

JUNE 2021

1. FUND PERFORMANCE

AVERAGE	2020	JUNE 2021 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	13.6%	15.0%	13.6%
Benchmark (Average 182 day T- Bill + 5.0% points)	12.5%	12.6%	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, the yields on the government securities in the secondary market remained relatively stable, which saw the FTSE NSE Kenya Government Bond Index gain marginally by 0.1%, taking the YTD performance to a 1.2% decline. Yields on the shorter dated papers declined, with the 364-day, 182-day and 91-day papers declining by 1.2%, 0.5% and 0.3% points to 7.7%, 7.3% and 6.9%, respectively. During the month, the Kenya Shilling depreciated marginally by 0.2% against the US Dollar to close the month at Kshs 107.9, from Kshs 107.6 recorded at the end of May, mostly attributable to increased demand by commodity importers as compared to the supply of dollars from exporters.

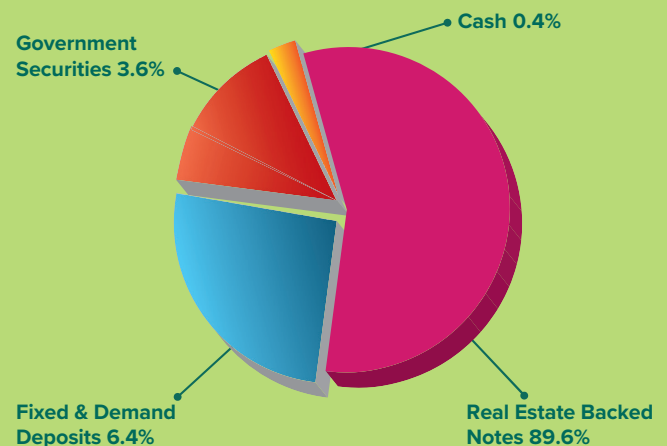
Portfolio Performance

The Cytonn High Yield Fund successfully delivered above-market returns in June 2021, averaging 15.0% against the benchmark return of 12.6% 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.