



Introduction to Cytonn & Real Estate Investment Opportunity

Launch of Cytonn Project Notes

27th October, 2016



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I: Introduction to Cytonn Investments

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Overview of The Firm

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**Strategy is
straightforward –
just pick a general
direction and
implement like hell**

— Jack Welch

What We Stand For



Our Mission

We deliver innovative & differentiated financial solutions that speak to our clients' needs



Our Vision

To be Africa's leading investment manager by consistently exceeding clients' expectations



Our Values

People

Passionate and self-driven people who thrive in a team context

Excellence

Delivering the best at all times

Client Focus

Putting clients' interest first at all times

Entrepreneurship

Using innovation and creativity to deliver differentiated financial solutions

Accountability

We take both corporate and personal responsibility for our actions

Integrity

Doing the right things



About Us

Cytonn Investments is an alternative investment manager with presence in East Africa, Finland and the US. We provide investors with exposure to the high growth East Africa region. Our investors include global and local institutional investors, individual high net-worth investors and the diaspora. We also service retail investors through our Cytonn Co-operative

FACT FILE

74

Over Kshs. 74 billion under mandate

3

Three offices across 2 continents

150

Over 150 staff members

12

12 investment ready projects

A unique franchise differentiated by:

Independence & Investor Focus

Focused on serving the interest of clients, which is best done on an independent platform to minimize conflicts of interest

Alternative Investments

Specialized focus on alternative assets - Real Estate, Private Equity, and Structured Solutions

Strong Alignment

Every staff member is an owner in the firm. When clients do well, the firm does well; and when the firm does well, staff do well

Committed Partners

Strong global and local partnerships in financing, land and development affiliate

Why We Exist

Africa presents an attractive investment opportunity for investors seeking attractive and long-term returns. Despite the alternative markets in Africa having high and stable returns, only a few institutional players serve the market. Cytonn is focused on delivering higher returns in the alternative markets, while providing the best client service and always protecting our clients' interests.

WE SERVE FOUR MAIN CLIENTS SEGMENTS:

- Retail segment through Cytonn Co-operative membership
- High Net-worth Individuals through Cytonn Private Wealth
- East Africans in the Diaspora through Cytonn Diaspora
- Global and Local Institutional clients

WE INVEST OUR CLIENT FUNDS IN:

- Real Estate
- Private Equity
- Fixed Income Structured Solutions
- Equities Structured Solutions



Our Business

Where We Operate



Our Business Lines

Investments

Alternative investment manager focused on private equity and real estate

Real Estate

We develop institutional grade real estate projects for investors

Diaspora

We connect East Africans in the diaspora to attractive investment opportunities in the region

Technology

We deliver world-class financial technology solutions

Co-operative

Provides access to attractive alternative investment opportunities for members

Our Solutions

To unearth the attractive opportunity that exists in alternative markets in Africa, we offer differentiated investment solutions in four main areas:

HIGH YIELD SOLUTIONS

Our expertise in the alternative markets enables us to offer investors high yielding investments. Our robust credit analysis coupled with our quick dealing capabilities, our extensive research coverage and our innovative structuring helps to ensure consistent and above market returns to investors.

REAL ESTATE INVESTMENT SOLUTIONS

Our comprehensive real estate capabilities enable us to find, evaluate, structure and deliver world-class real estate investment products to our investors in the East African region. Our capabilities include fundraising, market research and acquisition, concept design, project management and agency and facility management.

PRIVATE REGULAR INVESTMENT SOLUTIONS









Attractive returns in the alternative segments have typically been accessible to institutional and high net-worth investors. Our regular investment solutions provide access to the alternative investments to members of the Cytonn Co-operative.

PRIVATE EQUITY

We seek to unearth value by identifying potential companies and growing them through capital provision, partnering with management to drive strategy and institutionalizing their processes. Our areas of focus are Financial Services, Education, Renewable Energy and Technology Sectors.

Our Products

We serve three main types of clients namely, high net-worth individuals, institutions and retail, each with diverse needs. Below are the suitability criteria for the various products.

| | INSTITUTIONAL CLIENTS | HIGH NET WORTH INDIVIDUALS (HNWI) | RETAIL CLIENTS |
|---|---|---|---|
| Cash Management Solutions |  |  | |
| Regular Investment Plan <ul style="list-style-type: none">• Education Investment Plan• Regular Investment Solution• Co-op Premier Investment Plan• Land Investment Plan |  |  |  |
| Real Estate Development <ul style="list-style-type: none">• Real Estate Developments• Sharpland |  |  |  |

Our People



If you could get all the people in an organization rowing the same direction, you could dominate any industry, in any market, against any competition, at any time.

— Patrick Lencioni



Board of Directors

To ensure that we remain focused on the clients' interests, we have put in place proper governance structures. We have a board of directors consisting of 10 members from diverse backgrounds, each bringing in unique skill-sets to the firm.



Non-Executive Director
Chairman

Prof. Daniel Mugendi Njiru, PhD



Non-Executive Director

Madhav N. Bhalla, LLB



Non-Executive Director

Antti-Jussi Ahveninen, MSc



Non-Executive Director

Nasser J. Olwero, MPhil

For bios, visit www.cytonn.com



Non-Executive Director

James M. Maina, MA



Non-Executive Director

Michael Bristow, MSc



Non-Executive Director

Rose Kimotho, M.B.S.



Executive Director

Managing Partner

Edwin H. Dande, CPA, MBA



Executive Director

Senior Partner

Elizabeth N. Nkukuu, CFA, MBA



Executive Director

Partner

Patricia N. Wanjama, CPS (K), MBA

For bios, visit www.cytonn.com

Governance



If you have leadership without governance you risk tyranny, fraud and personal fiefdoms. If you have governance without leadership you risk atrophy, bureaucracy and indifference.

— **Mark Goyder**

INVESTMENTS & STRATEGY COMMITTEE

The committee oversees and provides strategic investment direction, including the implementation and monitoring process.

The committee consists of five directors with three non-executive directors namely: James Maina (Chairman), Antti-Jussi Ahveninen, Madhav Bhalla, Edwin Dande and Elizabeth Nkukuu.

AUDIT RISK & COMPLIANCE COMMITTEE

The committee establishes and oversees risk and compliance, including the implementation and monitoring process.

The committee consists of four directors with two non-executive directors namely: Madhav Bhalla (Chairman), Nasser Olwero, Edwin Dande and Patricia Wanjama.

GOVERNANCE, HUMAN RESOURCES & COMPENSATION COMMITTEE

The committee establishes, oversees and implements governance structure, human resource policies and firm wide compensations.

The committee consists of four directors with three non-executive directors namely: Antti-Jussi Ahveninen (Chairman), Prof. Daniel Mugendi, Michael Bristow and Edwin Dande.

