

# CYTONN HIGH YIELD FUND

FOR THE PERIOD ENDED 31<sup>ST</sup>  
DECEMBER 2023

AGM – 31<sup>ST</sup> MAY 2024



# THE AGENDA

- SBM Bank (Kenya) Limited brief
- General Role of a Custodian
- Custodian Confirmation on the Audited Financials
- Q &A

# BRIEF ABOUT SBM BANK



## About SBM Bank

SBM Bank Kenya is a subsidiary of SBM Holdings Group, Mauritius. The Group is mainly owned by the Government of Mauritius and associated entities. The Group has presence in Mauritius, India, Madagascar and Kenya.

-  SBM Bank Kenya  
Riverside Drive, Nairobi - Kenya
-  P. O. Box 34886-00100 Nairobi
-  0730 175 000 | 0709 800 000
-  [atyourservice@smbank.co.ke](mailto:atyourservice@smbank.co.ke)
-  [www.smbank.co.ke](http://www.smbank.co.ke)

## Our History

**1973**

SBM Group Established in Mauritius.



**1994**

Present in India since 1994; providing Personal, SME & Corporate Banking. Product offering include trade finance, treasury, working capital finance and retail services.



**1998**

Present in Madagascar in since 1998. Operates 5 branches and serves corporates, large and medium enterprises.



**2017**  
MAY 10

SBM Group successfully completed the acquisition of Fidelity Commercial Bank Limited through SBM Africa Holdings Limited.



**2018**  
AUGUST 18



# BRIEF ABOUT SBM BANK

- SBM Bank Kenya is wholly owned subsidiary of SBM Holdings Group, which was established in 1973 and is owned by the Government of Mauritius and associated entities. The Group has presence in Mauritius, India (1994), Madagascar(1998) and Kenya (since 2017). SBM Holdings is listed in the Stock Exchange of Mauritius and has an asset base of MUR 362.3B as of 31<sup>st</sup> December 2023.
- SBM Holdings Group through SBM Africa holdings successfully completed acquisition of Fidelity Commercial bank in May 2017 and in August 2018 completed acquisition of the carved-out assets and assumed liabilities of Chase Bank Kenya Ltd (In Receivership).
- SBM Bank Kenya has an asset base of Kshs. 94.9B as of 31<sup>st</sup> December 2023 with a network of 39 branches countrywide.
- SBM Bank Kenya is duly licensed to be a Custodian and is regulated by the Capital Markets Authority (CMA)and Retirement Benefits Authority (RBA) of Kenya.
- As a Custodian our core responsibility is in taking into safe custody the assets of the scheme in addition to taking the administrative role revolving around these assets.

# LICENCING

**Central Bank of Kenya**  
THE BANKING ACT  
(Cap 488)  
**LICENCE TO CONDUCT BANKING BUSINESS**

LICENCE NO. SHK/000/17

THIS LICENCE is granted to **SBM Bank (Kenya) Limited** (name of Bank)  
of P.O. Box 34886 - 00100 NAIROBI (address) to conduct or carry on banking business in Kenya.

This Licence is issued subject to the provisions of the Central Bank of Kenya Act, the Banking Act and Central Bank of Kenya Prudential Guidelines and in the conditions endorsed herein.

**CONDITIONS**

THIS LICENCE SHALL REMAIN VALID UNLESS REVOKED

The Central Bank of Kenya may at anytime revoke, amend, suspend or restrict this licence or any term or condition imposed thereon.

Issued under the authority of the  
CENTRAL BANK OF KENYA

CENTRAL BANK OF KENYA SEAL

This is the day of June 2017

*Patrick Njoroge*  
GOVERNOR  
CENTRAL BANK OF KENYA

I certify that this is a true Copy of the Original

**CAPITAL MARKETS AUTHORITY**  
Licence No. 121

Certified True Copy Of The Original  
*Amya Masese*  
Amya Masese  
Advocate

**Licence to conduct the Business of AUTHORIZED DEPOSITORY**

This LICENCE is granted to **SBM BANK LIMITED**

Of P.O. Box 34886-00100, NAIROBI

And authorizes the licensee to conduct or carry on the Business of **AUTHORIZED DEPOSITORY**

In the Republic of Kenya.

This license is issued and shall remain valid subject to compliance with the requirements for approval and provisions of the Capital Markets Act, (Cap, 485A of the Laws of Kenya) Regulations and Guidelines issued thereunder and to such conditions as may be stipulated by the Authority.

DATED THIS 6<sup>th</sup> day of MAY Year 2019

Approved

Signed \_\_\_\_\_ Signed \_\_\_\_\_

Chairman CAPITAL MARKETS AUTHORITY Chief Executive CAPITAL MARKETS AUTHORITY

Serial No: CUST 12  
C1

**RBA**  
Retirement Benefits Authority  
Safeguarding your retirement benefits

Certified True Copy Of The Original  
*Amya Masese*  
Amya Masese  
Advocate

**Certificate of Registration**

Registration No. RBA/1/13/025

This is to certify that

**SBM Bank (Kenya) Limited**

(Custodian) is registered and authorized to act as a Custodian of retirement benefits schemes funds subject to the provisions of the Retirement Benefits Act and the conditions endorsed herein

**CONDITIONS**

Given under my hand and seal of the Retirement Benefits Authority this

10<sup>th</sup> day of December 2018

*[Signature]*

Chief Executive Officer  
Retirement Benefits Authority

## CUSTODIAN RESPONSIBILITY

- Account opening: Open and Maintain segregated bank accounts, manage cash transactions and settlement accounts within and outside SBM bank for the exclusive benefit of the scheme ,under the instructions from Fund manager and the administrator.
- Safekeeping of Assets: Ensure we have taken into safe custody all documents of title and all assets such as stocks, bonds, deposits and cash.
- Facilitate Settlement of investment transactions (Purchases, sales, placements, liquidations or transfers) upon receipt of proper instructions.
- Corporate actions administrations and collection of income accruing from these assets: dividends for Shares, interest income for deposits, coupons for bonds entitlements such as bonus shares, rights offers.
- Registration of assets with various CDS(Central depository Systems).
- Reporting to the trustees, the fund manager, the administrator and the regulators as well as the members of the scheme.

# CUSTODIAN RESPONSIBILITY

- The Custodian does not design the investment portfolio or offer investment advise.

## ASSETS UNDER CUSTODY- CYTONN HIGH YIELD FUND

ASSET CATEGORY	HOLDINGS (KSHS)
Cash at bank	1,086,680.14
Deposits	6,777,875.36
Real Estate Backed Notes	339,759,835.14
<b>TOTAL</b>	<b>347,624,390.64</b>



## CUSTODIAN STATEMENT- AUDITED FINANCIALS

For the year ended 31<sup>st</sup> December 2023, we held assets for Cytonn High Yield Fund as outlined below and in the audited financials. These assets include cash, deposits and documents of ownership and income that accrue thereof, to the assets, to the order of the Fund Manager and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund Manager and the Administrator.

We have executed our mandate as per the Capital Markets (Collective Investment Schemes) regulations ,2001 and the custody agreement between SBM Bank (Kenya) Limited and Cytonn Asset Managers as the Fund manager and under the guidance of the Corporate Trustees.



*Thank You*