

AUGUST 2024

1. FUND PERFORMANCE

AVERAGE	2023	AUGUST 2024 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (07-OCTOBER-2019)
Cytonn High Yield Fund (CHYF)	14.5%	24.0%	15.0%
Benchmark (182 day T- Bill + 5.0% points)	17.5%	21.7%	15.1%

*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) Q1'2024 Quarterly Gross Domestic Product Report, the Kenyan economy recorded a 5.0% expansion in Q1'2024, slower than the 5.5% growth recorded in Q1'2023. The main contributor to Kenyan GDP remains to be the Agriculture, Fishing, and Forestry sector which grew by 6.1% in Q1'2024, more similar to a vibrant growth of 6.4% recorded in Q1'2023, owing to the favorable weather conditions, that supported crop and livestock production. All sectors in Q1'2024, except Mining and Quarrying, recorded positive growths, with varying magnitudes across activities. Most sectors recorded declining growth rates compared to Q1'2023 with Accommodation and Food Services, Mining & Quarrying, and Construction Sectors recording the highest growth rate declines of 19.1%, 3.8%, and 2.9% points, respectively. The biggest gainer in terms of sectoral contribution to GDP was the Accommodation and Food Services sector, increasing by 0.3% points to 1.5% in Q1'2024 from 1.2% in Q1'2023, while the Manufacturing sector was the biggest loser, declining by 0.3% points to 7.8% in Q1'2024, from 8.1% in Q1'2023.

During the month, yields on the shorter-dated Government papers recorded mixed performance, with the 182-day and 91-day papers yields decreasing by 8.1 bps and 14.4 bps to 16.7% and 15.9% respectively from 16.8%, and 16.0% recorded the previous month, while the 365-day paper yield increased marginally by 2.7 bps to remain relatively unchanged at 16.9% recorded in July. Additionally, the Kenyan Shilling gained by 0.6% against the US Dollar to close the month at Kshs 129.2, from Kshs 129.9 recorded at the end of July 2024.

The August 2024 inflation rate increased marginally by 0.1% points to 4.4%, from the 4.3% recorded in July 2024. Notably, inflation has remained within the CBK target range of 2.5%-7.5% for the past fourteen months.

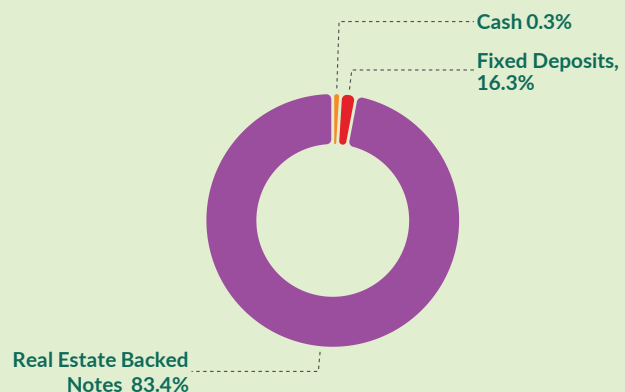
Portfolio Performance

The Cytonn High Yield Fund delivered an average return of 24.0% p.a. beating the inflation rate of 4.4% in the month of August 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.