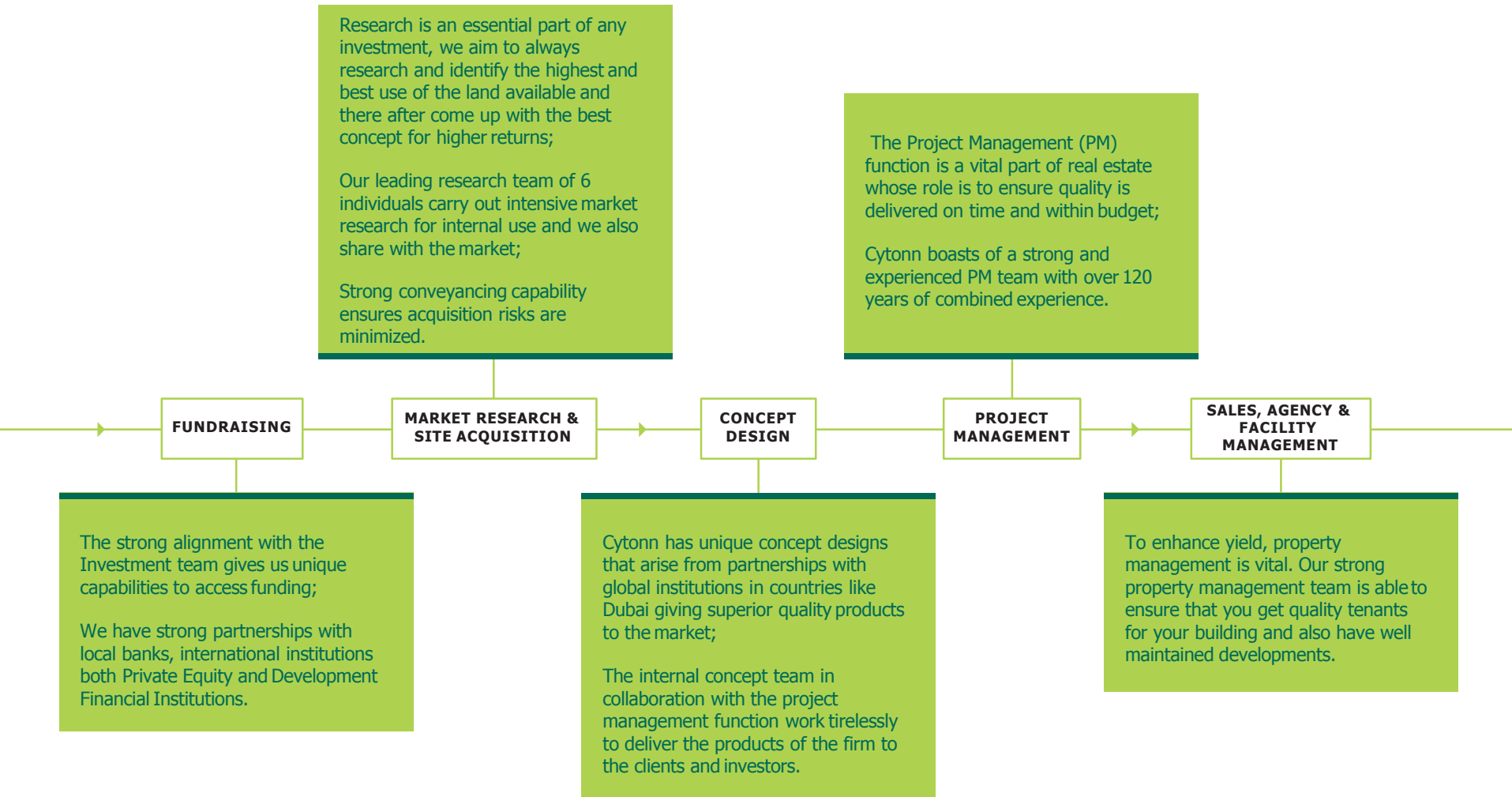
TECHNOLOGY & INNOVATION COMMITTEE

The committee establishes, oversees and implements technical expertise and innovative processes as a driver towards competitiveness.

The committee consists of three directors, with two non-executive directors namely: Nasser Olwero (Chairman), Michael Bristow and Patricia Wanjama.

Cytonn Real Estate's Unique Capabilities

Cytonn has all the necessary capabilities to deliver the very best Real Estate for investors.



