



Investment Opportunities in Kenya

Cytonn Investments



Table of Contents

- I. Overview of the Firm
- II. Opportunities in Real Estate
- III. Deal Showcase
- IV. Cytonn Diaspora LLC

I: Overview of the Firm

100 Members, 1 Agenda – The Client

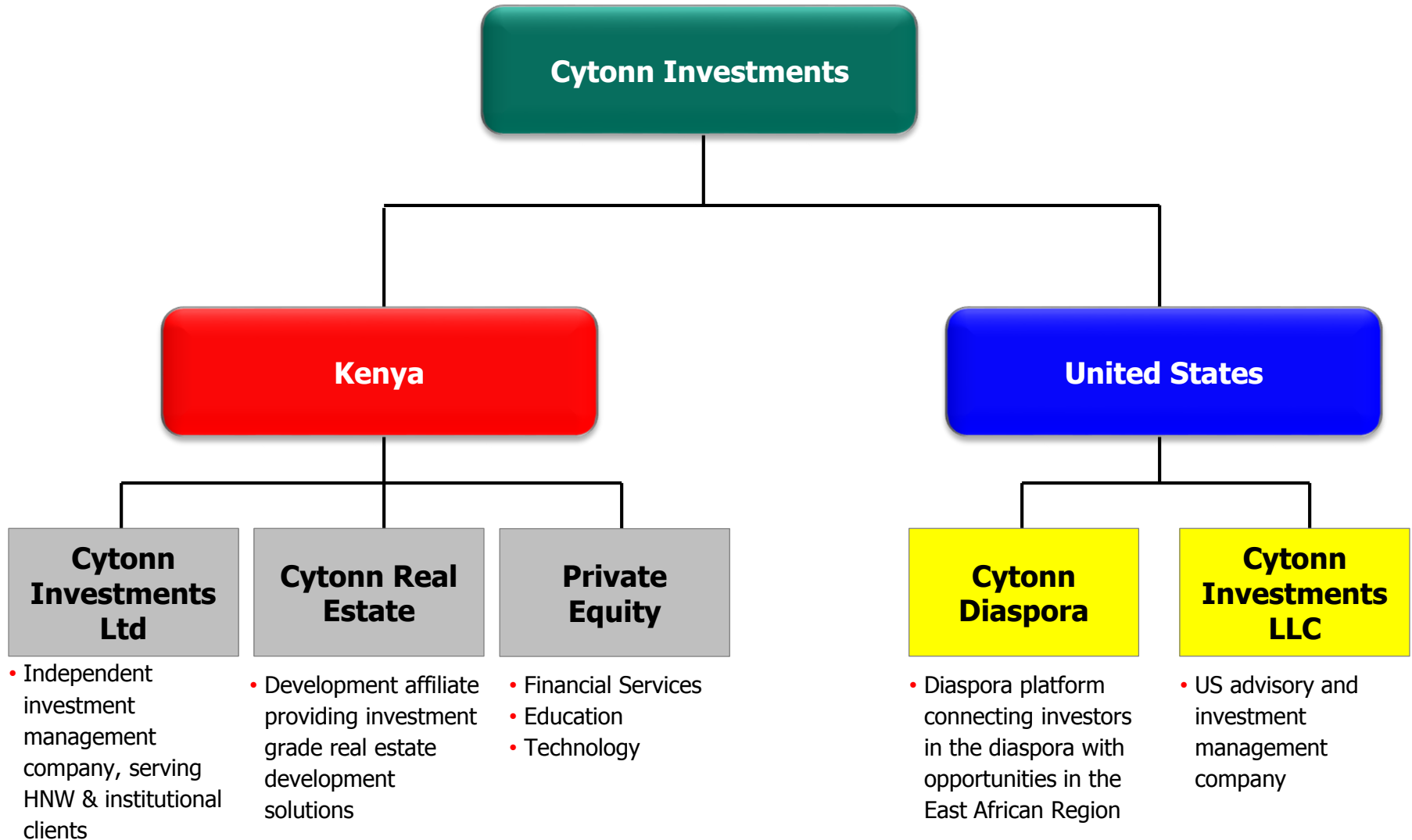


Introduction to Cytonn Investments

Cytonn Investments is an independent investments management company

- Our mission is that ***"we work to deliver innovative & differentiated financial solutions that speak to our clients needs"***
- Cytonn Investments is differentiated in several respects:
 - 1. Independence & Investor Focus:** Cytonn is solely focused on serving the interest of clients, which is best done on an independent investment management platform to minimize conflicts of interest
 - 2. Alternative Investments:** Specialized focus on alternative assets - real estate, private equity, and structured products
 - 3. Partnerships with Global Institutional Investors:** Such as Taaleritehdas of Finland
 - 4. Strong Alignment:** Every staff member participates in ownership. When clients do well, the firm does well; and when the firm does well, staff do well

