

NOVEMBER 2023

1. FUND PERFORMANCE

AVERAGE	2022	NOVEMBER 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund	10.6%	15.0%	11.0%
Benchmark (Average 91 day T- Bill + 1.0% point)	9.2%	15.4%	8.0%

*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

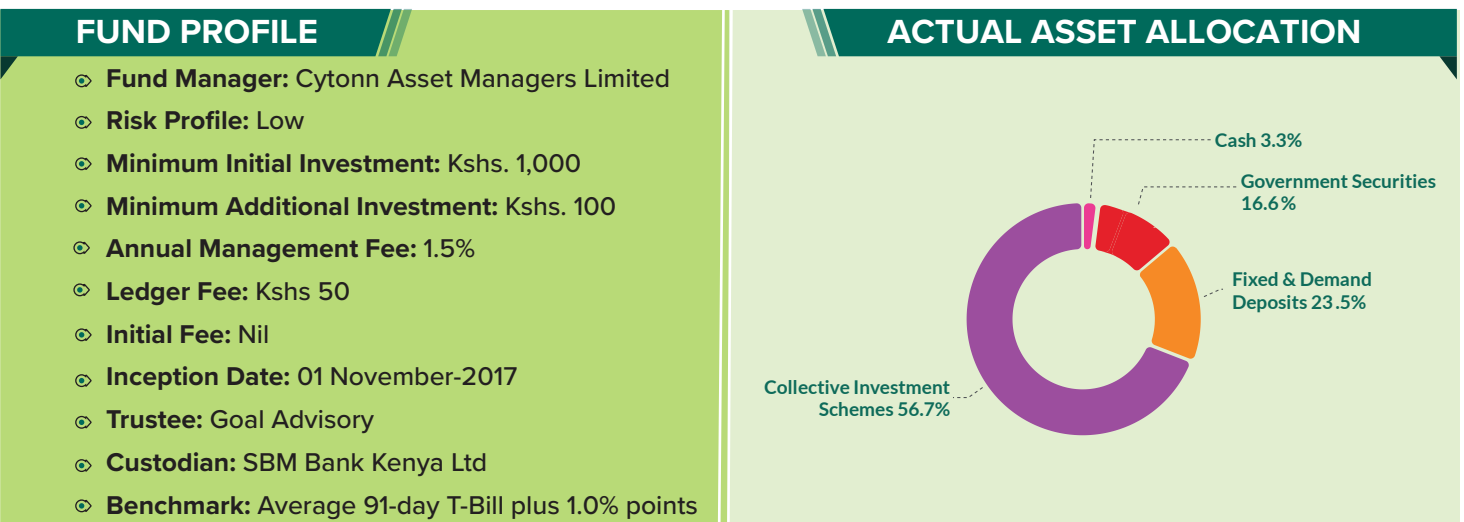
According to the Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report Q2'2023, the Kenyan economy recorded a 5.4% expansion in Q2'2023, faster than the 5.2% growth recorded in Q2'2022. The growth was mainly supported by a rebound in the Agriculture, Fishing, and Forestry sector, which grew by 7.7% in Q2'2023 compared to a contraction of 2.4% in Q2'2022. The biggest gainer in terms of sectoral contribution to GDP was the financial and Insurance sector, increasing by 0.7% points to 9.6% in Q2'2023 from 8.9% in Q2'2022. In contrast, the Manufacturing sector was the biggest loser, declining by 0.3% points to 8.0% in Q2'2023, from 8.3% in Q2'2022. The Financial and Insurance sector recorded the highest growth rate in Q2'2023 growing by 13.5%, albeit slower than the 16.1% growth recorded in Q2'2022. Real Estate was the second largest contributor to GDP at 10.0% in Q2'2023, remaining relatively unchanged from Q2'2022, indicating sustained growth. Notably, the Real Estate sector grew by 5.8% in Q2'2023, 0.8% points higher than the 5.0% recorded in Q2'2022. We expect the economy to grow at a slower pace on the back of elevated inflationary pressures as well as the sustained depreciation of the Kenyan Shilling against the dollar which has resulted in reduced consumer purchasing power.

During the month, yields on the shorter-dated Government papers were on an upward trajectory, with the average yields on the 364-day, 182-day, and 91-day papers increasing by 28.8 bps, 36.8 bps, and 36.4 bps to 15.6%, 15.4%, and 15.4%, respectively. Additionally, the Kenyan Shilling depreciated by 1.7% against the US Dollar to close the month at Kshs 153.2, from Kshs 150.6 recorded at the end of October 2023, largely attributable to increased dollar demand from energy and merchandise importers. The November 2023 inflation rate decreased marginally to 6.8% from the 6.9% recorded in the month of October 2023, marking the fifth 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 November 2023, averaging 15.0% 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 30 th November 2023, Cash, bank deposits and government securities constituted 43.3% of the portfolio.



Disclaimer: Past performance is not a guarantee of future performance and the value of the fund will fluctuate from time to time.