

### 1. FUND PERFORMANCE

AVERAGE	AUGUST 2020 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (19-FEBRUARY-2020)
Cytonn Money Market Fund (USD)	3.3%	3.0%
Benchmark ( USD LIBOR + 2.0% Points)	2.2%	2.8%

\*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 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 Kenya National Bureau of Statistics (KNBS), the economy recorded subdued growth of 4.9% in Q1'2020, lower than 5.5% in Q1'2019 a 2-year low, mainly supported by the Agricultural sector which recorded a slightly faster growth of 4.9%, compared to 4.7% seen in Q1'2019, coupled with slower growth in other sectors attributable to effects emanating from the COVID-19 pandemic. During the month, there was a marginal downward readjustment on the yield curve, which saw the FTSE NSE Kenya Government Bond Index gain marginally by 0.04%, taking the YTD performance to a 1.4% gain. The downward readjustment is mainly attributable to increased demand, due to the bias by banks towards government securities as opposed to lending due to increased credit risk. Inflation has remained within the Central Bank's target of between 2.5% and 7.5%, with the August y/y inflation coming in at 4.4% unchanged from July's y/y inflation, driven by a 1.0% decline in the food and non-alcoholic drinks' Index. The change was however mitigated by a 1.2% increase in housing, water, electricity, gas and other fuels' index. During the month, the Kenyan shilling remained under pressure against the US dollar, losing by 0.5%, to close the month at Kshs 108.2 from Kshs 107.7 in July, mainly attributable to increased end-month importer dollar demand amidst lackluster dollar inflows.

#### Portfolio Performance

The Cytonn Money Market Fund USD delivered returns averaging 3.3% p.a in the month of August, outperforming its benchmark (USD LIBOR +2.0% points) at 2.2%. 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
- **Trustee:** NatBank Trustee & Investment Services Limited
- **Custodian:** State Bank of Mauritius (SBM)
- **Benchmark:** USD London Inter Bank Offer Rate (LIBOR) + 2.0% Points

#### ACTUAL ASSET ALLOCATION