AMARA RIDGE



SITU VILLAGE



THE ALMA



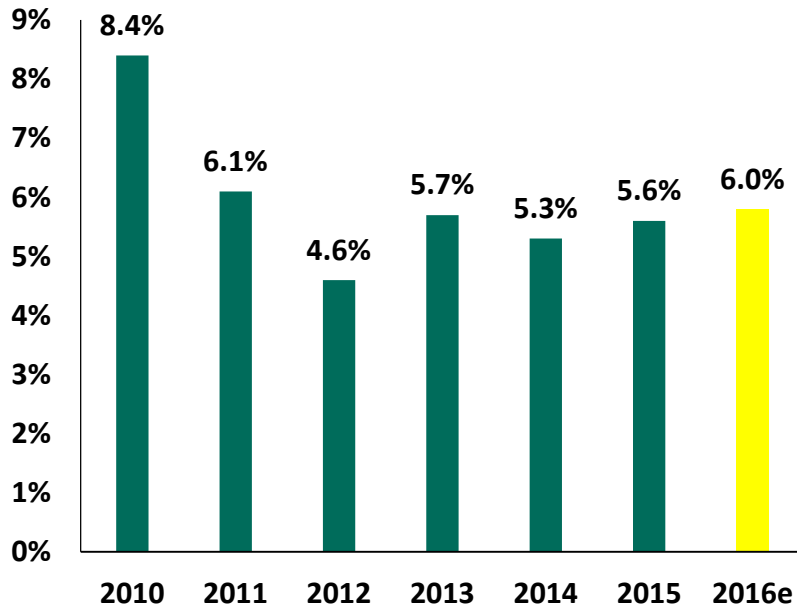
NEWTOWN



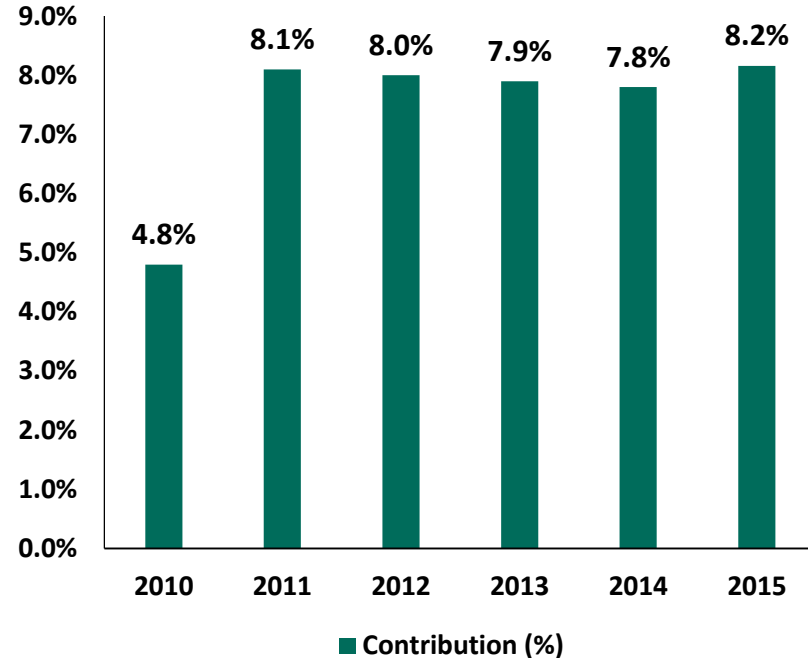
II: Real Estate Investment Opportunity

Kenya's GDP Growth Avg. 6% since 2010

GDP Growth



Real Estate contribution to GDP

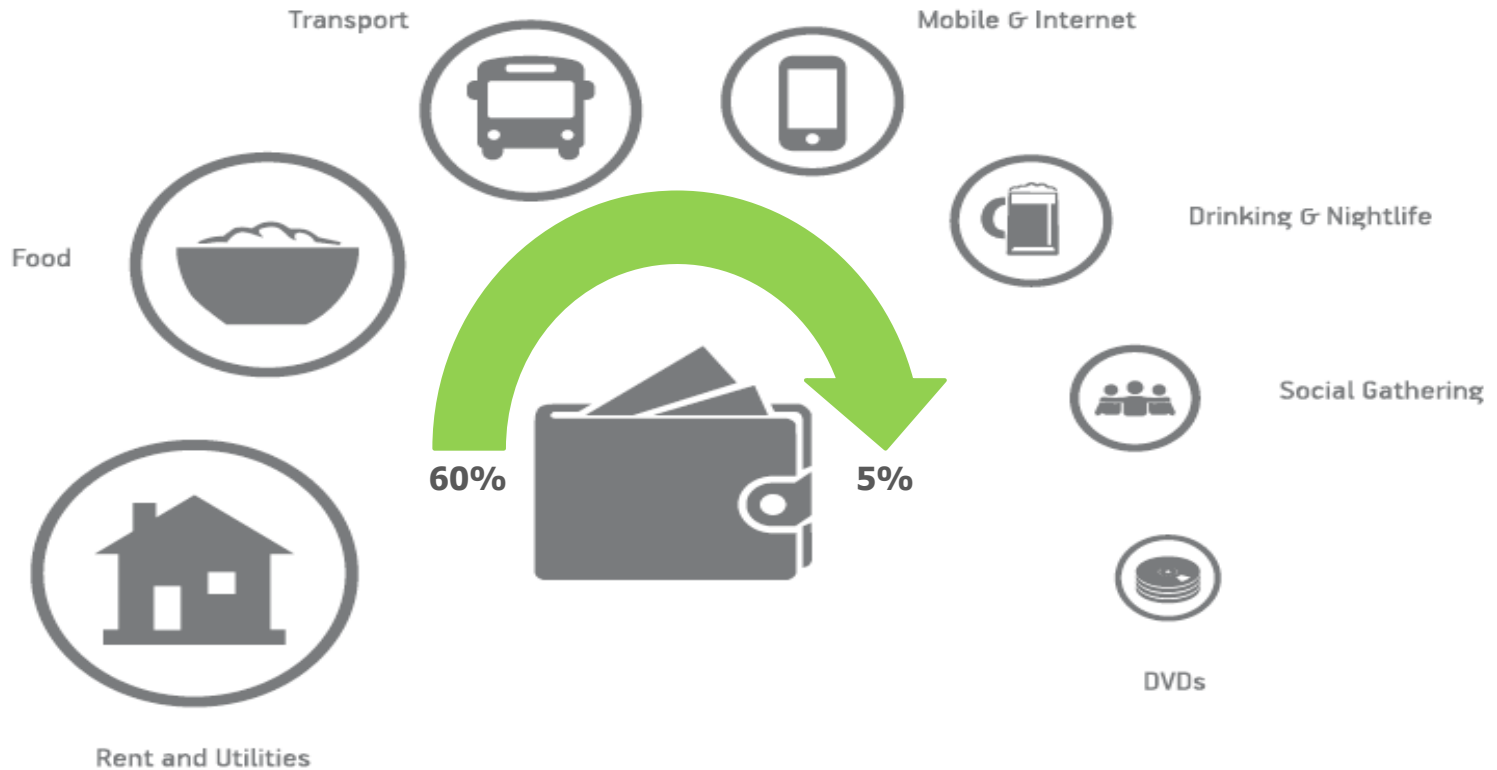


- 2016 GDP is expected to come in at 6.0% underpinned by (i) high government expenditure on infrastructure, (ii) the energy sector growing at 6.8%, **(iii) Real Estate estimated to grow at 6.9%**, (iv) Agriculture growing at 3.4% and (iv) the recovery of tourism growing at 9.5%

Demographic Trends: Share of the Wallet

Citizens spending more on Rent & Utilities

- Individuals are willing to spend up to 60% of their Income on Rent & Utilities
- This growing wallet share, combined with rapid urbanization bodes well for Real Estate



The Opportunity in Residential Housing

Real Estate has the opportunity to create Kshs 240 Bn of AUM

**35% of the 40 Million
Kenyans are employed**

**Of the 14 Million employed,
20% earn on Average KES
100K**

**The 1.4 Million people are
able to spend KES 20,000
per Month on rent**

**These Cash-flows
can create an AUM of KES
241 Billion**

- 14 Million Kenyans are employed
- 3.5 Million Kenyans earn KES 100,000 per month
- 75% of those reside in the Nairobi area & Metropolis
- 67% of residents within Nairobi Metropolis are renters
- $1.4 \text{ Mn} \times 20,000 = \text{Cash Flows of KES 28.1 Billion per month}$
- This equates to KES 337 Billion per Annum
- Assuming we Target only 5%, it equates to roughly KES 16.9 Billion per annum
- Capitalization for the KES 16.9 Billion is at 7%
- This equals to KES 241 Billion of AUM

**The opportunity in Real Estate is similar to that which Equity had in Banking, and Safaricom in Telecommunications
10 Years ago**

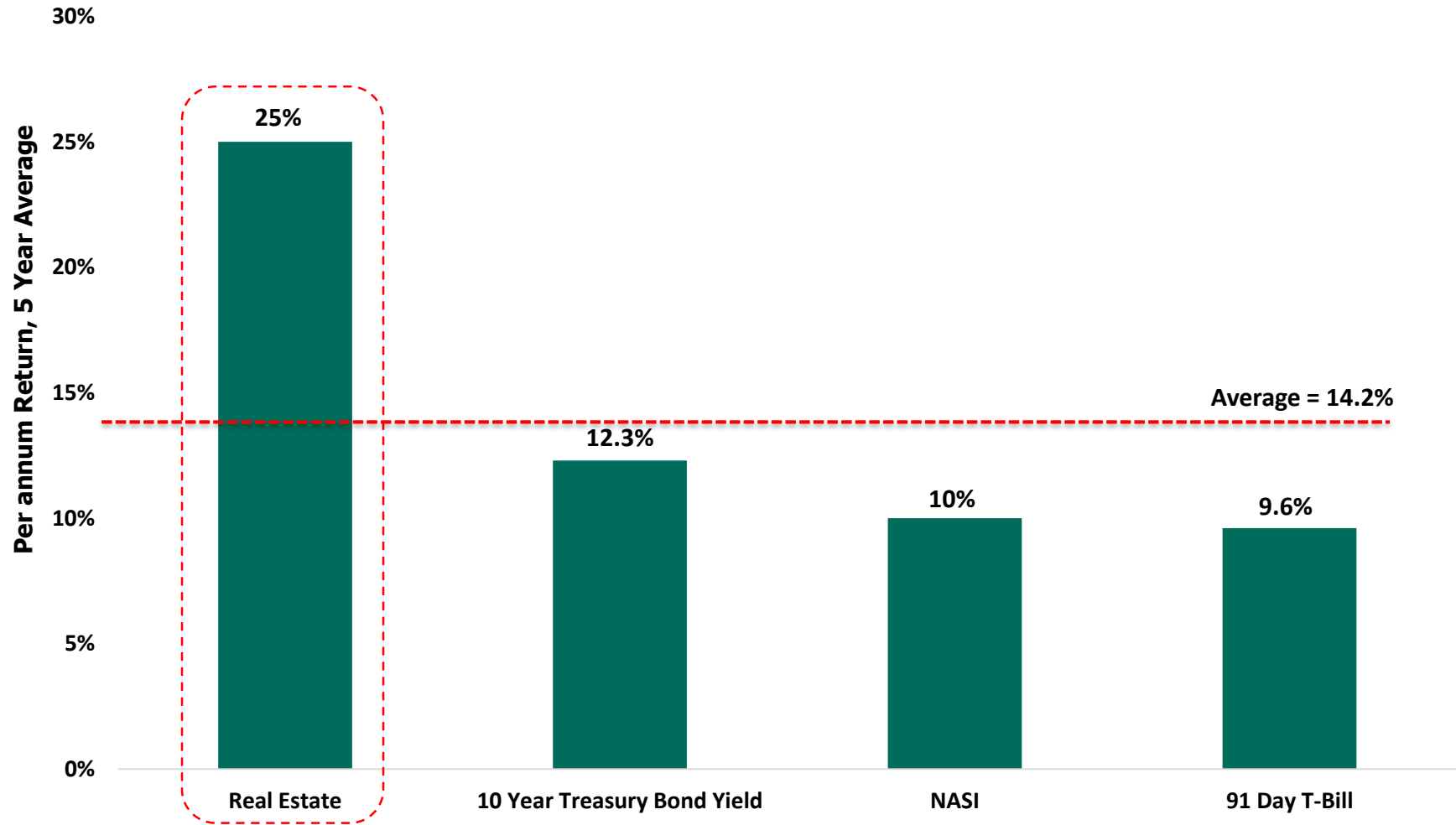
Key Themes Driving our Property Development

The below are just a few of 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 | Hospitality Sector |
| 1. Large Housing Deficit | ✓ | | ✓ | | |
| 2. Growth of Middle Class | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. Demographic Trends | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. Improved Infrastructure | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. Political Decentralization | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. Kenya as a Regional Hub | ✓ | ✓ | ✓ | ✓ | ✓ |

