

JUNE 2024

1. FUND PERFORMANCE

AVERAGE	2023	JUNET 2024 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	14.5%	21.5%	14.7%
Benchmark (182 day T- Bill + 5.0% points)	17.5%	21.7%	14.8%

*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 deposits.

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) 2024 Economic Survey, the Kenyan economy recorded a 5.6% expansion in FY'2023, faster than the 4.9% growth recorded in FY'2022. The performance in FY'2023 was mainly driven by the 6.5% growth in the Agriculture, Fishing and Forestry sector, compared to the 1.5% contraction recorded in FY'2022, owing to the favorable weather conditions, that boosted crop and livestock production. Also, production of key food crops such as maize, beans, and potatoes increased significantly during the year. All sectors in FY'2023 recorded positive growths, with varying magnitudes across activities. Most sectors recorded improved growth compared to FY'2022, with Agriculture, Forestry and Fishing, Accommodation and Food Services, and Real Estate Sectors recording the highest growth improvements of 7.9% points, 6.8% points, and 2.8% points, respectively. The biggest gainer in terms of sectoral contribution to GDP was the Financial and Insurance sector, increasing by 0.4% points to 9.5% in FY'2023 from 9.1% in FY'2022, while the Manufacturing sector was the biggest loser, declining by 0.3% points to 8.2% in FY'2023, from 8.4% in FY'2022. The Accommodation and Food Services sector recorded the highest growth rate in FY'2023 growing by 33.6%, faster than the 26.8% growth recorded in FY'2022.

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 17.4 bps, 15.7 bps, and 4.9 bps to 16.7%, 16.7%, and 16.0% respectively from 16.6%, 16.5%, and 15.9% recorded the previous month. Additionally, the Kenyan Shilling gained by 0.5% against the US Dollar to close the month at Kshs 129.5, from Kshs 130.2 recorded at the end of May 2024.

The June 2024 inflation rate decreased by 0.5% points to 4.6%, from the 5.1% recorded in May 2024. Notably, inflation has remained within the CBK target range of 2.5%-7.5% for the past twelve months.

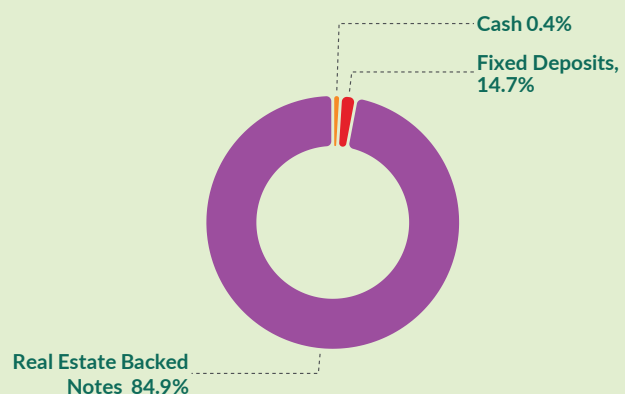
Portfolio Performance

The Cytonn High Yield Fund delivered an average return of 21.5% p.a. beating the inflation rate of 4.6% in the month of June to deliver positive real returns.

FUND PROFILE

- ◉ **Fund Manager:** Cytonn Asset Managers Limited
- ◉ **Risk Profile:** This is a medium to high risk investment fund
- ◉ **Minimum Initial Investment:** Kshs. 100,000
- ◉ **Minimum Additional Investment:** Kshs. 10,000
- ◉ **Annual Management Fee:** 2.0%
- ◉ **Initial Fee:** Nil
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** SBM Bank Kenya Ltd
- ◉ **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.