

MAY 2025

1. FUND PERFORMANCE

AVERAGE	2024	MAY 2025 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	21.9%	23.1%	16.3%
Benchmark (182 day T- Bill + 5.0% points)	20.7%	13.6%	15.3%

**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) 2025 Economic Survey Report, the Kenyan economy recorded a 4.7% growth in FY'2024, slower than the 5.7% growth recorded in FY'2023. The main contributor to Kenyan GDP remains to be the Agriculture, fishing and forestry sector which grew by 4.6% in FY'2024, slower than the 6.6% expansion recorded in FY'2023. All sectors in FY'2024, except Mining and Quarrying and Construction recorded positive growths, with varying magnitudes across activities. Most sectors recorded declining growth rates compared to FY'2023 with Accommodation and Food Services, Construction and Information and Communication recording the highest growth declines of 7.9%, 3.7% and 3.3% points, respectively. Other sectors that recorded a contraction in growth rate, from what was recorded in FY'2023 were Professional administration, Mining and Quarrying and Financial and Insurance services of 3.3%, 2.7% and 2.5% points respectively. In our view, the economy's growth is largely pegged on how inflationary pressures in the country remain stable, and the sustainability of the strengthening of the Kenyan Shilling. We expect the reduced fuel prices to continue reducing production costs, leading to lower food prices in the country. However, growth is likely to be weighed down by increased taxation by the government thereby decreasing the purchasing power of consumers.

During the month, yields on the government papers were on a downward trajectory, with the 91-day, 182-day and 364-day paper yields decreasing by 14.1 bps, 23.2 bps and 17.2 bps to 8.4%, 8.6% and 10.0% respectively, from 8.5%, 8.8% and 10.2% recorded the previous month. Additionally, the Kenya Shilling appreciated marginally by 7.8 bps against the US Dollar, to close the month at Kshs 129.2, from Kshs 129.3 recorded at the end of April.

The May 2025 inflation rate decreased by 0.3% points to 3.8%, from the 4.1% recorded in April 2025. Notably, inflation has remained within the CBK target range of 2.5%-7.5% for the past twenty-three months.

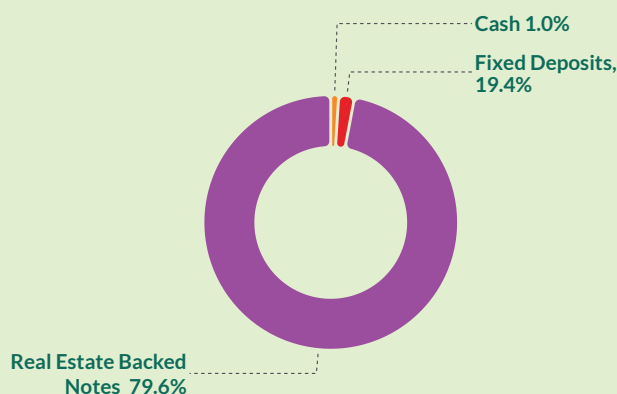
Portfolio Performance

The Cytonn High Yield Fund delivered an average return of 23.1% p.a. beating the inflation rate of 3.8% in the month of May 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.