

NOVEMBER 2023

1. FUND PERFORMANCE

AVERAGE	2022	NOVEMBER 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	13.9%	16.9%	13.9%
Benchmark (182 day T- Bill + 5.0% points)	14.0%	20.4%	13.9%

*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) Quarterly Gross Domestic Product Report Q2'2023, the Kenyan economy recorded a 5.4% expansion in Q2'2023, faster than the 5.2% growth recorded in Q2'2022. The growth was mainly supported by a rebound in the Agriculture, Fishing, and Forestry sector, which grew by 7.7% in Q2'2023 compared to a contraction of 2.4% in Q2'2022. The biggest gainer in terms of sectoral contribution to GDP was the financial and Insurance sector, increasing by 0.7% points to 9.6% in Q2'2023 from 8.9% in Q2'2022. In contrast, the Manufacturing sector was the biggest loser, declining by 0.3% points to 8.0% in Q2'2023, from 8.3% in Q2'2023. The Financial and Insurance sector recorded the highest growth rate in Q2'2023 growing by 13.5%, albeit slower than the 16.1% growth recorded in Q2'2022. Real Estate was the second largest contributor to GDP at 10.0% in Q2'2023, remaining relatively unchanged from Q2'2022, indicating sustained growth. Notably, the Real Estate sector grew by 5.8% in Q2'2023, 0.8% points higher than the 5.0% recorded in Q2'2022. We expect the economy to grow at a slower pace on the back of elevated inflationary pressures as well as the sustained depreciation of the Kenyan Shilling against the dollar which has resulted in reduced consumer purchasing power.

During the month, yields on the shorter-dated Government papers were on an upward trajectory, with the average yields on the 364-day, 182-day, and 91-day papers yields increasing by 28.8 bps, 36.8 bps, and 36.4 bps to 15.6%, 15.4%, and 15.4% respectively. Additionally, the Kenyan Shilling depreciated by 1.7% against the US Dollar to close the month at Kshs 153.2, from Kshs 150.6 recorded at the end of October 2023, largely attributable to increased dollar demand from energy and merchandise importers.

The November 2023 inflation rate eased marginally to 6.8% from the 6.9% recorded in the month of October 2023, marking the fifth consecutive month that the inflation has remained within the CBK target range of 2.5%-7.5%.

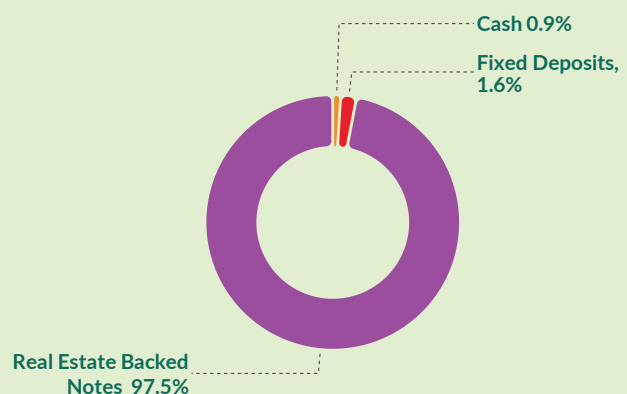
Portfolio Performance

The Cytonn High Yield Fund delivered an average return of 16.9% p.a. beating the inflation rate of 6.8% in the month of November 2023 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.