

**FEBRUARY 2024**

**1. FUND PERFORMANCE**

AVERAGE	2023	FEBRUARY 2024 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund	12.5%	16.5%	11.2%
Benchmark ( Average 91 day T- Bill + 1.0% point)	12.2%	16.5%	8.2%

\*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 wholesale or institutional clients. The Fund will also be managed conservatively with active management of duration, credit, and liquidity risks.

**Economic Report**

According to Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report Q3'2023 GDP the Kenyan economy recorded a 5.9% expansion in Q3'2023, faster than the 4.3% growth recorded in Q3'2022. The performance in Q3'2023 was mainly driven by the 6.7% growth in the Agriculture, Fishing, and Forestry sector, compared to the 1.3% contraction recorded in Q3'2022, owing to the favorable weather conditions, which led to more agricultural output as evidenced by the 28.0% increase in tea output coupled with the 84.3% growth in fruit exports in the quarter under review. All sectors in Q3'2023 recorded positive growths, with varying magnitudes across activities. Most sectors recorded improved growth compared to Q3'2022 with Accommodation and Food Services, Agriculture, Forestry and Fishing, and Mining and Quarrying Sectors recording the highest growth improvements of 9.1% points, 8.0% points, and 5.6% points, respectively. The biggest gainer in terms of sectoral contribution to GDP was the financial and Insurance sector, increasing by 0.8% points to 9.9% in Q3'2023 from 9.1% in Q3'2022, while the Transport and Storage sector was the biggest loser, declining by 0.3% points to 10.1% in Q3'2023, from 10.4% in Q3'2022.

During the month, yields on the shorter-dated Government papers were on an upward trajectory, with the 364-day, 182-day, and 91-day paper yields increasing by 48.7 bps, 46.3 bps, and 36.3 bps to 16.8%, 16.6%, and 16.5% respectively from 16.4%, 16.2%, and 16.1% recorded the previous month. Additionally, the Kenyan Shilling appreciated by 10.7% against the US Dollar to close the month at Kshs 143.6, from Kshs 160.8 recorded at the end of January 2024, largely attributable to the increased supply of the dollar in the market. The February 2024 inflation rate eased by 0.6% points to 6.3%, from the 6.9% recorded in January 2024, marking the eighth consecutive month that the inflation has remained within the CBK target range of 2.5%-7.5%.

**Portfolio Performance**

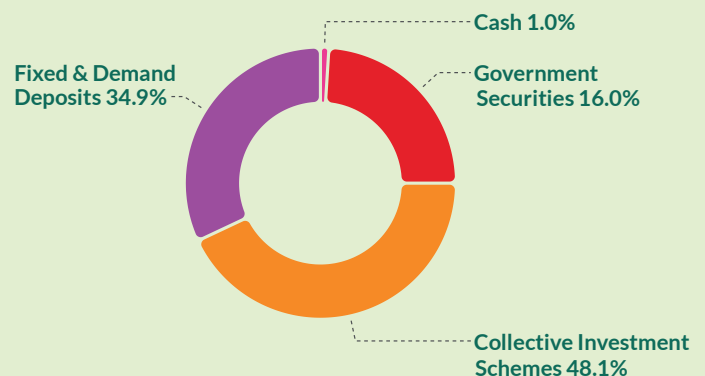
The Cytonn Money Market Fund successfully delivered high returns in February 2024, averaging 16.5% p.a. Going forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund to deliver returns above its benchmark of 91-day T-Bill+1.0% points leveraging on optimal asset allocation in line with the Fund's Investment Policy Statement.

As at 29th February 2024, Cash, bank deposits and government securities constituted 51.9% 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:** 2.0%
- ◉ **Ledger Fee:** Kshs 50
- ◉ **Initial Fee:** Nil
- ◉ **Inception Date:** 01 November-2017
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** SBM Bank Kenya Ltd
- ◉ **Benchmark:** Average 91-day T-Bill plus 1.0% 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.