Cytonn's Corporate Structure – Kshs 50 bn Under Mandate



Board of Directors

The board is comprised of 10 members from diverse backgrounds, each bringing in unique skill-sets



Prof. Daniel Mugendi,
Chairman



Antti – Jussi Ahveninen,
Non-executive Director



Madhav Bhalla,
Non-executive Director



James Maina,
Non-executive Director



Nasser Olwero,
Non-executive Director



Kenneth Ndura
Non-executive Director



Mike Bristow,
Non-executive Director



Edwin H. Dande,
Managing Partner & CEO



Elizabeth N. Nkukuu,
Partner & CIO



Patricia N. Wanjama,
Partner & Head of Legal

The Management Team

The team brings in diverse global and local experience



Edwin H. Dande,
Managing Partner & CEO



Elizabeth N. Nkukuu,
Partner & CIO



Patricia N. Wanjama,
Partner & Head of Legal



Maurice Oduor,
Finance and
Investment Manager



Johnson Denge,
Real Estate Services Manager



Robert M Mwebi,
Project Manager



Martin Gitonga
Project Manager



Shiv Arora,
Head of Private Equity
Real Estate



Gaurang Chavda,
Head of Private Wealth
Management



Winfred Ndung'u,
Brand & Business
Administration
Manager



Beverlyn Naliaka,
PR & Communication



Cytonn Investment Solutions

We offer differentiated investment solutions in four main areas

High Yield Solutions

- The Team's expertise and market knowledge enable us to offer investors higher yields than the market average
- Regular credit analysis, quick dealing capability and the large banking spread in the market allow the team to capitalize on investment opportunities

Real Estate Investment Solutions

- Our unique strategic partnerships with Cytonn Real Estate, our development affiliate, enables us to find, evaluate, structure and deliver world class real estate investment products for investors
- Our platform connects global capital seeking attractive return with institutional grade development opportunities in the East African region

Private Regular Investment Solutions

- We understand that investors have varying financial goals. Our highly customized and simple to understand investment products will enable you to achieve your investment objective
- We offer solutions to both local investors, and those in the diaspora interested in the investment opportunities back in Kenya and the region

