

Cytonn Money Market Fund USD (CMMF- USD) PERFORMANCE

Average	2020	July 2021 (Annualized Returns)	*Performance Since Inception (19-Feb-2020)
Cytonn Money Market Fund (USD)	3.0%	5.3%	3.2%
Benchmark (USD LIBOR+ 2.0% Points)	2.5%	2.1%	2.4%

**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 the wholesale or institutional clients. The Fund will also be managed conservatively with active management of duration, credit and liquidity risks.

Economic Report and Outlook

According to the Kenya National Bureau of Statistics (KNBS), the Kenyan economy recorded a 1.1% contraction in Q3'2020 down from a growth of 5.8% recorded in a similar period in 2019. This was the second consecutive contraction, after the 5.7% recorded in Q2'2020, pointing to an economic recession. Kenya's economy is expected to rebound in 2021, with the National Treasury projecting a GDP growth of 6.6%, attributable to an upturn in economic activity following the reopening of the economy. The growth will largely be supported by the gradual recovery of the business environment more so in sectors such as trade, tourism and education which were the worst hit by the pandemic in 2020. During the month, the yields on the government securities in the secondary market remained relatively stable, which saw the FTSE NSE Kenya Government Bond Index decline marginally by 0.3%, taking the YTD performance to a 1.6% decline. Yields on the shorter dated papers declined, with the 364-day, 182-day and 91-day papers declining by 29.7 bps, 36.2 bps and 38.3 bps to 7.4%, 7.0% and 6.5%, respectively. During the month, the Kenya Shilling depreciated by 0.7% against the US Dollar to close the month at Kshs 108.6, from Kshs 107.9 recorded at the end of June 2021, mostly attributable to increased dollar demand from general importers.

Portfolio Performance

The Cytonn Money Market Fund USD delivered returns averaging 5.3% p.a in the month of July, outperforming its benchmark (USD LIBOR + 2.0% points) at 2.1%. Going forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund USD (CMMF- USD) to deliver above-average returns leveraging on optimal asset allocation in line with the Fund's Investment Policy Statement.

FUND PROFILE

- Fund Manager: **Cytonn Asset Managers Limited**
- Currency Exposure: **USD**
- Risk Profile: **Low**
- Minimum Initial Investment: **USD. 1,000**
- Minimum Additional Investment: **USD. 10**

- Annual Management Fee: **2.0%**
- Initial Fee: **Nil**
- Inception Date: **Feb-2020**
- Trustee: **Goal Advisory**
- Custodian: **State Bank of Mauritius (SBM)**
- Benchmark: **USD London Inter Bank Offer Rate (LIBOR) +2.0% Points**

