

**JULY 2024**

## 1. FUND PERFORMANCE

AVERAGE	2023	JULY 2024	PERFORMANCE SINCE INCEPTION (01-AUGUST-2019)	
			*Cumulative	**Annualized
Cytonn Equity Fund	19.2%	(8.1%)	(38.5%)	(11.7%)
Benchmark (NSE 20)	(10.4%)	2.7%	(35.0%)	(10.4%)

\*Aggregate percent amount that your investment would have gained since the fund started (1-Aug-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 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

Cytonn Equity Fund declined by 8.1% in the month of July 2024. The performance of the fund was driven by losses recorded by portfolio stocks such as Safaricom and KCB Group of 8.1% and 2.4%.

### 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.

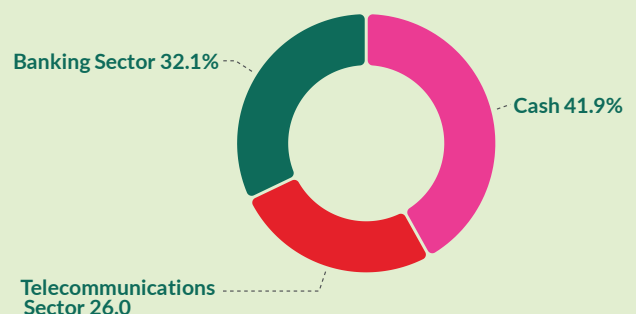
The July 2024 inflation rate eased by 0.3% points to 4.3%, from the 4.6% recorded in June 2024. Notably, inflation has remained within the CBK target range of 2.5%-7.5% for the past thirteen months.

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:** Moderate to High
- ◊ **Minimum Initial Investment:** Kshs. 1,000
- ◊ **Minimum Additional Investment:** Kshs. 100
- ◊ **Annual Management Fee:** 2.5%
- ◊ **Initial Fee:** Nil
- ◊ **Inception Date:** 01-August-2019
- ◊ **Trustee:** Goal Advisory
- ◊ **Custodian:** State Bank of Mauritius (SBM) Kenya Ltd
- ◊ **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.

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