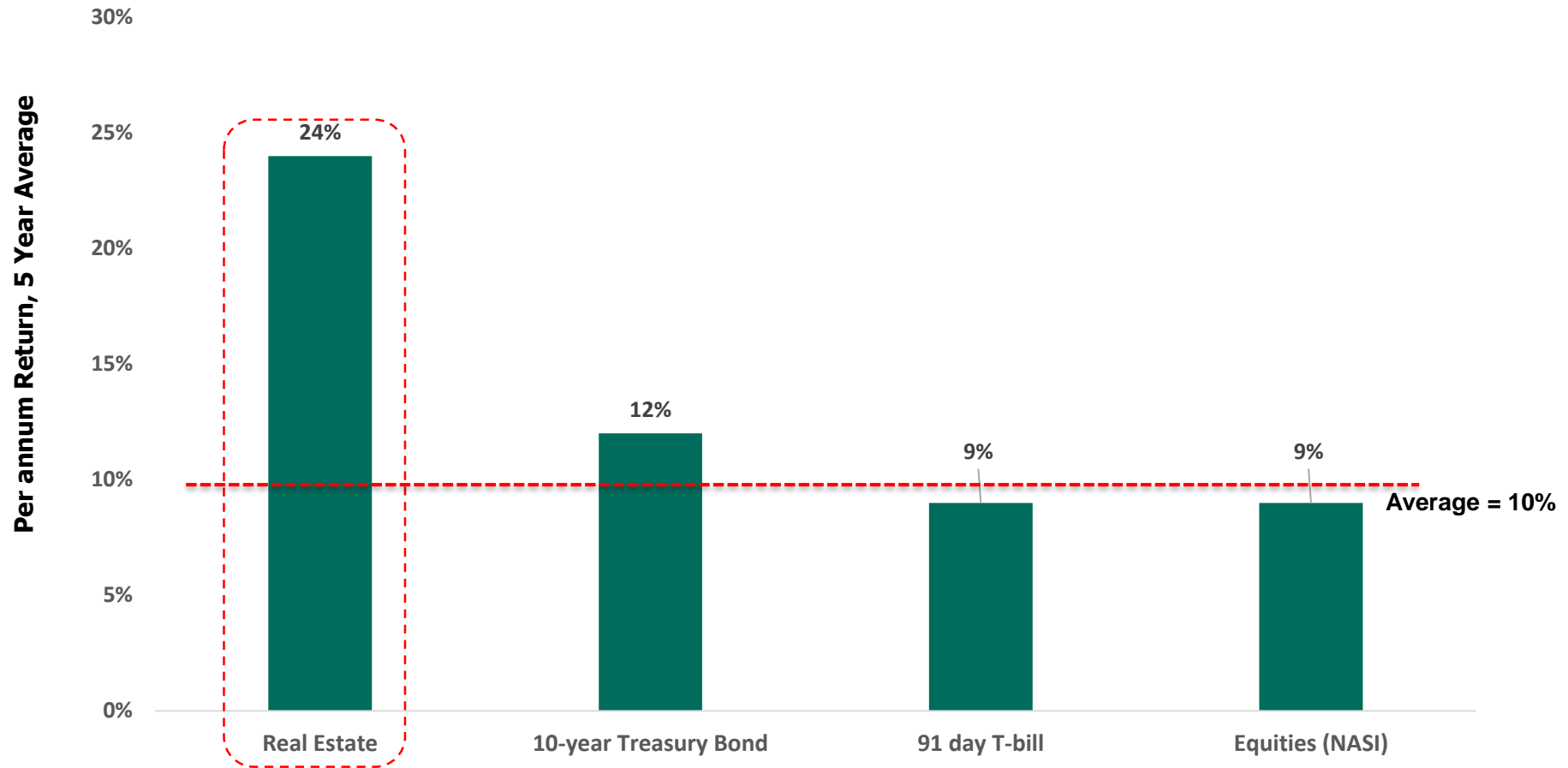
Private Equity

- Cytonn seeks to unearth value by identifying potential companies and growing them through capital provision and partnering with their management to drive strategy
- We primarily invest in the Financial Services, Education and Technology sectors

II: Opportunities in Real Estate

Cytonn focuses on the highest returning Asset Class

Traditional investments returning 10% compared to 24% for real estate, & projected to continue

