

MARCH 2023
1. FUND PERFORMANCE

AVERAGE	2022	MARCH 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (19-FEB-2020)
Cytonn Money Market Fund (USD)	4.7%	4.7%	4.0%
Benchmark (USD LIBOR+ 2.0% Points)	4.0%	6.8%	3.2%

*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 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 Q3'2022, the Kenyan economy recorded a 4.7% growth in Q3'2022, significantly lower than the 9.3% growth recorded in Q3'2021 when most sectors of the economy were recovering from the impacts of COVID-19 pandemic. The biggest gainer in terms of sectoral contribution to GDP was Financial and Insurance sector, increasing by 0.8% points to 8.9% from 8.1% in Q3'2021, while Agriculture and Forestry was the biggest loser, declining for the fourth consecutive quarter, by 1.5% points to 14.8% in Q3'2022, from 16.3% in Q3'2021. Accommodation and Food Services sector recorded the highest growth rate in Q3'2022 growing by 22.9%, though lower than the 127.5% growth recorded in Q3'2021. The Real Estate sector recorded a growth of 5.1% in Q3'2022, 2.0% points lower than the 7.1% growth recorded in Q3'2021. The decline in performance was mainly attributed to increased cost of construction materials on the back of inflationary pressure and prevailing local currency depreciation that hindered optimum investments.

During the month, yields on the shorter dated Government papers were on an upward trajectory with the average yields on the 364-day, 182-day and 92-day papers all increasing by 0.2% points each to 10.8%, 10.3% and 9.8, respectively. Additionally, the Kenyan Shilling depreciated by 4.3% against the US Dollar to close the month at Kshs 132.3, from Kshs 126.9 recorded at the end of February 2023, majorly attributable to increased dollar demand from energy and merchandise importers.

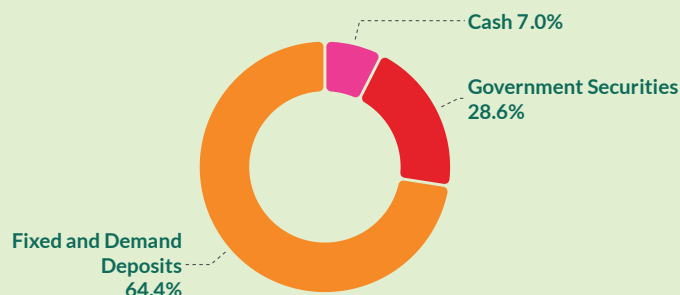
March 2023 inflation rate came in at 9.2%, similar to what was recorded in February 2023. The inflation rate remains worryingly above the government target range of 2.5%-7.5%, mainly attributable to the elevated food and fuel prices.

Portfolio Performance

The Cytonn Money Market Fund USD continued to provide a stable hedge against the Kenya shilling depreciation, delivering returns averaging 4.7% p.a. in the month of March 2023. 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:** 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

ACTUAL ASSET ALLOCATION


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

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