

MAY 2022
1. FUND PERFORMANCE

AVERAGE	2021	MAY 2022 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund (KES)	10.6%	10.5%	10.8%
Benchmark (Average 91 day T- Bill + 1.0% point)	8.0%	8.7%	8.1%

* 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.

Portfolio Performance

The Cytonn Money Market Fund successfully delivered above-market returns in May 2022, averaging 10.5% p.a. The Fund outperformed the industry average and its benchmark of 91-day T-Bill+1% points at 8.4%.

Economic report and outlook

According to Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report, the Kenyan economy recorded a 7.5% growth in FY'2021, up from the 0.3% contraction recorded in FY'2020, pointing towards continued economic recovery. The biggest gainers in terms of sectoral contribution to GDP were Transport and Education, increasing to 11.4% and 4.3%, from 10.7% and 3.9% in FY'2020, respectively. Agriculture, which remained the largest contributor to GDP at 22.6%, recorded a decline of 0.2% in FY'2021 compared to a 4.2% growth in FY'2020 attributable to the erratic and poorly distributed long rains, as well as insufficient short rains that led to reduced production. The Real Estate sector recorded a growth of 6.7% in FY'2021 compared to a 4.1% growth in FY'2020. The performance is attributable to the increased development activities because of a general improvement in Real Estate transactions and an improved business environment. On the other hand, the financial and insurance sector grew by 12.5% compared to 5.9% in FY'2020.

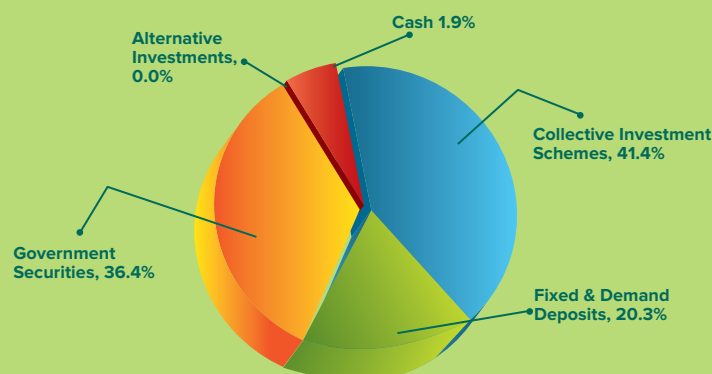
During the month, there was an upward readjustment on the yield curve, though FTSE NSE Kenya Government Bond Index remained relatively unchanged at 94.79, taking the YTD performance to a 1.3% decline. Yields on the shorter dated papers were on an upward trajectory, with yields on the 91-day, 182-day and 364-day papers increasing by 0.3% points, 0.4% points and 0.2% points to 7.7%, 8.7% and 9.9% respectively. During the month, the Kenya Shilling depreciated by 0.8% against the US Dollar to close the month at Kshs 116.7, from Kshs 115.8 recorded at the end of April 2022, mostly attributable to increased dollar demand from energy and merchandise importers.

May 2022 inflation rate came in at 7.1%, up from 6.5% in April 2022. The inflation rate is still within the government target range of 2.5%-7.5%, but has been increasing worryingly in the last four months mainly due to increasing food and fuel prices.

As of 31st May 2022, cash, bank deposits and government securities constituted 58.6% 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
- ◉ **Inception Date:** 01 November-2017
- ◉ **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.