Returns: Real Estate Offers the Highest Returns – Creating Wealth

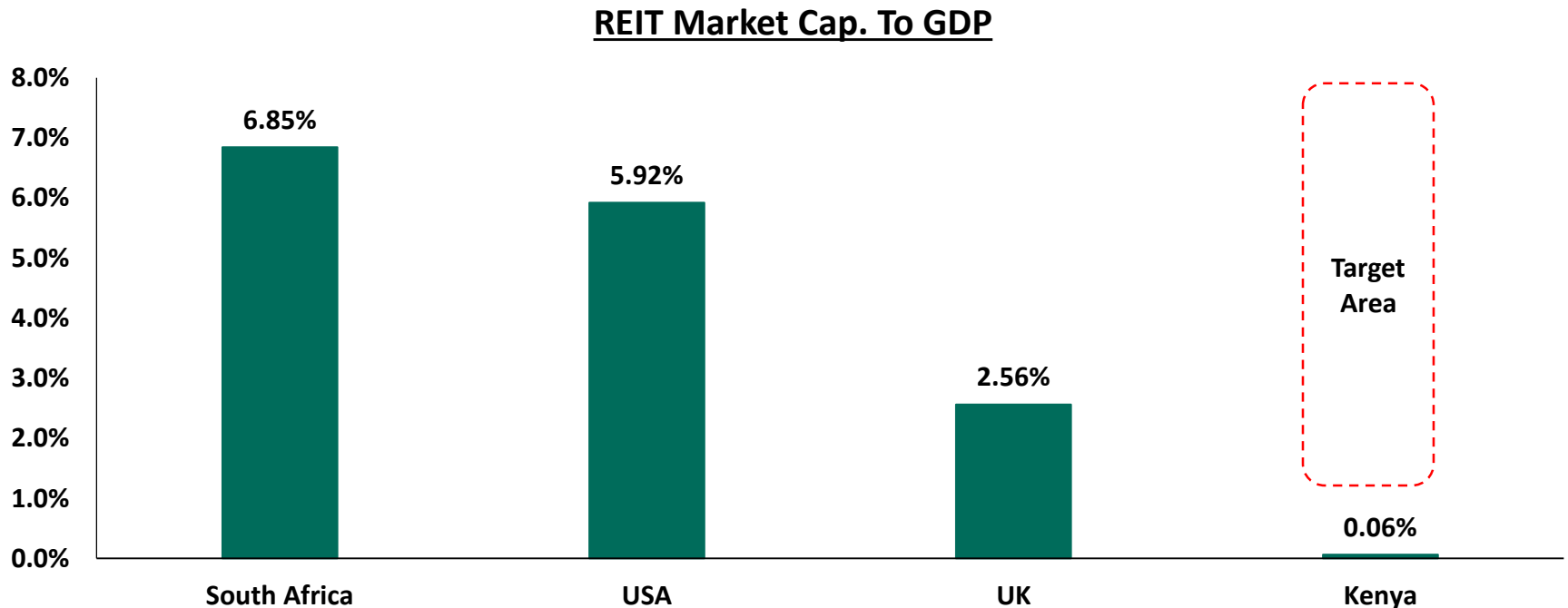
Traditional investments returning 10% compared to 25% for real estate, & projected to continue



And the Best Returns are Not in the Listed Markets ...Yet..

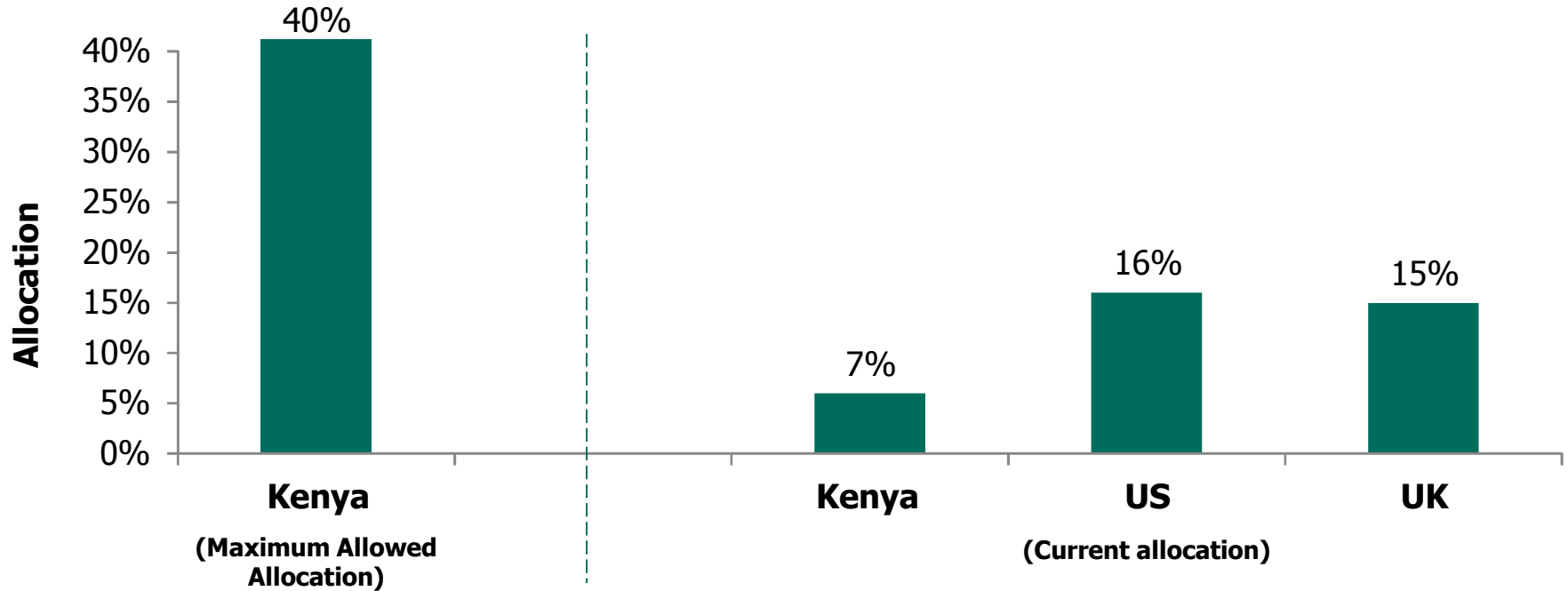
The opportunity to securitize real estate will increase deepening of the capital markets in Kenya

- The investments in alternative markets can be packaged into securities that enable the public (those who are unable to invest in such asset classes) an opportunity to own real estate, and lead to deepening of our capital markets
- REIT's such as FRED and Fahari I-Reit are examples of such securities and have increased the market cap of the securities exchange and capital markets deepening



...However, our Pensions are Not Invested in These High Returns

Current allocation to alternatives is behind other markets despite the positive potential highlighted



Portfolio Allocation and Returns – Case of 2015

Portfolios with allocation to alternatives outperformed those without alternative investment exposure