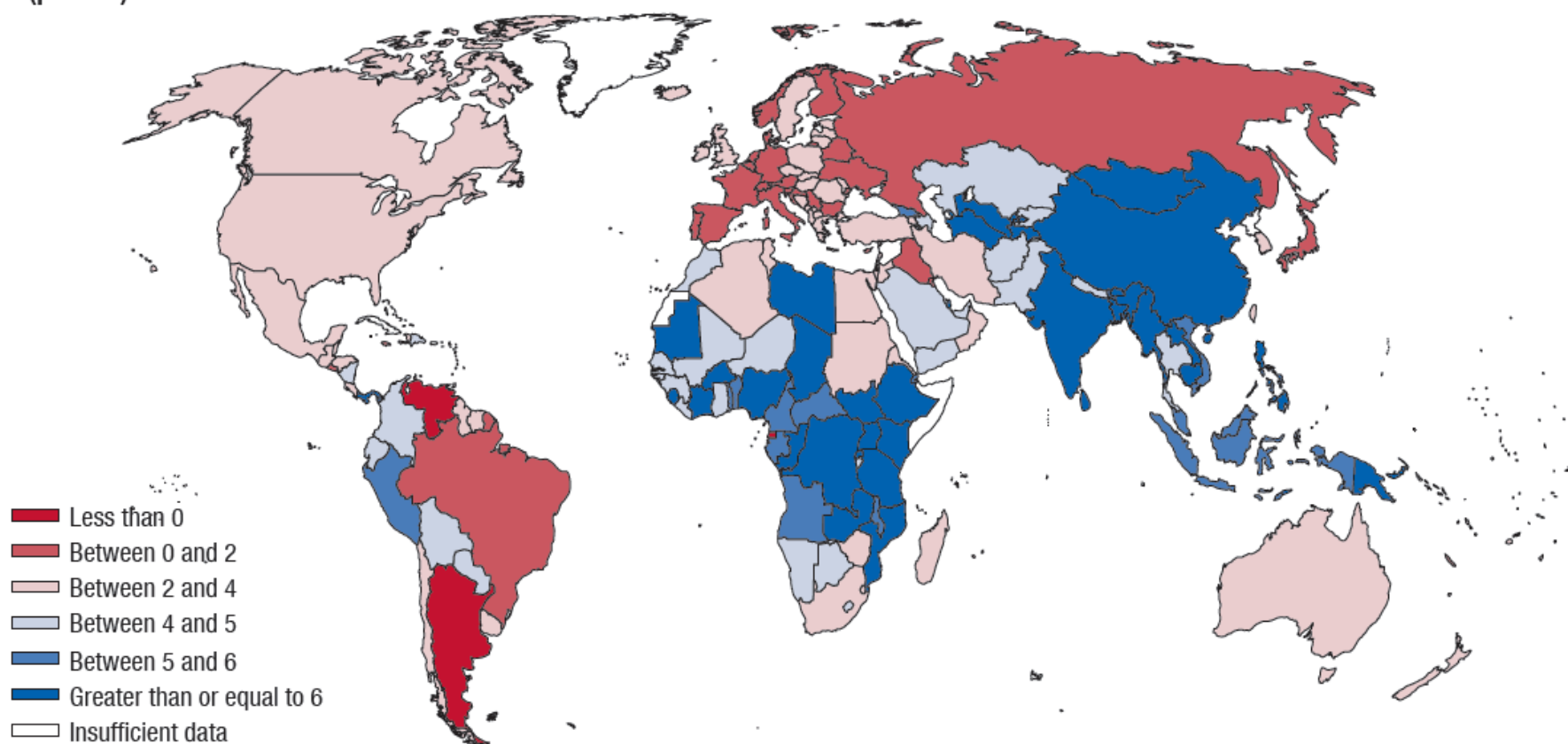


Global view of economic growth determines regions of focus

There is demand from global capital (light colours) looking for attractive returns (dark colours)

Figure 2.1. 2015 GDP Growth Forecasts and the Effects of a Plausible Downside Scenario

1. 2015 GDP Growth Forecasts¹ (percent)

