

Cytonn Money Market Fund USD (CMMF- USD) October 2022 Fact Sheet

Average	2021	October 2022 (Annualized Returns)	*Performance Since Inception (19-February-2020)
Cytonn Money Market Fund (USD)	4.3%	4.2%	3.9%
Benchmark (USD LIBOR+ 2.0% Points)	2.1%	5.8%	2.7%

**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 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.

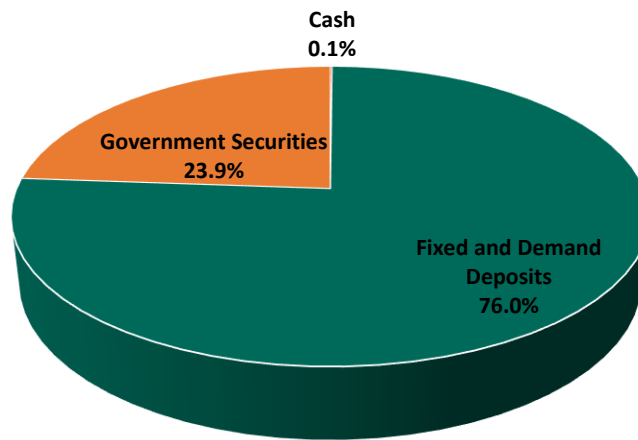
Portfolio Performance

The Cytonn Money Market Fund USD continued to provide a hedge against the Kenya shilling depreciation, delivering returns averaging 4.2% p.a. in the month of October. Going forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund USD (CMMF- USD) to continue delivering 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: **1.0%**
- Initial Fee: **Nil**
- Inception Date: **February 2020**
- Trustee: **Goal Advisory**
- Custodian: **State Bank of Mauritius (SBM) Kenya**
- Benchmark: **USD London Inter Bank Offer Rate (LIBOR) +2.0% 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.