

Cytonn Money Market Fund (CMMF) October 2022 Fact Sheet

FUND PERFORMANCE

| Average | 2021 | October 2022 (Annualized Return) | *Performance Since Inception (01-November-2017) |
|---|-------|-------------------------------------|--|
| Cytonn Money Market Fund | 10.6% | 10.6% | 10.8% |
| Benchmark (91 day T-Bill + 1.0% points) | 8.0% | 10.1% | 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.*

FUND MANAGERS 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, the Kenyan economy recorded a 5.2% growth in Q2'2022, lower than the 11.0% growth recorded in Q2'2021, pointing towards slower economic growth. The biggest gainer in terms of sectoral contribution to GDP was the Financial services and Insurance sector, increasing by 0.5% points to 8.8% from 8.3% in Q2'2021, while Agriculture and Forestry was the biggest loser, declining by 1.5% points to 19.4% in Q2'2022, from 20.9% in Q2'2021. Mining and Quarrying sector recorded the highest growth rate in Q2'2022 growing by 22.6% compared to the 10.9% growth recorded in Q2'2021. The Real Estate sector recorded a growth of 5.5% in Q2'2022, 1.9% points lower than the 7.4% growth recorded in Q2'2021. The decline in performance was mainly attributed to increased cost of construction materials hindering optimum investments, coupled with the looming uncertainties revolving around the August 2022 general election.

During the month, yields on the shorter dated Government papers recorded mixed performance, with the average yields on the 91-day and 182-day papers increasing by 0.2% points and 0.1% points to 9.1% and 9.7% respectively, while yields on the 364-day paper remained relatively unchanged at 9.9%. Additionally, the Kenyan Shilling depreciated by 0.5% against the US Dollar to close the month at Kshs 121.3, from Kshs 120.7 recorded at the end of September 2022, mostly attributable to increased dollar demand from energy and merchandise importers.

September 2022 inflation rate came in at 9.2%, up from 8.5% in August 2022. The inflation rate remains worryingly above the government target range of 2.5%-7.5%, mainly attributable to increasing food and fuel prices.

Portfolio Performance

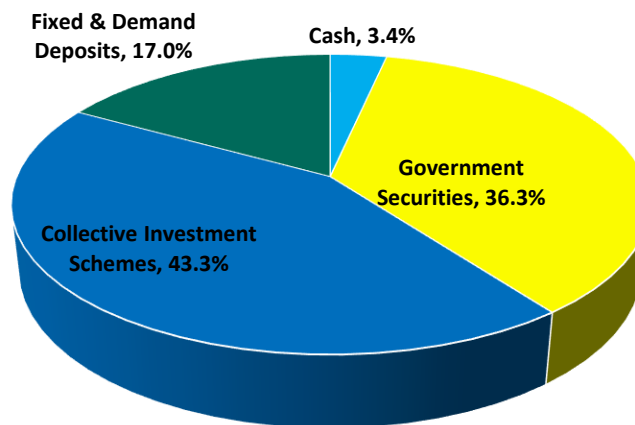
The Cytonn Money Market Fund successfully delivered above-market returns in October 2022, averaging 10.6% p.a. The Fund outperformed the industry average and its benchmark of 91-day T-Bill+1% points at 10.1%.

As of 28th October 2022, Cash, bank deposits and government securities constituted 56.7% 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 plus 1.0% points

Asset Allocation



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