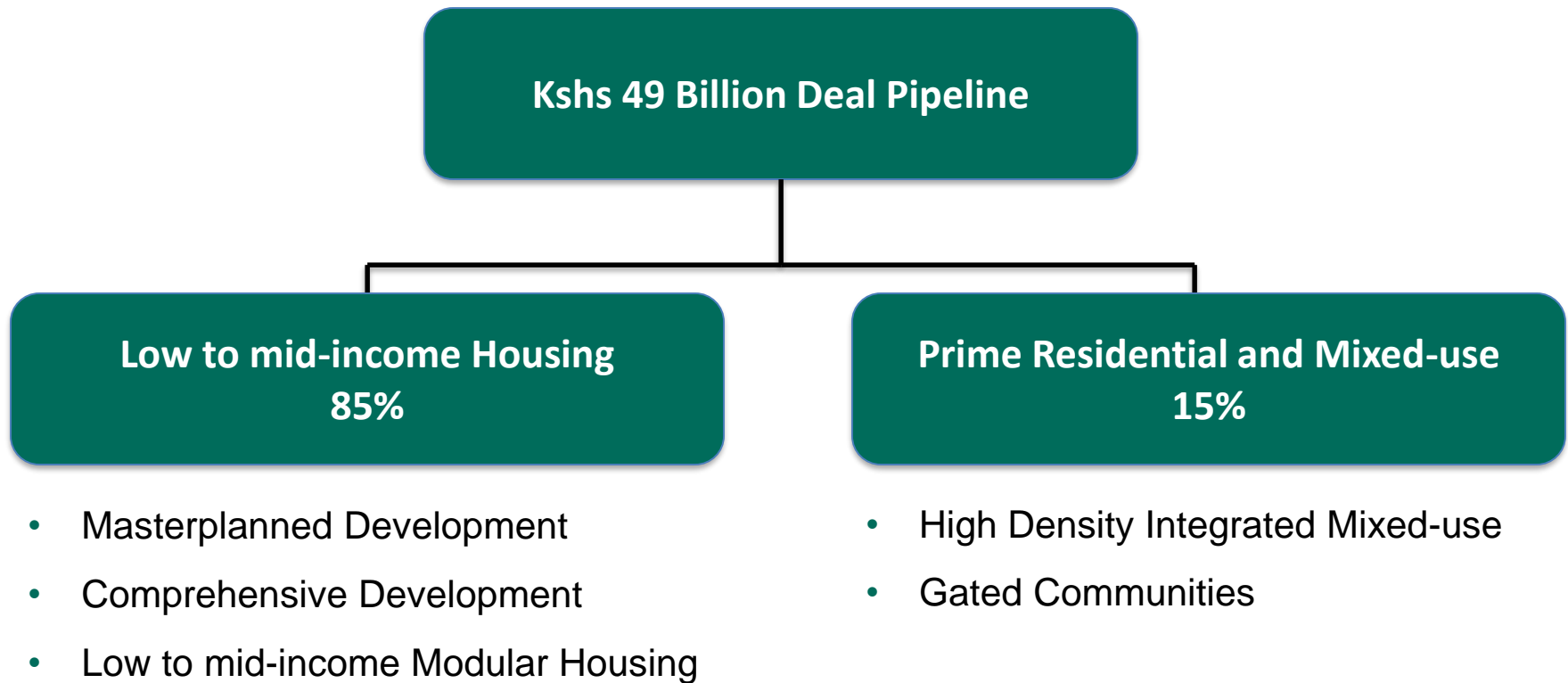


Key Themes driving our Property Development

A large housing deficit, growth of the middle class and demographic trends are just a few on the factors driving our thematic investments in Real Estate

| KEY THEME | REAL ESTATE SECTOR PROVIDING EXPOSURE TO KEY THEME | | | | |
|-------------------------------|--|-------------------------|----------------------|----------------|-------------------|
| | Master Planned Communities | Commercial Office Parks | Commercial Mixed-Use | Suburban Malls | Three Star Hotels |
| 1. Large Housing Deficit | ✓ | | ✓ | | |
| 2. Growth of Middle Class | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. Demographic Trends | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. Improved Infrastructure | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. Political Decentralization | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. Kenya as a Regional Hub | ✓ | ✓ | ✓ | ✓ | ✓ |

