof. Daniel Mugendi	-	Board Member
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**c. Unit Holders**

Unit Holders present	-	80
Proxies given	-	10

**d. In Attendance**

**Auditor**

Dennis Paul	-	Dennis Paul & Associates
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**Custodian**

Christine Adhiambo	-	Kenya Commercial Bank
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**Trustee**

Eden Kaberere	-	Co-operative Bank
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**Former Trustee**

Florence Nduba	-	Kenya Commercial Bank
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**Regulator**

Elkana Mokuu	-	Capital Markets Authority
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**2. Min. AGM 1/2019**

**NOTICE CONVENING THE MEETING**

**a) Welcome Address**

The Chairman called the annual general meeting to order at 8.30 am and the meeting commenced with a word of prayer from Ms. Patricia Wanjama. The Chairman welcomed the unit holders and commended them for attending the meeting.

The Notice convening the Meeting issued on 14<sup>th</sup> May 2018 was read out by the Company Secretary, who confirmed that notice had been properly given and the meeting being quorate, declared that the meeting was duly constituted and could conduct business.

**b) Introduction of the Board of Directors**

The Chairman introduced the Directors present to the unit holders before officially beginning the meeting. He also introduced the service providers present in the meeting.

**c) Chairman's Welcome Address**

The Chairman made brief welcome remarks before the formal business of the Meeting. In his remarks, the Chairman emphasized the growth of the Cytonn Unit Trust Scheme and as the first annual general meeting he expressed the management's intention to maintain delivery of superior risk-adjusted returns through effective execution of the investment philosophy. He also thanked all the partners for the support and guidance accorded to the fund, especially the former Trustee, Kenya Commercial Bank, the current Trustee Co-operative Bank of Kenya, the Custodian, Kenya Commercial Bank, and the Auditor, Dennis Paul Associates. He also thanked the regulators, the Capital Markets Authority, whose unwavering guidance and support within the year enabled a seamless transition from Seriani Asset Managers Limited to Cytonn Asset Managers Limited.

**d) Presentation by the Principal Officer**

The Principal Officer gave a brief outline on how the fund invests funds and confirmed that the same was in line with the Capital Markets Regulations. In his remarks he addressed the key differentiators that CAML has leveraged towards becoming the market leaders in the fund management industry and provided an overview of the 2018 Macroeconomic Environment and 2019 Outlook was also presented to the unit holders.

The Head of Unit Trust Funds, Victor Odendo, presented on the performance of the Cytonn Money Market Fund, the 100% acquisition of Seriani Unit Trust Scheme by Cytonn Asset Managers that led to the growth of the AUM from Kshs 60.2 mn in December 2018 to Kshs 237.6 mn as of May 2019 and the automation efforts through the USSD platform and Cytonn Mobile apps for ease of investment for the unit holders.

**3. Min. AGM 2/2019**

**ADOPTION OF THE AUDITED FINANCIAL STATEMENTS, FUND MANAGERS REPORT, CUSTODIAN'S REPORT, TRUSTEE'S REPORT AND AUDITORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 201**

Ms. Florence Nduba, the representative of the former Trustee, submitted its report that the funds invested by the fund manager through the Kenya Commercial Bank Limited were in accordance with the provisions of the Capital Markets Act (Collective Investment Schemes, Rules and Regulations 2001)

Ms. Christine Adhiambo, the representative of the Custodian, submitted its report that for the year ended 31<sup>st</sup> December 2018 the indeed held the assets of the fund in accordance with the instructions issued by the fund manager as per the Capital Markets Act (Collective Investment Schemes, Rules and Regulations 2001).

Mr. Dennis Paul, the auditor presented the Financial Statements of the fund for the year ended 31<sup>st</sup> December, 2018, copies which had been circulated to the unit holders. He gave an

update of the Financial Statements and stated that they were an accurate representation of the Financial Statements and therefore gave an unqualified opinion.

It was proposed that the Cytonn Unit Trust Scheme, Financial Statements and Report for the year ended 31<sup>st</sup> December 2018 thereon be and hereby approved and adopted.

Proposed: Mr. Obull Raphael

Seconded: Ms. Mary Thitai

#### **4. Min. AGM 3/2019**

##### **AUDITOR'S APPOINTMENT**

The unit holders agreed that the fund manager appoint the auditors for the year ending 2019 as per the Regulation 92 of the the Capital Markets Act (Collective Investment Schemes, Rules and Regulations 2001) and the Directors be authorised to fix their remuneration.

Proposed: Ms. Elizabeth Kagunya

Seconded: Mr. Derrick Ogendi

#### **5. Min. AGM 4/2019**

##### **QUESTION AND ANSWER SESSION**

The unit holders asked several questions with regard to the funds growth, the financial statements, and the appointment of directors to the board, the returns to the unit holders and administration of the fund. The fund manager responded as follows:

- a) The growth in the number of unit holders was due to increased efforts by the fund manager through digital platforms and the strategic acquisition by Cytonn which then enabled access to its distribution network.
- b) The unit holders were assured that appointments to the board were subject to the regulators fit and proper procedures and that the best practice guidelines would be applied in the tenure of the board members.
- c) The unit holders were informed that the return issued to the unit holders was an average annual yield of 11% and the request to issue monthly average reports to the unit holders would be taken up.
- d) The unit holders requested a more comprehensive financial report and the fund managers assured that the same would be implemented.

#### **6. Min. AGM 5/2019**

##### **ANY OTHER BUSINESS**

There being no other business, the Chairman thanked the members for their contribution and closed the meeting at 10.20 am.



Signed.....

Date.....

Secretary

Signed.....

Date.....

Chairman