

FEBRUARY 2021

1. FUND PERFORMANCE

AVERAGE	2021	FEBRUARY 2021 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund (KES)	10.6%	10.7%	11.0%
Benchmark (Average 91 day T- Bill + 1.0% point)	7.9%	7.9%	8.5%

* Percentage you can expect to earn with the fund during one year of investment on basis of the so far realized monthly returns since inception.

2. FUND MANAGER'S REPORT AND OUTLOOK

Fund Objective

The Cytonn Money Market Fund is a low-risk fund that seeks to obtain a high level of current income while protecting investor's capital and liquidity.

Portfolio Strategy

The portfolio objective will be to outperform the income yield available on money market call accounts and fixed deposit accounts by investing in interest-bearing securities and other short-term money market instruments. These securities are usually available to the wholesale or institutional clients. The Fund will also be managed conservatively with active management of duration, credit and liquidity risks.

Portfolio Performance

The Cytonn Money Market Fund successfully delivered above-market returns in February 2021, averaging 10.7% p.a. The Fund outperformed the industry average and its benchmark of 91-day T-Bill+1% points at 7.9%.

Economic report and outlook

According to Kenya National Bureau of Statistics (KNBS), the Kenyan economy recorded a 1.1% contraction in Q3'2020 down from a growth of 5.8% recorded in a similar period in 2019. This was the second consecutive contraction, after the 5.7% recorded in Q2'2020, pointing to an economic recession. The overall performance was cushioned by growths in Agriculture, Forestry and Fishing activities which grew by 6.3%; Financial and Insurance activities, 5.3%; Construction, 16.2%; Real Estate Activities, 5.3% and Mining and Quarrying activities, 18.2%. Accommodation & tourism and the Education sectors were the hardest hit, declining by 57.9% and 41.9% respectively. During the month, the yields on the government securities in the secondary market remained relatively stable, which saw the FTSE NSE Kenya Government Bond Index decline marginally by 0.4%, taking the YTD performance to a 0.4% decline. Yields on shorter dated papers were on the rise with the 91- day, 182-day and 364-day papers gaining by 3.4 bps, 14.4 bps and 39.1 bps to 6.9%, 7.7% and 9.0%, respectively. During the month, the Kenya Shilling appreciated marginally by 0.3% against the US Dollar to close the month at Kshs 109.8, from Kshs 110.1 recorded at the end of January 2021, mostly attributable to the decreased dollar demand from general importers due to the two-week long Lunar holiday in the Asian markets are among the key trading partners.

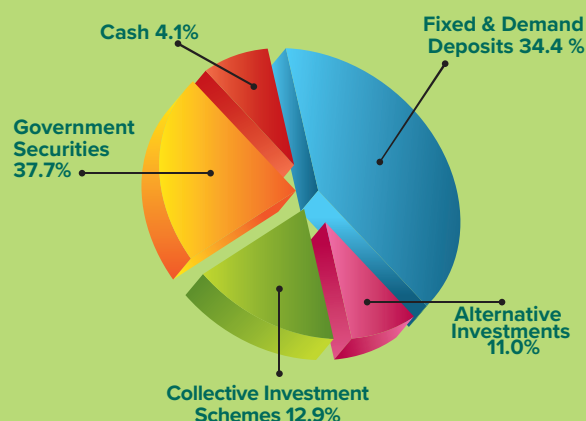
Gong forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund (CMMF) to continue to deliver above-average returns leveraging on optimal asset allocation in line with the Fund's Investment Policy Statement.

As of 26th February 2021, cash, bank deposits and government securities constituted 76.1% of the portfolio

FUND PROFILE

- ◉ **Fund Manager:** Cytonn Asset Managers Limited
- ◉ **Risk Profile:** Low
- ◉ **Minimum Initial Investment:** Kshs. 1,000
- ◉ **Minimum Additional Investment:** Kshs. 100
- ◉ **Annual Management Fee:** 1.5%
- ◉ **Initial Fee:** Nil
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** KCB Bank Kenya Ltd
- ◉ **Benchmark:** Average 91-day T-Bill + 1.0% point

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.