

## **Cytonn Money Market Fund USD (CMMF- USD) PERFORMANCE**

<b>Average</b>	<b>2020</b>	<b>November 2021 (Annualized Returns)</b>	<b>*Performance Since Inception (19- Feb-2020)</b>
<b>Cytonn Money Market Fund (USD)</b>	3.0%	5.3%	3.6%
<b>Benchmark (USD LIBOR+ 2.0% Points)</b>	2.5%	2.1%	2.3%

*\*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 and Outlook**

According to Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report, the Kenyan economy recorded a 10.1% growth in Q2'2021, up from the 0.7% growth in Q1'2021 and the 4.7% contraction recorded in Q2'2020, pointing towards an economic rebound. Consequently, the average GDP growth rate for the 2 quarters of 2021 is 5.4%, an increase from the 0.2% decline registered during a similar period of review in 2020. The Education sector recorded the highest growth rate in Q2'2021, growing by 67.6% compared to the 22.4% contraction recorded in Q2'2020. The performance of the Education sector is mainly attributable to the resumption of learning as schools had remained closed in Q2'2020. Agriculture, Forestry and Fishing activities, on the other hand, recorded a decline of 0.9% in Q2'2021, compared to a 4.9% growth in Q2'2020 and a 0.1% contraction in Q1'2021, with the contraction during the quarters being mainly attributable to unfavorable weather conditions witnessed during the period.

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 0.1%, taking the YTD performance to a 1.4% decline. Yields on the shorter dated papers increased, with the 364-day, 182-day and 91-day papers increasing by 59.0 bps, 30.0 bps and 15.0 bps, respectively, to 8.7%, 7.7% and 7.1%, respectively. During the month, the Kenya Shilling depreciated by 1.1% against the US Dollar to close the month at Kshs 112.5, from Kshs 111.2 recorded at the end of October 2021, mostly attributable to increased dollar demand from energy and merchandise importers.

#### **Portfolio Performance**

The Cytonn Money Market Fund USD delivered returns averaging 5.3% p.a in the month of November, 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**