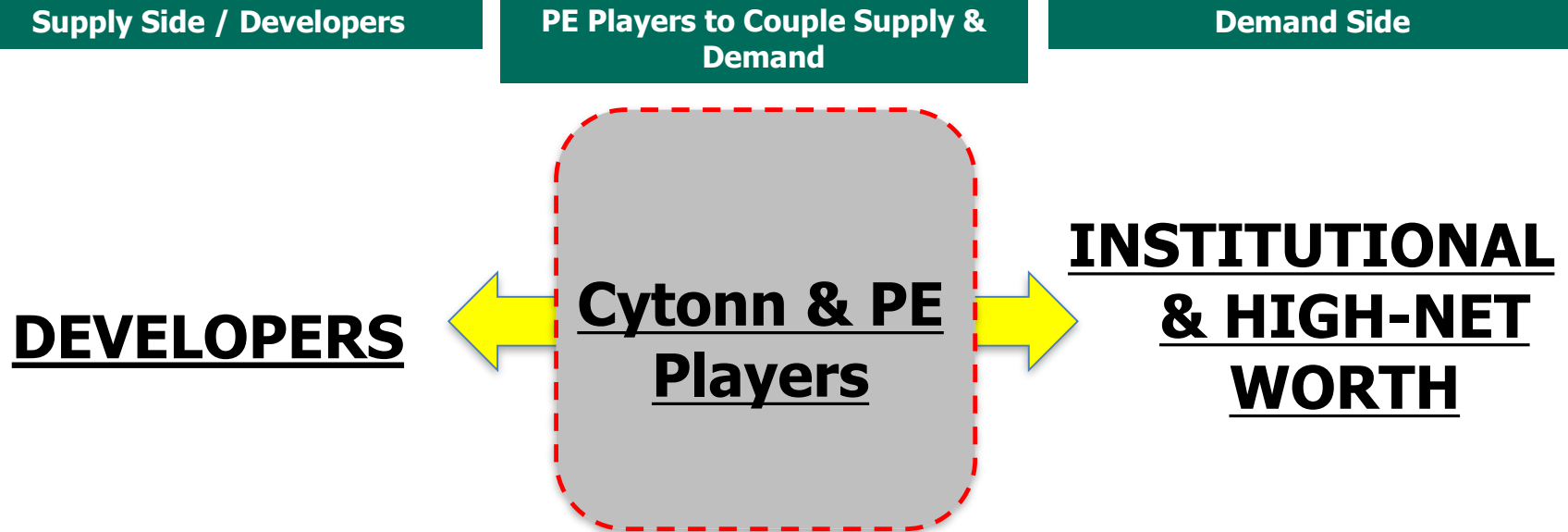
- We consider a typical conservative moderate portfolio with 65:35 allocation in fixed income and equities, (all traditional investment portfolio) and another with 50:30:20 allocation in fixed income, equities and Real estate (alternative investment)
- As indicated below, taking 2015 as a case, a portfolio with purely traditional investments recorded a negative return of 6.0% compared to a positive return of 0.7% in a portfolio with exposure in alternatives

| Asset Classes | 2015 Asset Class Return | Portfolio | |
|------------------------|-------------------------|----------------------|-------------------|
| | | Without Alternatives | With Alternatives |
| Fixed Income | (3.5%) | 65.0% | 50.0% |
| Listed Equities | (10.6%) | 35.0% | 30.0% |
| Real Estate | 25.0% | 0.0% | 20.0% |
| Weighted Return | | (6.0%) | 0.7% |

Solution is to Promote More PE Players

Cytonn looks to bridge the Supply and Demand gap in the Real Estate market

- For many years, the supply and demand have been largely disconnected in the Kenyan Real Estate market, characterized by adhoc forays by players on both sides



By matching demand in the economy, which is 200,000 units per annum, to supply from institutional grade real estate developers in the region, private equity players provide expertise and execution capability to reduce the housing deficit in Kenya

Top 10 Global Real Estate Investment Companies are PE Firms

9 out of the 10 largest real estate investment companies are private equity firms. The sector is dominated by private equity firms or developers, with no traditional investors able to dominate

| Rank | Firm | Capital Raised (USD bns) | Private Equity Firm |
|-------|---|--------------------------|---------------------|
| 1 | Blackstone Group | 31,947 | ✓ |
| 2 | Starwood Capital Group | 7,868 | ✓ |
| 3 | Lone Star Funds | 7,864 | ✓ |
| 4 | Colony Funds | 7,709 | ✓ |
| 5 | LaSalle Investment Management | 7,395 | ✓ |
| 6 | Tishman Speyer | 7,340 | |
| 7 | The Carlyle Group | 7,337 | ✓ |
| 8 | Goldman Sachs Principal Investment Area | 5,626 | ✓ |
| 9 | Brookfield Asset Management | 5,250 | ✓ |
| 10 | MGPA | 5,200 | ✓ |
| Total | | 93,536 | |

III: Cytonn Real Estate's Unique Capabilities

The Core Competencies Of A Real Estate Developer

There are 11 key competencies that are critical in the role of a Real Estate Developer

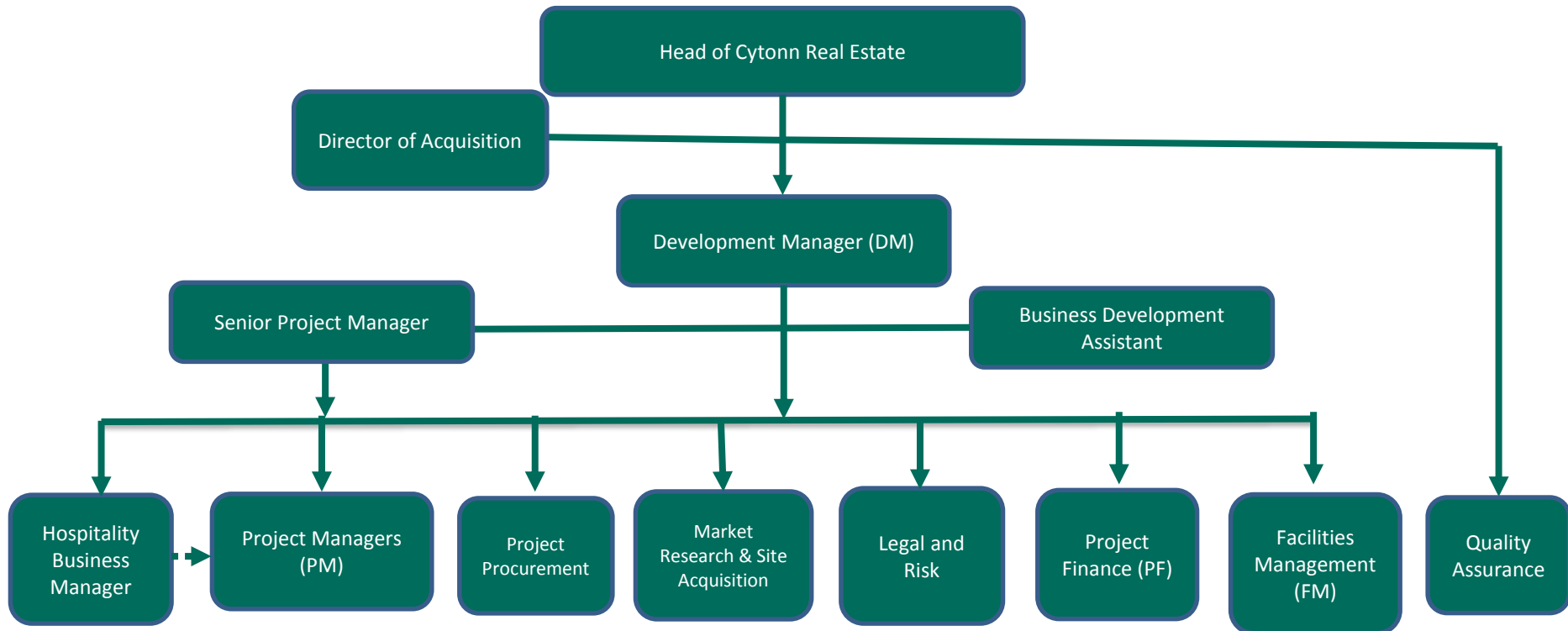
1. **Market Knowledge** – Experience and expertise in the Real Estate Industry is critical, as well as understanding the Market Pulse, Demographics and Trends
2. **Finding Suitable Sites For Development** - to assess a wide variety of sites against a future vision for a successful project
3. **Creating Powerful Concepts** - Creating a strong concept matched with exceptional architecture and aesthetic appeal
4. **Developing A Strong Business Case** - a strong business case demonstrates strong financial and market viability, and is a prerequisite for funding
5. **Negotiating Planning And Other Statutory Approvals** - Developers also need to be highly creative and work with planners to present their applications in an appropriate and strategic way

The Core Competencies Of A Real Estate Developer, Continued...

