

JULY 2024

1. FUND PERFORMANCE

AVERAGE	2023	JULY 2024	PERFORMANCE SINCE INCEPTION (01-AUGUST -2019)	
			*Cumulative	**Annualized
Cytonn Balanced Fund	(4.4%)	(2.9%)	34.1%	7.8%
Benchmark (50.0% NSE 20, 50.0% 91-day T-bill)	(1.9%)	0.5%	56.2%	7.7%

*Aggregate percentage amount that your investment would have gained since the fund started (01-August-2019)

**Percentage you can expect to earn with the fund during one year of investment on the basis of the so far realized monthly returns

2. FUND MANAGER'S REPORT AND OUTLOOK

Fund Objective

The Cytonn Balanced Fund is a medium-risk fund that seeks to achieve a reasonable level of current income and offer investors long-term capital growth.

Portfolio Strategy

The fund seeks to outperform the weighted returns from both fixed income instruments and the Equities listed in the Nairobi Securities Exchange. This is achieved by both optimizing asset allocation and security selection. The fund will therefore be invested in a diversified set of securities ranging from equities, fixed income, and collective investments schemes among others.

Portfolio Performance

The Cytonn Balanced Fund lost by 2.9% in July 2024. The loss was mainly driven by losses by portfolio stocks such as Safaricom of 8.1%. The performance was however supported by gains recorded in the fixed income docket.

Economic report and outlook

According to the Kenya National Bureau of Statistics (KNBS) Q1'2024 Quarterly Gross Domestic Product Report, the Kenyan economy recorded a 5.0% expansion in Q1'2024, slower than the 5.5% growth recorded in Q1'2023. The main contributor to Kenyan GDP remains to be the Agriculture, Fishing, and Forestry sector which grew by 6.1% in Q1'2024, more similar to a vibrant growth of 6.4% recorded in Q1'2023, owing to the favorable weather conditions, that supported crop and livestock production. All sectors in Q1'2024, except Mining and Quarrying, recorded positive growths, with varying magnitudes across activities. Most sectors recorded declining growth rates compared to Q1'2023 with Accommodation and Food Services, Mining & Quarrying, and Construction Sectors recording the highest growth rate declines of 19.1%, 3.8%, and 2.9% points, respectively. The biggest gainer in terms of sectoral contribution to GDP was the Accommodation and Food Services sector, increasing by 0.3% points to 1.5% in Q1'2024 from 1.2% in Q1'2023, while the Manufacturing sector was the biggest loser, declining by 0.3% points to 7.8% in Q1'2024, from 8.1% in Q1'2023.

During the month, yields on the shorter-dated Government papers were on an upward trajectory, with the 364-day, 182-day, and 91-day papers yields increasing by 11.7 bps, 12.4 bps, and 2.7 bps to 16.9%, 16.8%, and 16.0% respectively from 16.8%, 16.7%, and 16.0% recorded the previous month. Additionally, the Kenyan Shilling lost by 0.3% against the US Dollar to close the month at Kshs 129.9, from Kshs 129.5 recorded at the end of June 2024.

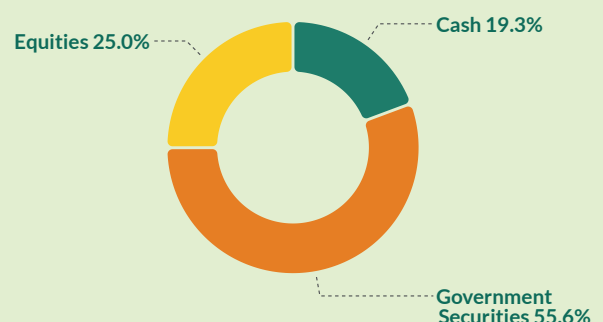
The July 2024 inflation rate decreased by 0.3% points to 4.3%, from the 4.6% recorded in June 2024. Notably, inflation has remained within the CBK target range of 2.5%-7.5% for the past thirteen months.

During the month of July 2024, the equities market was on a downward trajectory, with NSE 10 declining the most by 1.7%, while NSE 25, NSE 20, and NASI declined by 1.6%, 1.3%, and 0.8% respectively. The equities market performance was driven by losses recorded by large-cap stocks such as Safaricom, Equity, and Standard Chartered Group of 8.1%, 4.1%, and 3.0% respectively. The losses were, however, mitigated by gains recorded by large-cap stocks such as Bamburi, EABL, and Stanbic of 48.3%, 7.7%, and 1.5% respectively.

FUND PROFILE

- ◉ **Fund Manager:** Cytonn Asset Managers Limited
- ◉ **Risk Profile:** Medium
- ◉ **Minimum Initial Investment:** Kshs. 1,000
- ◉ **Minimum Additional Investment:** Kshs. 100
- ◉ **Annual Management Fee:** 2.5%
- ◉ **Initial Fee:** Nil
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** State Bank of Mauritius (SBM) Kenya Ltd
- ◉ **Benchmark:** 50.0% NSE 20, 50.0% 91-day T-Bill

FUND ALLOCATION



Disclaimer: Past performance is not a guarantee of future performance and the value of the fund may fluctuate from time to time.