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FOR IMMEDIATE RELEASE

"CYTONN ASSET MANAGERS LIMITED GRANTED FUND MANAGEMENT LICENSE"

NAIROBI, KENYA, March 25th, 2018

Cytonn Asset Managers Limited (Cytonn Asset), the fund management affiliate of Cytonn Investments Management Plc (Cytonn Investments), has been granted approval by the Capital Markets Authority of Kenya (CMA) to operate as a Fund Manager through the granting of a fund management license. A fund manager is a manager of a collective investment scheme (such as a unit trust), registered venture capital company, or an investment advisor who manages a portfolio of securities in excess of an amount prescribed by the Authority from time to time. Including the license which has been granted to Cytonn Asset, the total number of licensed fund managers is 27, with indicative combined assets under management of Kshs 1.13 trillion.

Speaking on being granted the license, Edwin H. Dande, Managing Partner & CEO of Cytonn Investments, said that "Cytonn is excited to be joining the list of fund managers in Kenya and we are very thankful to the Authority for having favourably considered our application. We shall do everything we can to contribute to the important work of building and deepening our capital markets. Our capital markets are core to funding businesses, which in turn create jobs and uplift the standards of living." Speaking on what this means for Cytonn, Edwin said that, "Cytonn Asset Managers looks to initially focus on six core areas:

- (i) We shall work with the regulator to make sure that we bring all activities of the holding company that could potentially be regulated into the ambit of regulation; total compliance is our first priority,
- (ii) We are going to work with the management of Cytonn Asset to bring innovative and high returning products to regulated markets in the pension and unit trust businesses. We think that pension funds and unit trust funds can greatly enhance product offerings for the benefit of investors,
- (iii) Just as we have done at the holding company level, we shall bring a higher level of governance and transparency in the market. For example, we want to be the first manager to publish a complete disclosure of every single security held in our regulated funds,
- (iv) We shall collaborate with industry players and the regulator to expand product offerings; for example, we need to be able to give investors access to single sector funds so that local investors don't have to go abroad to buy into, say, a Financial Services Fund,
- (v) We will work to deepen funding to businesses from the capital markets sources in order to reduce over-reliance on bank funding. In Kenya only 5% of business funding comes from capital markets, with the balance of 95% coming from banks, compared to developed markets where bank funding is 40%, with the balance of 60% from capital markets,



(vi) Finally, capital markets can play a significant role in funding the President’s Big Four housing agenda, and we want to play a leading role in developing real estate backed securities focused on increasing housing and mortgages.

“Cytonn Asset Managers will focus on delivering the most attractive risk-adjusted returns to our clients, with superior client service. The license has been a long time coming and we are very eager to get to work” said Maurice Oduor, CEO of Cytonn Asset Managers. “The collective investment schemes in Kenya have historically had a low allocation towards the alternative investment space, with little to no innovation in the product development cycle. Starting with comprehensive research across all asset classes, allocation towards alternative investments, combined with superior portfolio management and trading capabilities will allow us to outperform the market” added Maurice.

Notes to the Editor:

Cytonn Investments is an independent investment management firm, with offices in Nairobi - Kenya and D.C. Metro - U.S. We are primarily focused on offering alternative investment solutions to individual high net-worth investors, global and institutional investors and Kenyans in the diaspora interested in the high-growth East-African region. We currently have over Kshs 82.0 billion of investments and projects under mandate, primarily in real estate.

Cytonn Asset Managers is the fund management affiliate of Cytonn Investments, focused on delivering superior risk-adjusted returns to their clients and investors.

Cytonn Real Estate is Cytonn’s development affiliate, which is focused on developing institutional grade real estate targeted at specific institutional, high net-worth and Diaspora investors. Collective, Cytonn Investments and Cytonn Real Estate manage over Kshs 82.0 billion of real estate projects.

For more information, kindly contact:

Teresiah King’ara
PR and Communications
+254 726 990738
Email: tkingara@cytonn.com

Kamuzu Banda
Tim-Sky Media Services
+254 723 859690
kamuzu.banda@tim-skymedia.com

Cytonn Investments Management Plc, 3rd Floor, Liaison House, State House Avenue, P.O. Box 20695 – 00200, Nairobi, Kenya.
info@cytonn.com | | investment@cytonn.com | +254 (0) 20 4400420 | +254 709 101 000