There are 11 key competencies that are critical in the role of a Real Estate Developer

6. **Resolving Legal Issues** - Real Estate Development comes together with a myriad of legal issues ranging from title and ownership documentation issues & various legal challenges
7. **Sourcing, Negotiating And Structuring Funding** - For a development to succeed, it is very important to Structure all sources of funding (Equity, structured finance and Debt) properly
8. **Delivering The Project On Time, Budget And Quality** - Execution and Completion delays, cost over runs and poor quality are the biggest risks associated with development
9. **Marketing And Creating Strong Brands** - Institutional Developers Build Branded Real Estate Products, which are then packaged and promoted
10. **Letting And Selling Of Properties** - Unlike most other products, 70% of the Decision to buy or Let a Property is made at the Point Of Sale, hence a strong Team is needed for Sales
11. **Property And Facilities Management** - Many of the leading developers understand that the attractiveness of developments depends on how well the properties are maintained and managed

Cytonn Real Estate – Structured to Access The Opportunity



Cytonn Real Estate Business Units

Cytonn Real Estate has experienced professionals with deep market insight

Market Research and Site Acquisition

- To us, real estate research is not just about data collection and analysis. We go further to look at the existing gaps, enhancing market knowledge and informing concept development

Project Management

- Successful projects are dependent on the guidance of a great project management team. The discipline involves coordinating and executing various aspects of a project from initiation to closure

Project Finance

- Cytonn Real Estate has distinguished project finance capability whose key competencies include ability to source for capital, financial modelling, risk analysis, global relationships and deep local financial connections

Project Procurement

- Our project procurement is the main support structure for project management. It involves obtaining goods and services from external vendors and consultants

Quality Control and Assurance

- Quality control and assurance involves overseeing project implementation process from pre-development to project exit. We aim for the highest quality standards that ensure client's interests and expectations are made

Property Agency and Facilities Management

- Comprises of 2 arms which is sales agency in charge of selling and letting of properties on behalf of other entities, and facilities management which entails maintenance planning, asset life cycle analysis and budgeting

Franchising

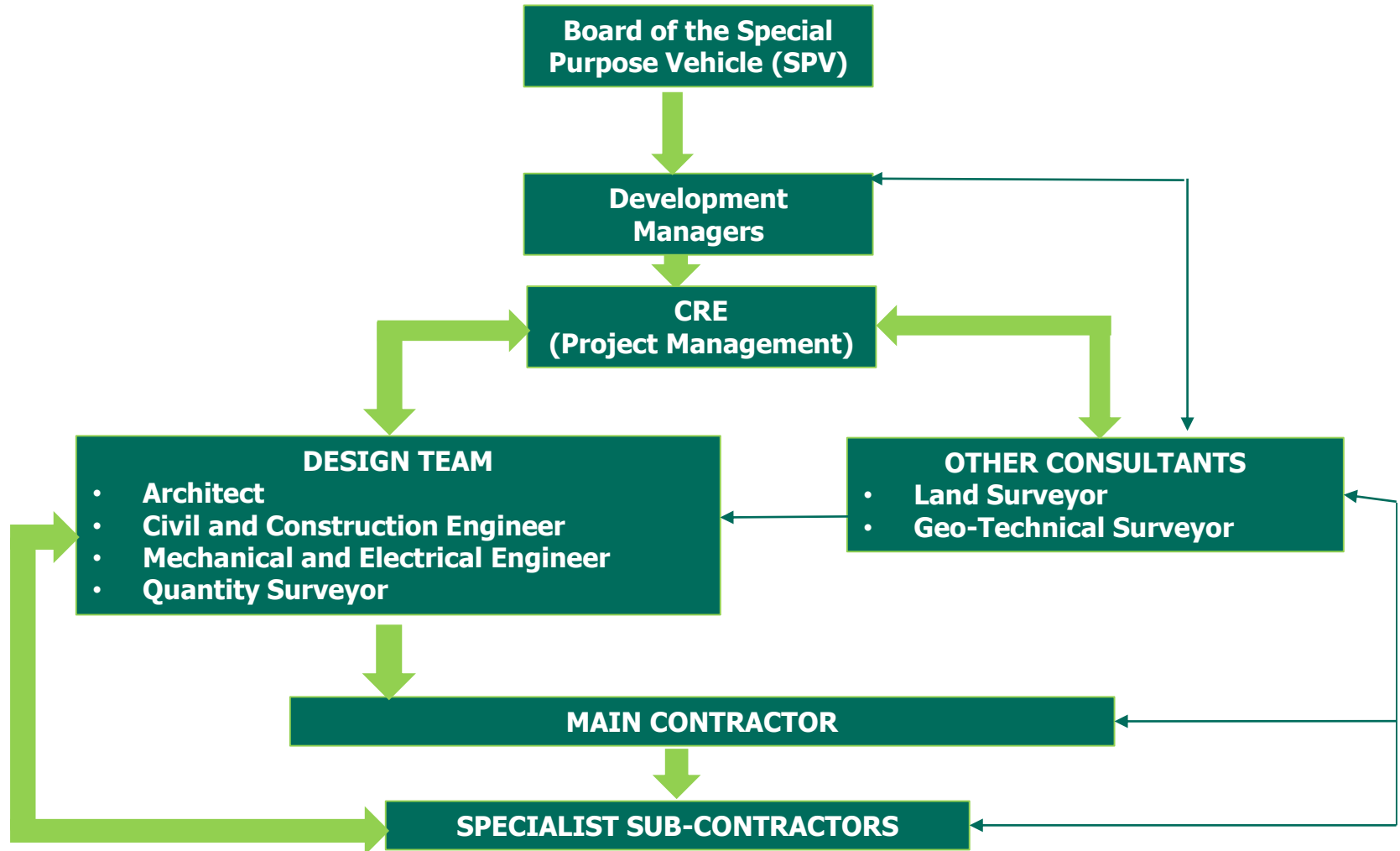
- To expand our footing nationally and regionally, we are offering to extend our brand execution template and platform using a franchise model

Business Development

- This arm primarily focuses on achieving synergy with internal and external parties by ensuring seamless operations within departments and forming alliances with strategic partners

Governance Structure - Real Estate Projects

Good governance is key and each project has its own company with its own board that meets every quarter



IV: Investing in Real Estate

Real Estate Exposure

Despite being capital intensive, there are several ways how one can get exposure in real estate

- Real Estate is capital intensive and therefore, not everyone can get into this kind of investment. However, there are several ways through which one can invest in Real Estate namely
 - **Real Estate Investment Trusts (REIT's)** - A REIT is a company that mainly owns and operates income producing real estate such as apartments, shopping centers, offices, hotels and warehouses. REITs were created in order to make investments in large scale income producing real estate available to average investors. There are 2 kinds of REITS,
 - **Investment REIT (I-REIT)** – This is an investment in an income generating Real Estate such as residential or retail developments where 90% of the income is distributed among the REIT holders as dividends. In Kenya, The Fahari I- REIT is the first of its kind having achieved only 29% subscription at issue
 - **Development REIT (D-REIT)** – This is an investment in an development company where the REIT Holders will receive their returns once the company exits the development. In Kenya Fusion D-Reit would have been the first of its kind but however failed to get the minimum requirements in terms of subscriptions and number of individual investor
 - **Project Notes** – This is a structured debt instrument backed by a Real Estate project where investors buy into the note which guarantees them a return. The notes can be structured in a way that the minimum amount investable is favorable for people with fewer funds at their disposal
 - **Shares in a Real Estate company** – A Real Estate company, either a developer or an investing company, can list on the main bourse allowing common investors to have a chance to tap into the high returns from Real Estate. As the company derives value for Real Estate, so will the investors realize value through share price appreciation and dividend payments

Real Estate Investments – Traditional Way

Traditionally Kenyans have been investing in real estate via Brick and Mortar

- There are two ways to access real estate in any market,
 - **Brick and mortar:** this is the development of a building or the purchase of a parcel of land, aiming to benefit from future capital appreciation and rental income
 - **Real estate investments:** this is the conversion of the physical real estate asset into a liquid investable product. This can either be public markets tradable like REITs or privately placed
- Traditionally, Kenyan's have been investing through the brick and mortar way. However they have been facing the following challenges:

How We Have Traditionally Invested in Real Estate

Summary

- Traditionally, Kenyans used to invest in real estate through brick and Mortar. They would purchase a piece of land and then embark on developing a building
- Financing for these investments is typically personal savings and expensive bank debt

Challenges

- The traditional way of investing in Real Estate had the following challenges;
 1. Illiquidity – Exiting brick and mortar Real Estate is hard as there lacks an official platform for transactions and pricing is opaque
 2. Delays in land titling process
 3. Brick and mortar Real Estate is expensive hence people resort to expensive bank debt

