

### 1. FUND PERFORMANCE

AVERAGE	2020	AUGUST 2021 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	13.6%	15.6%	13.7%
Benchmark (Average 182 day T- Bill + 5.0% points)	12.5%	12.1%	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 the 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, after the 5.7% contraction recorded in Q2'2020, pointing to an economic recession. Kenya's economy is expected to rebound in 2021, with the National Treasury projecting a GDP growth of 6.6%, attributable to an upturn in economic activity following the reopening of the economy. The growth will largely be supported by the gradual recovery of the business environment more so in sectors such as trade, tourism and education which were the worst hit by the pandemic in 2020.

During the month, the yields on the government securities in the secondary market remained relatively stable, which saw the FTSE NSE Kenya Government Bond Index increase marginally by 0.1%, taking the YTD performance to a 1.5% decline. Yields on the shorter dated papers increased, with the 364-day, 182-day and 91-day papers all increasing by 0.2% points to 7.6%, 7.2% and 6.7%, respectively. During the month, the Kenya Shilling depreciated by 1.2% against the US Dollar to close the month at Kshs 109.9, from Kshs 108.6 recorded at the end of July 2021, mostly attributable to increased dollar demand from general importers.

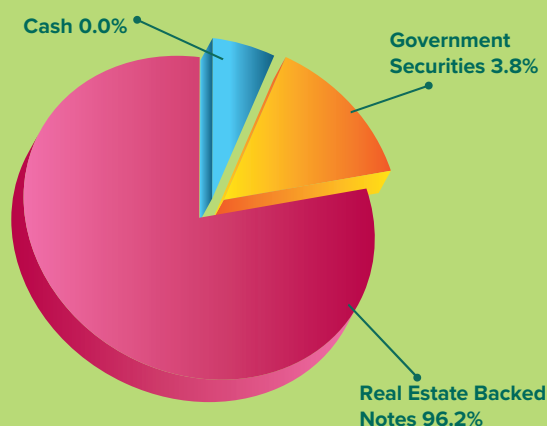
#### Portfolio Performance

The Cytonn High Yield Fund successfully delivered above-market returns in August 2021, averaging 15.6% against the benchmark return of 12.1% 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.