

JUNE 2020

1. FUND PERFORMANCE

AVERAGE	2019	JUNE 2020 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund (KES)	10.9%	10.7%	11.1%
Benchmark (Average 91 day T- Bill + 1.0% point)	7.9%	8.1%	8.3%

* 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 from money market call and fixed deposit accounts by investing in higher 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 June 2020, averaging 10.7% p.a. The Fund outperformed its benchmark of 91-day T-Bill+1% points, which had a return of 8.1% p.a

Economic report and outlook

Economic growth has remained subdued due to the ongoing COVID-19 pandemic, which has disrupted various sectors. According to the recent pronouncement, from the June Monetary Policy Committee press release, most recent economic indicators points that growth in Q1'2020 was strong, as the impact of COVID-19 virus was majorly pronounced in April 2020. There was however a notable recovery in the economy in May 2020 driven by increased agricultural output and exports. There has been pressure on interest rates with the yield curve shifting upwards from the December levels, which has seen the FTSE NSE Kenya Government Bond Index shed 1.0% YTD, this is despite a cumulative 1.5% points' downward revision of the Central Bank Rate (CBR) since the beginning of the year to the current rate of 7.0%. On the short end of the yield curve, the Central Bank of Kenya has managed to maintain the yields relatively stable with the 91 day T-Bill declining to 6.7% in June, from 7.3% recorded in May. Inflation has remained within the Central Bank's target of between 2.5% and 7.5%, with the June inflation coming in at 4.6% a decline from 5.3% in May, driven by a 1.3% decline in the food and non-alcoholic drinks' Index, coupled with a 0.8% decline in the housing, water, electricity, gas and other fuels' index. Slight pressure has been recorded on the Kenyan Shilling on the back of increased dollar demand from merchandise importers as the easing of coronavirus restrictions jumpstart economic activities, thus boosting demand for hard currency but we do not foresee further declines as the Central Bank remains active in the market to cushion the shilling.

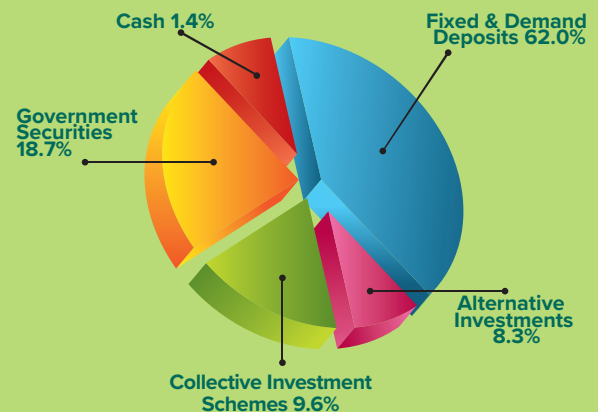
Going forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund (CMMF) to continue to deliver above-average returns leveraging on optimal asset allocation in line with the Fund's Investment Policy Statement.

As of 30th June 2020, cash, bank deposits and government securities constituted 82.1% of the portfolio

FUND PROFILE

- ⦿ **Fund Manager:** Cytonn Asset Managers Limited
- ⦿ **Risk Profile:** Low
- ⦿ **Minimum Initial Investment:** Kshs. 100
- ⦿ **Minimum Additional Investment:** Kshs. 100
- ⦿ **Annual Management Fee:** 1.5%
- ⦿ **Initial Fee:** Nil
- ⦿ **Trustee:** Co-operative Bank of Kenya Ltd
- ⦿ **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.