

APRIL 2021

1. FUND PERFORMANCE

| AVERAGE | 2020 | APRIL 2021 (ANNUALIZED RETURN) | *PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019) |
|---|-------|--------------------------------|--|
| Cytonn High Yield Fund (CHYF) | 13.6% | 14.4% | 13.5% |
| Benchmark (Average 182 day T- Bill + 5.0% points) | 12.5% | 12.9% | 12.6% |

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

2. FUND MANAGER'S REPORT AND OUTLOOK

Fund Objective

The Cytonn High Yield Fund is a specialized Collective Investment Scheme with exposure skewed towards investment in real estate assets. The Fund aims at capital preservation while earning high returns and maintaining sufficient liquidity. The Fund aims to achieve above average returns that not only beat inflation but are also better than the yields offered by both government securities and fixed deposit.

Portfolio Strategy

The fund will largely be invested in fixed income and real estate related securities. Being a specialized Fund, the Fund can invest up to 80.0% in real estate funds, but to ensure sufficient diversification no single investment should be more than 25.0% of the portfolio unless in special cases.

Economic report and outlook

According to Kenya National Bureau of Statistics (KNBS), the Kenyan economy recorded a 1.1% contraction in Q3'2020 down from a growth of 5.8% recorded in a similar period in 2019. This was the second consecutive contraction, following the 5.7% contraction recorded in Q2'2020. The overall performance was cushioned by growths in Construction which grew by 16.2%, Agriculture, Forestry and Fishing activities, 6.3%; Health, 5.6%; Financial and Insurance activities, 5.3% and Real Estate Activities, 5.3%. Accommodation & tourism and the Education sectors were the hardest hit, declining by 57.9% and 41.9% respectively.

During the month, there was a marginal upward readjustment on the yield curve, which saw the FTSE NSE Kenya Government Bond Index decline marginally by 0.3%, taking the YTD performance to a 1.3% decline. The upward readjustment is mainly attributable to investors attaching a higher risk premium on the country following the recent spikes in COVID-19 infections coupled with the lower credit rating from S&P Global. Yields on shorter dated papers were on the rise with the 364-day and 182-day papers gaining marginally by 0.2% and 0.1% points to 9.5% and 8.0%, respectively, while the 91-day paper remained unchanged at 7.1%. During the month, the Kenya Shilling appreciated by 1.8% against the US Dollar to close the month at Kshs 107.8, from Kshs 109.5 recorded at the end of March, mostly attributable to the lackluster demand for the dollar.

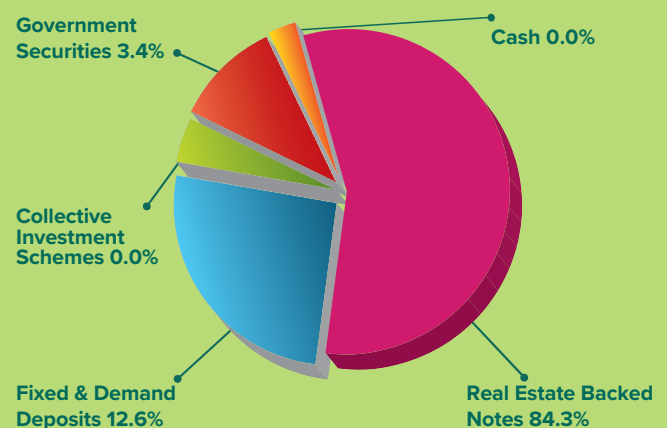
Portfolio Performance

The Cytonn High Yield Fund successfully delivered above-market returns in April 2021, averaging 14.4% against the benchmark return of 12.9% p.a.

FUND PROFILE

- ◉ **Fund Manager:** Cytonn Asset Managers Limited
- ◉ **Risk Profile:** This is a medium to high risk investment fund
- ◉ **Minimum Initial Investment:** Kshs. 1,000,000
- ◉ **Minimum Additional Investment:** Kshs. 10,000
- ◉ **Annual Management Fee:** 2.0%
- ◉ **Initial Fee:** Nil
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** SBM Bank Kenya
- ◉ **Benchmark:** Average 182-day T-Bill + 5.0% points

ACTUAL ASSET ALLOCATION



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