Deal pipeline overview – 85% to low and mid-income housing



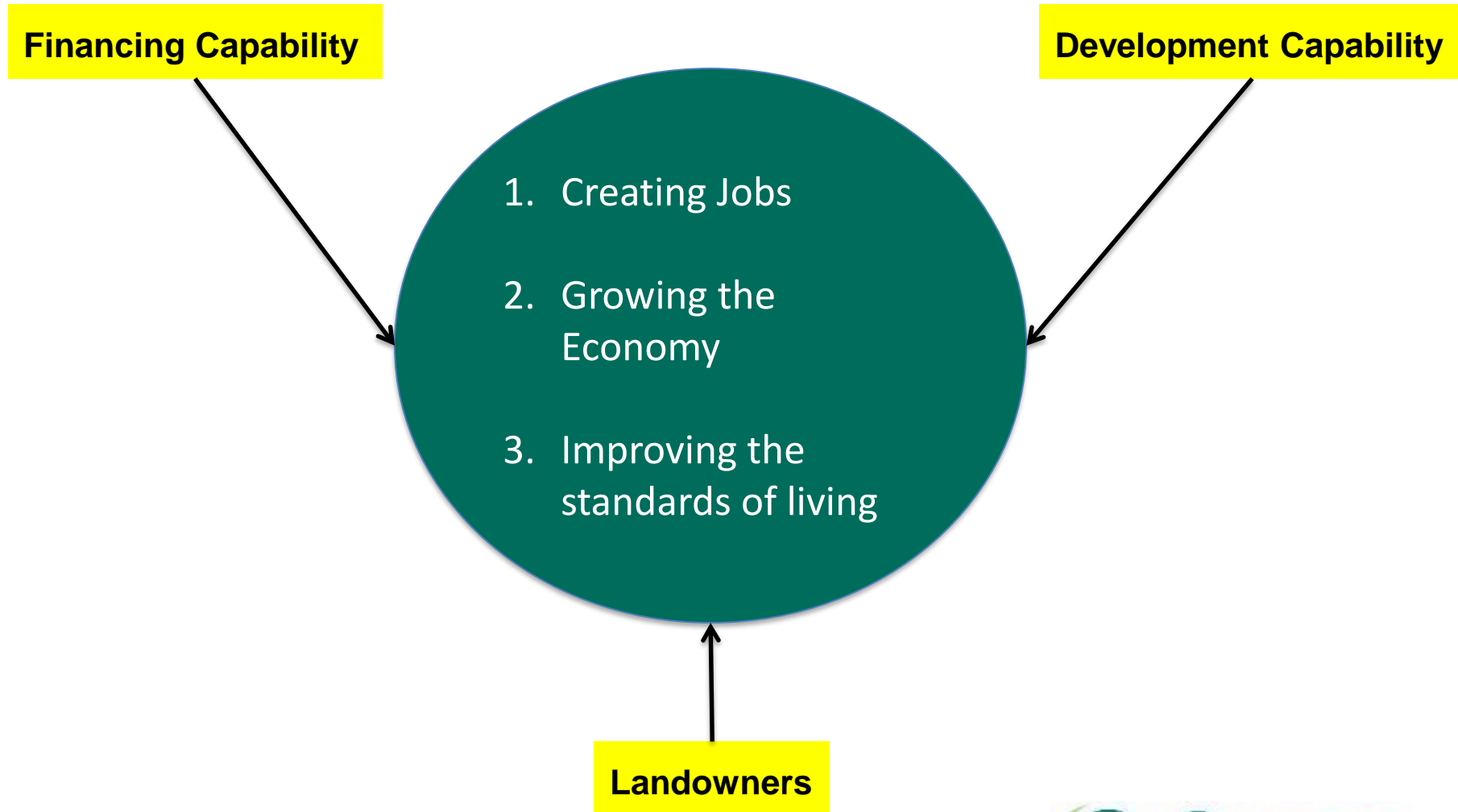
Kshs 49 billion Deal pipeline details

- **Set 1:** Real estate projects where the design, concept, agreements and funding are all secured, and have ground broken or in the process of ground breaking
- **Set 2:** Real estate projects where the Cytonn Real Estate team is in advanced stages of negotiations with the landowners, and where consultants have been appointed to begin market research and concept design

all values in Kshs Millions unless stated

| Projects | Concept | Project Size |
|---------------------|--------------------------------------|-----------------|
| SET 1 | | |
| Amara Ridge | Gated community | 625.0 |
| Situ Village | Gated masterplanned community | 3,050.0 |
| The Alma | Middle-class residential development | 1,600.0 |
| Sub - Total | | 5,275.0 |
| SET 2 | | |
| Project Mombasa | High density mixed-use development | 3,750.0 |
| Project Juja | Middle-class gated community | 3,832.0 |
| Project Mount Kenya | Masterplanned development | 1,200.0 |
| Project Mavoko | Low to mid income masterplanned city | 12,500.0 |
| Project Lukenya | Low to mid income masterplanned city | 22,500.0 |
| Sub - Total | | 43,782.0 |
| TOTAL | | 49,057.0 |

Cytonn's strategy brings three key pillars together



III: Deal Showcase

Real Estate Investment Opportunities

Cytonn Diaspora currently has 3 real estate investment opportunities for our investors & clients

Amara Ridge

- Exclusive gated community located in the heart of Karen, opposite the Bomas of Kenya, an international convention and conferencing centre
- 10 Luxurious 5 bedroom Villas, each situated on a half acre plot, each with easy access to a fully fitted clubhouse
- The villas are featured between a classic design & a contemporary design with expansive well landscaped gardens

Situ Village

- Exclusive gated community on a 29-acre parcel of land featuring villas on half acre plots, duplex cottages and convenient stores in Karen Ololua
- Situ village is an exclusive world class gated community offering both a live, work and play environment and a great investment
- The community enjoys ease of access, proximity to key shopping nodes in Karen, schools, hospitals and renown fine dining establishments; great scenery, fully equipped club house and affordability

Alma

- The Alma is located in Kiambu County, a Nairobi metropolis that neighbors Gigiri, Runda Roslyn and Tigoni. It enjoys close proximity to Two Rivers Mall, the biggest mall in East Africa
- It is a premium product doubling as a home and a high rental yield investment
- Set in a gated community and thus there's full enjoyment of the shared amenities offered

Real Estate Deal Showcase – Amara Ridge

Amara Ridge is the true definition of luxurious living.



