

### 1. FUND PERFORMANCE

AVERAGE	APRIL 2020	PERFORMANCE SINCE INCEPTION (01-AUGUST-2019)	
		*Cumulative	**Annualized
Cytonn Equity Fund	5.1%	(4.0%)	(5.3%)
Benchmark (NSE 20)	(0.4%)	(25.5%)	(32.4%)

\*Aggregate percent 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 basis of the so far realized monthly returns since inception.

### 2. FUND MANAGER'S REPORT AND OUTLOOK

#### Fund Objective

The Cytonn Equity Fund is a moderate to high-risk fund that seeks to generate long-term capital growth and endeavors to maximize the total return to investors over the long term by investing in both listed and unlisted equity securities.

#### Portfolio Strategy

The Fund seeks to invest in companies with low valuation and good growth potential while providing sufficient stability by investing in relatively mature companies. The key is to deliver a high total return from both capital appreciation and attractive dividend yields. The Fund seeks to outperform the benchmark, NSE 20, by maintaining a carefully selected and diversified portfolio.

#### Portfolio Performance

The Cytonn Equity fund recorded a 5.1% increase in April 2020. The fund performance was driven by gains recorded in the equities market as the market adjusted to the news of the COVID-19 Pandemic. The equities market recorded mixed performances, with both NASI and NSE 25 recording gains of 5.9%, while NSE 20 declined by 0.4%. The gains in NASI was largely due to gains recorded by large-cap stocks such as EABL, Equity Group, Safaricom and Co-operative Bank, of 13.7%, 8.8%, 3.4%, and 2.0%, respectively.

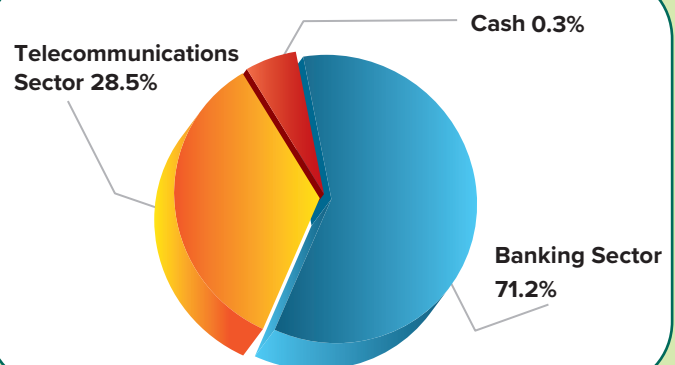
#### Economic report and outlook

Economic growth remains subdued due to the ongoing Covid-19 pandemic which has disrupted various sectors. The Central Bank revised the growth projection downward to 2.3% from 5.2% as at the start of the year. There has been pressure on interest rates with the yield curve shifting upwards from the December levels, this is despite a cumulative 1.5% points' downward revision of the Central Bank Rate (CBR) since the beginning of the year to the current rate at 7.0%, to cushion the economy from the negative effects emanating from COVID-19 pandemic. On the short end of the yield curve, the Central Bank of Kenya has managed to maintain the yields relatively stable with the 91 day T-Bill declining marginally to 7.2% from 7.3% recorded in March. Inflation has remained within the Central Banks targets of between 2.5% and 7.5%, with the April inflation coming in at 5.6% driven by increases in food and transport prices. We expect inflation to remain stable despite supply side disruption due to COVID-19 as low demand for commodities compensates for the cost-push inflation, coupled with the low oil prices in the international markets. We have seen a lot of pressure on the currency due to the demand for the dollar as a safe haven but we do not foresee further declines as the central bank remains active in the market to cushion the shilling.

#### FUND PROFILE

- **Fund Manager:** Cytonn Asset Managers Limited
- **Risk Profile:** Moderate to High
- **Minimum Initial Investment:** Kshs. 1,000
- **Minimum Additional Investment:** Kshs. 1,000
- **Annual Management Fee:** 2.5%
- **Initial Fee:** Nil
- **Inception Date:** 01-August-2019
- **Trustee:** Co-operative Bank Limited
- **Custodian:** KCB Bank
- **Benchmark:** NSE 20

#### FUND ALLOCATION



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