Real Estate Investments – The “Sharp” Way

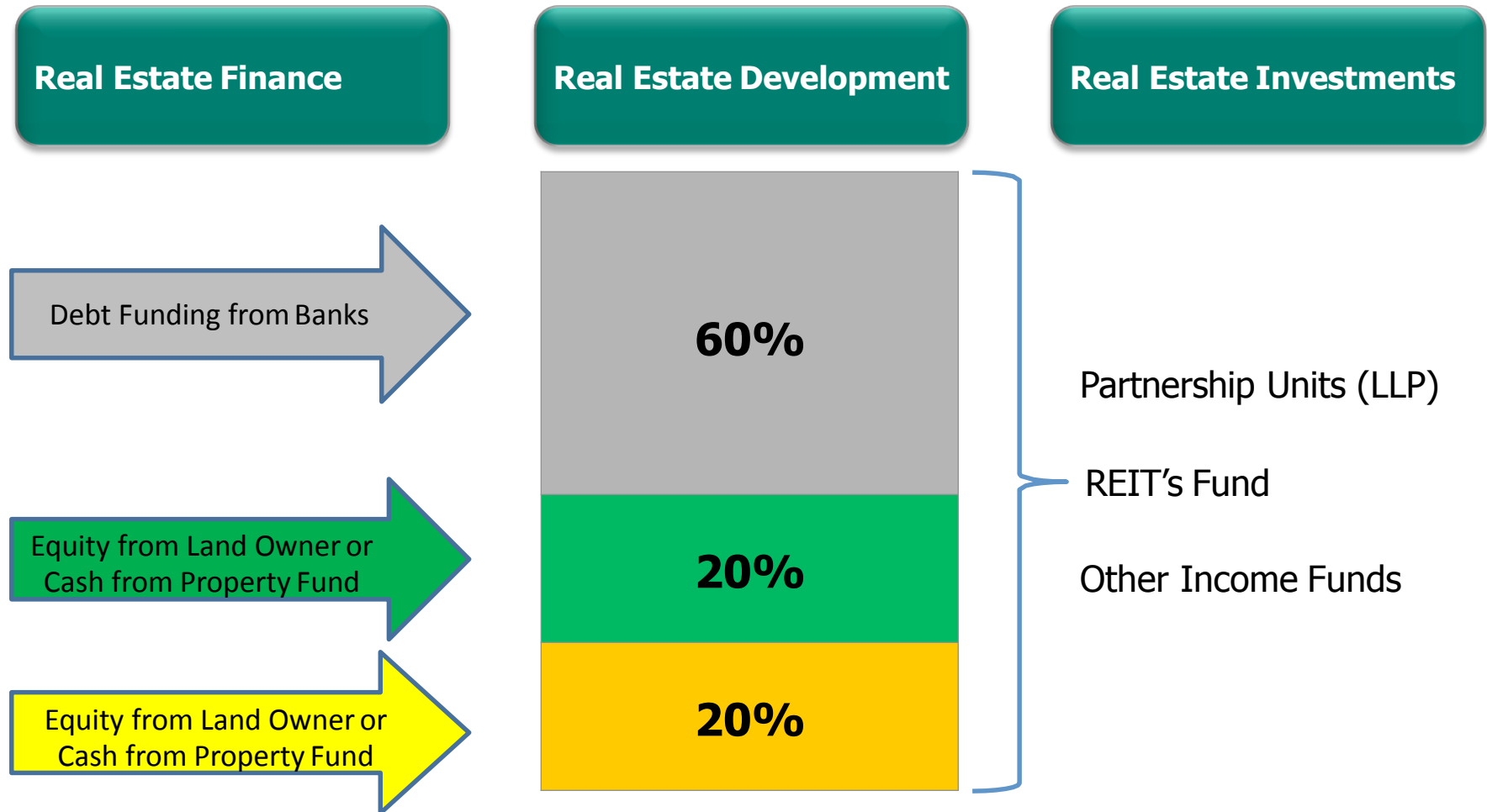
There are three broad ways through which one can invest in real estate

- Apart from the traditional ‘smart’ way of investing in Real Estate which was through brick and mortar, investors can opt for the following ‘sharp’ investment options, depending on the investors’ investment needs, risk/return profile, time horizon and liquidity needs;

| Investment Type | Description | Investment Horizon | Risk Appetite/Return Profile |
|----------------------|--|----------------------------------|--|
| Equity | Purchasing partial ownership of a vehicle owning real estate developments and using a professional developer to manage the development activities | 3-7 Yrs | Risk appetite is high hence they demand returns in excess of 25.0% |
| Mezzanine | Providing subordinated financing to a real estate development. The financing is junior to bank debt, hence gets paid only after the bank but senior to equity, hence gets paid before equity investors | 1-3 Yrs | Risk appetite is moderate hence demand returns of between 14-15% |
| Project Notes | This involves financing for construction by investing in a fixed income note backed by real estate | 1 Yr (Depends on set milestones) | Risk appetite is low, however they demand returns on average of 18.0% due to the leverage they hold. They usually finance 60.0% of the project |

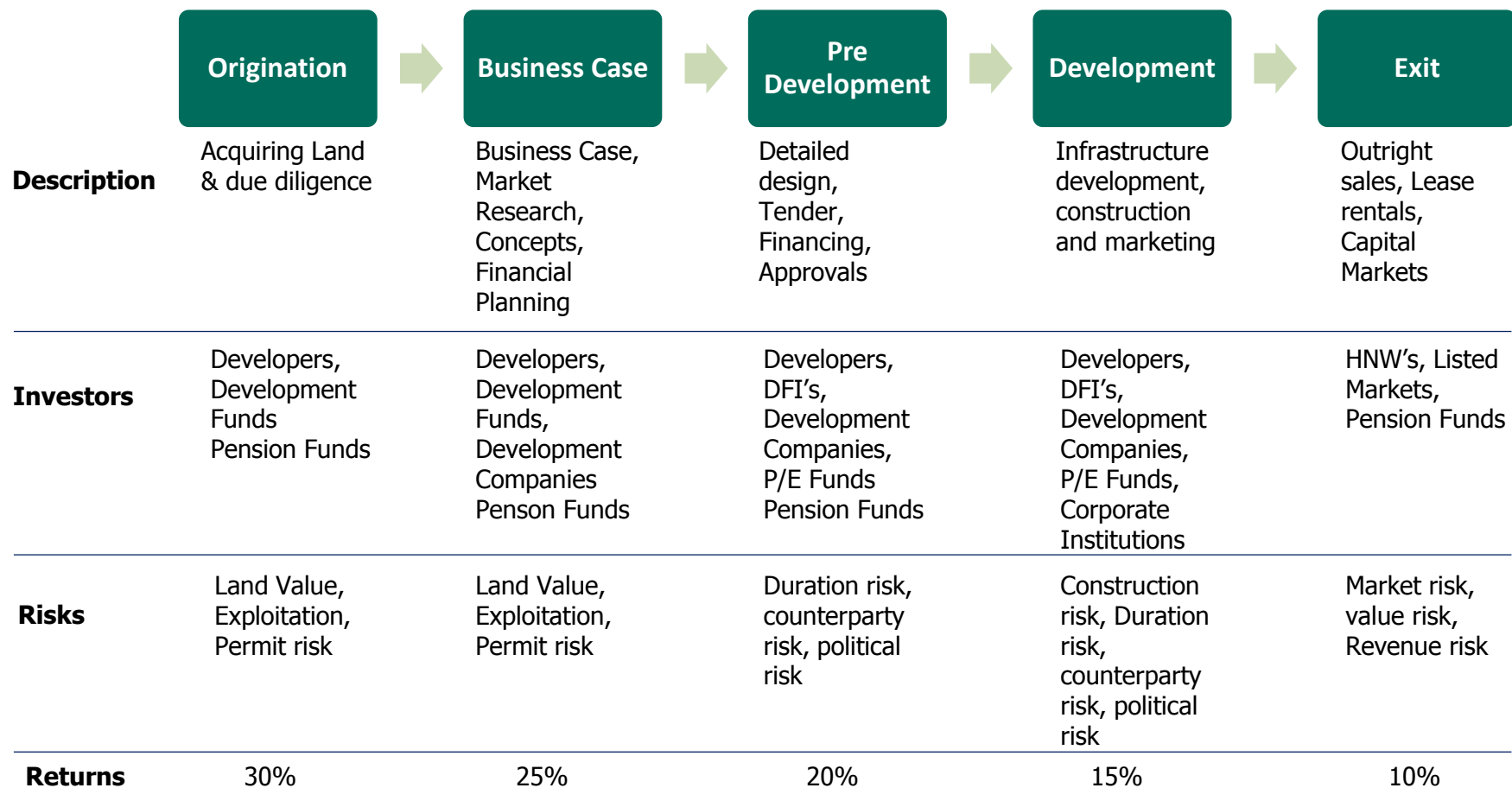
Typical Capital Structure & Value Chain

Highlighted is our typical Real Estate capital structure consisting of 60% debt and 40% equity



Risk – Return Profile for Real Estate Investments

Those who take development risk gain greater returns, in the region of 25% - 30% p.a.



