

SEPTEMBER 2022

1. FUND PERFORMANCE

AVERAGE	2021	SEPTEMBER 2022 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund (KES)	10.6%	10.6%	10.8%
Benchmark (Average 91 day T- Bill + 1.0% point)	8.0%	9.6%	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.

Portfolio Performance

The Cytonn Money Market Fund successfully delivered above-market returns in September 2022, averaging 10.6% p.a. The Fund outperformed the industry average and its benchmark of 91-day T-Bill+1% points at 9.9%.

Economic report and outlook

According to Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report, the Kenyan economy recorded a 6.8% growth in Q1'2022, up from the 2.7% growth recorded in Q1'2021, pointing towards continued economic recovery. The biggest gainer in terms of sectoral contribution to GDP was agriculture, increasing by 2.8% points to 23.3% from 20.5% Q1'2021, while public administration was the biggest loser, declining by 1.9% points to 4.7% in Q1'2022, from 6.6% in Q1'2021. The accommodation and food services sector recorded the highest growth rate in Q1'2022 growing by 56.2% compared to the 33.3% contraction recorded in Q1'2021 mainly attributable to the relaxation of most COVID – 19 travel and other restrictions which saw activity in the sector increase. The Real Estate sector recorded a growth of 6.1% in Q1'2022 compared to a 4.9% growth in Q1'2021. The performance was attributable to the increased development activities on the back of a general improvement in Real Estate transactions and an improved business environment as compared to Q1'2021.

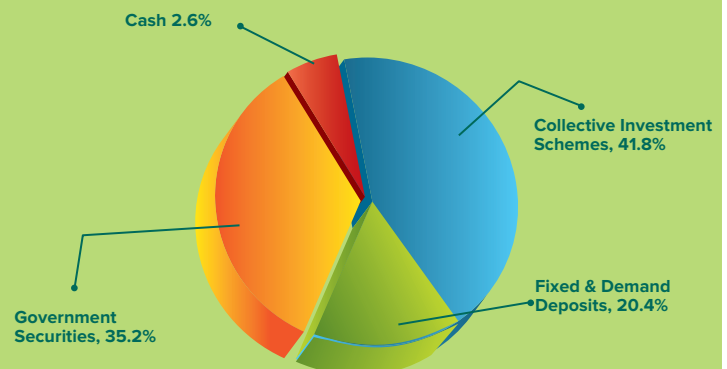
During the month, yields on the shorter dated Government papers recorded mixed performance, with the average yields on the 182-day and 91-day papers increasing by 0.2% points and 0.3% points to 9.6% and 8.9% respectively, while yields on the 364-day paper remained relatively unchanged at 9.9%. Additionally, the Kenyan Shilling depreciated by 0.6% against the US Dollar to close the month at Kshs 120.7, from Kshs 120.0 recorded at the end of August 2022, mostly attributable to increased dollar demand from energy and merchandise importers. August 2022 inflation rate came in at 8.5%, up from 8.3% in July 2022. The inflation rate remains worryingly above the government target range of 2.5%-7.5%, mainly attributable to increasing food and fuel prices.

As of 29th September 2022, Cash, bank deposits and government securities constituted 58.2% 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: SBM 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.