Real Estate Deal Showcase – Situ Village

Situ village is an exclusive world class gated community offering a live, work and play environment and a great investment



Real Estate Deal Showcase – The Alma



Pricing Structure

The Alma pricing structure avails an investor and an end user to get the product off plan

- We are currently selling at an off-plan price
- This offer is valid for a limited period only for the first 10% of the units sold at this price

all values in Kshs unless, stated

| | <u>Cash Plan</u> 10% deposit 90% within 90 days | <u>Instalment Plan</u> 10% deposit 70% staggered over construction period 20% on completion | <u>Mortgage Plan</u> 10% deposit – 90% on completion |
|------------------------|---|---|--|
| 1 Bedroom units | Pricing 5.5 Million | Pricing 5.8 Million | Pricing 6.7 Million |
| 2 Bedroom units | 7.5 Million | 7.9 Million | 9.2 Million |
| 3 Bedroom units | 9.5 Million | 9.8 Million | 10.95 Million |

**Unit prices are subject to change without notice. Please ask your advisor about updated pricing*

Return On Investment

An investor stands to gain through both capital appreciation and rental yields

The Alma offers investors a very attractive return on investment, due to:

- Upcoming developments in the area, namely the Two Rivers and Riviera present a huge opportunity for capital appreciation
- Easy rental uptake given the work opportunities in the location, as well as the commercial and lifestyle facilities in The Alma

| <u>Units</u> | <u>Current Rental Income p.m</u> | <u>Rental Yield p.a</u> | <u>Capital Appreciation p.a</u> |
|---------------------|---|--------------------------------|--|
| 1 Bedroom | Kshs. 25,000 | 5% | 23% |
| 2 Bedroom | Kshs. 35,000 | 5% | 23% |
| 3 Bedroom | Kshs. 45,000 | 5% | 23% |

IV: Cytonn Diaspora

Cytonn Diaspora

Cytonn Diaspora offers Cytonn Diaspora Solutions (CDS)

- Cytonn Diaspora currently offers alternative investment solutions that speak to our clients needs and ensure favorable returns above the market average
- These products are designed to cater for the needs of Kenyans in the diaspora seeking to invest back home and get favorable returns at the same time
- These solutions include:
 - I. Regular investment solutions (RIS)
 - II. Cash Management Solutions (CMS)
 - III. Diaspora Real Estate Solutions (DRES)

Cytonn Diaspora Solutions (CDS)

CDS offers competitive interest returns to the investor

The Diaspora Solutions include;

I. Regular Investment Solutions (RIS):

- a. The minimum investment amount is KES 120,000 or its equivalent in USD* 1,200 in a 12 month period
- b. This means a client can chose to send \$100 every month, \$1,200 one off or whatever combination they prefer as long as the monthly minimum is \$100 and they invest \$1,200 over 12 months
- c. It has a graduated interest rate structure would apply as follows;

| | 1 year | 2 years | 3 years | 4 years | 5 years |
|------------|--------|---------|---------|---------|---------|
| KSH (%p.a) | 10% | 14% | 15% | 16% | 17% |
| USD (%p.a) | 3% | 3% | 3% | 3% | 3% |

Cytonn Diaspora Solutions (CDS)

CDS offers competitive interest returns to the investor

II. Cash Management Solution (CMS):

- a. The minimum initial investment amount is USD 10,000 or an equivalent of KES 1,000,000
- b. The fixed rate of return is 18% p.a
- c. It has a 1,3,6,9 and 12 month investments tenor
- d. Options at the end of tenor include;
 - i. Roll over
 - ii. Withdrawal

III. Diaspora Real Estate Solution (DRES):

This is a solution that offers the client an opportunity to buy units from our real estate development projects – The Alma, Situ Village and Amara Ridge

NB: All the above investments have a KES and a USD investment option

Disclaimer:

- 1. Interest rates are subject to change and will be reviewed on a weekly basis
- 2. The client bears the currency risk

What are We Offering the Diaspora?

1. Trusted professional investment partner
2. Investment Solutions/ Opportunities – to create and grow wealth
 - a) Diaspora Investment Solutions (DIS) – invest amounts from \$1,000 for a specified return
 - b) Regular Investment Solution (RIS) – minimum of \$100 per month
 - c) Invest in our developments for development returns
 - d) Buy real estate for capital appreciation and rental yields – Alma
 - e) A retirement plan
3. Project Management for existing clients – with minimum of Kshs. 1 million cash investment in & having been a client for at least six months.
4. Other Benefits – airport transfers, extensive networks

Q&A