V: Deal Showcases

The Alma

The Alma is a signature development in Ruaka



- Strategically positioned in the heart of the fast growing Ruaka neighborhood, it is only a 20 minutes drive from the CBD and 40 minutes' drive during rush-hour. The adjacent suburbs Runda, Rosslyn and Gigiri also make the location quite secure and attractive for investors
- Neighbouring our project is the proposed Two Rivers mall scheduled to open in 2016. It shall be the biggest shopping mall in East Africa unseating the Garden City Mall. Likewise, residents living in The Alma will have access to Village Market Mall and the upcoming Rivera Rosslyn Mall
- The development will encompass: day-care/ nursery, retail centre, swimming pool, roof-top gardens, elevated playing fields, solar water heating for 3-bed units, eco-friendly water recycling plant, borehole and sewer treatment facility, round the clock security – manned perimeter wall, electric fence, well-lit driveway and security check points
- **The investment was conceived on bridge financing which was paid back to the investor with an IRR of 54%**

Amara Ridge

Amara Ridge – Breathtaking, distinct and luxurious in the heart of Karen



- The development is composed of luxurious 5 bedroom villas of 495 SqM each, including a DSQ, on a half an acre in an exclusive gated community of 10 Villas and a club house
- It features two designs:
 - i. **Classical design** with timeless architecture, grand arrival, elegant arches and sumptuous space to cater for every family need while ensuring a signature lifestyle
 - ii. **Contemporary design** offers a modern feel with a sleek canopy at the entrance. It provides sumptuous space for a distinctive signature lifestyle
- Its amenities will include top of the world club house with meeting place and children play area, a common swimming pool and option for individual pool at your home, abundance of water, power backup, water recycling plant for irrigation, 24-hour security with CCTV and an electric fence, DSQ for two, paved roads and a leafy neighbourhood
- **The development is 100% sold and we have paid 25% of the principal back to the investor**

Situ Village

Situ Village – the best Live-Work-Play environment, located in Ololua, Karen

- Nestled in the scenic ravine of the Mbagathi and Ololua Ridges and with frontage to the Mbagathi River and Ololua Forest, Situ village derives its name from this unique setup
- It sits on 29 acres of land featuring 4-bedroomed villas on half acre plots, duplex cottages and convenient stores
- The development features two architectural designs that give a homely yet unique feel:
 - i. **Andalusian design** with long and rectangular natural stone walls, tile roofs covering the tops of the expansive homes and windows set within thick walls and lined with sloping sills
 - ii. **Mediterranean design** with low pitched tile roof, wrought iron balconies, arches over the windows and doors, cladded walls and patio
- It will have amenities such as: state of the art club house, security including CCTV, ICT infrastructure, water recycling for irrigation, riding ways, well-manicured gardens, jogging paths, swimming pools, convenience stores, power back up, borehole and street lighting



The Ridge

The Site is a 9.9 – acre development, near the junction of Kiambu Road & Northern Bypass

- The Ridge is a comprehensive luxurious lifestyle development located approximately 10 Km from Nairobi CBD, 300 m from the junction of Kiambu Rd and the Northern Bypass. The development sits on 9.8 acres of land and touches the Northern Bypass. It will consist of the following components:
 - a) 1 Bedroom
 - b) 2 Bedroom
 - c) 3 Bedroom
 - d) 3 Bedroom with DSQ
 - e) Penthouses
 - f) Terraced units Retail centre
 - g) Serviced Apartments
- The development will have amenities such as a gym, infinity pools, gazebos, and children's play areas. The development will also have 6 courtyards for recreation
- In terms of security, the development shall have 2 accesses to the property from the Bypass. We shall also have a second security check after each access and a third, as the resident's access the various courtyards
- The retail section shall consist of boutique shops and offices as well



Taraji Heights

Taraji Heights is located a few meters away from the Junction of Limuru and Red Hill Road

- Taraji Heights is a comprehensive development that is located along Limuru road, 2 km from Ruaka shopping centre, with proximity to the Two Rivers Mall, Roslyn Mall and the village market
- The development sits on 2.8 acres of land and has iconic sky walks that connects the communities and creates recreational areas for the residents
- Taraji Heights comprises of:
 - 2 bedroom units
 - 3 bedroom units
 - 3 bedroom units with DSQs
- The development will have amenities such as a retail centre that will have facilities like gymnasium and a convenient store.



VI. Cytonn Project Notes

Real Estate Investments – The “Sharp” Way

There are three broad ways through which one can invest in real estate

- Apart from the traditional ‘smart’ way of investing in Real Estate which was through brick and mortar, investors can opt for the following ‘sharp’ investment options, depending on the investors’ investment needs, risk/return profile, time horizon and liquidity needs;

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| Project Notes | This involves financing for construction by investing in a fixed income note backed by real estate | 1 - 3 Yr (Depends on set milestones) | Risk appetite is low, however they demand returns on average of 18.0% due to the leverage they hold. They usually finance 60.0% of the project |

Project Notes – What Are They?

Project Notes are used to finance real estate developments, and allow all investors access to attractive real estate returns

- Project Notes are used to invest in a number of real estate developments, and give individual investors access to the attractive returns available in real estate
- They are backed by the cash-flows of each real estate development, and give returns on a periodic basis to investors
- Each project is already generating cash-flows through the sales of units



Use of Proceeds for Cytonn Project Notes

Cytonn Project Notes will invest in 4 of Cytonn's real estate developments



Cytonn Project Notes Structure

Below are the key items to note about the structure and return of Cytonn Project Notes

| Particulars | Details |
|--------------------------------------|--|
| Issuer | Cytonn Project Notes LLP |
| Arrangers and Placing Agents | Cytonn Investments Management Limited |
| Transaction Description | The issue of up to Kenya Shillings Ten Billion(KES 10,000,000,000/-) |
| Issue Amount | Kenya Shillings Ten Billion, (KES 10,000,000,000/-) |
| Note Currency | Kenya Shillings (KES) |
| Note Denomination (lot size) | Kenya Shillings One Million (KES 1,000,000/-) |
| Issue Date (Notes Value Date) | Open |
| Maturity Date | As per individual investor |
| Note Return | 1-year: 18% pa 2-year: 19% pa 3-year: 20% pa |
| Coupon Status | The Notes will trade cum-coupon – Trade at Principal plus Accrued Interest |

Cytonn Project Notes Structure, continued...

Below are the key items to note about the structure and return of Cytonn Project Notes

| Particulars | Details |
|------------------------------|--|
| Interest Notification | The Issuer will notify the interest amounts due two weeks before they are due |
| Interest Payments | Interest will be payable either quarterly, annually or at maturity from the Issue Date and will be calculated on a 364-day year. |
| Default Interest | The rate per annum, which is the aggregate of the Rate of Interest plus a default margin of 3% p.a. |
| Note Redemption | Unless previously converted, cancelled or redeemed, the Loan Notes shall be redeemed at their Principal Amount on the Maturity Date dependent on the date of the Noteholders subscription to the Notes |

Investing in Cytonn Project Notes LLP

Investing in Cytonn Project Notes is easy and done in four simple steps

Read Investment Memorandum & Familiarize With Offering



Fill in Subscription Form



Deposit Funds in Cytonn Project Notes LLP Account



Receive Business Confirmation and Investment Advice Contract

Q&A