

MAY 2023

1. FUND PERFORMANCE

AVERAGE	2022	MAY 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (19-FEB-2020)
Cytonn Money Market Fund (USD)	4.7%	4.3%	4.0%
Benchmark (USD LIBOR+ 2.0% Points)	4.0%	7.2%	3.4%

*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

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) economic survey 2023, the Kenyan economy recorded a 4.8% expansion in 2022, 2.8% points decline from 7.6% recorded in 2021. The economic growth recorded in 2022 is an indication of resilience following multiple shocks such as supply chain constrains, soaring global fuel prices, elevated inflationary pressures and currency depreciation. The biggest gainer in terms of sectoral contribution to GDP was Financial and Insurance sector, increasing by 2.1% points to 9.2% from 7.1% in FY'2021, while Agriculture and Forestry was the biggest loser, declining by 5.6% points to 17.0% in FY'2022, from 22.6% in FY'2021. Accommodation and Food Services sector recorded the highest growth rate in FY'2022 growing by 26.2%, though lower than the 52.6% growth recorded in FY'2021. The Real Estate sector recorded a growth of 4.5% in FY'2022, 2.2% points lower than the 6.7% growth recorded in FY'2021. The decline in performance was mainly attributed to increased cost of construction materials which hampered optimum investments, and reduced investor confidence as most investors, for the most part of the year adopted a 'wait- and-see' approach in anticipation of the August 2022 general elections.

During the month, yields on the shorter dated Government papers were on an upward trajectory with the average yields on the 364-day and 182-day papers increasing by 0.4% points each to 11.3% and 10.8% respectively, while yields on 91-day paper increased by 0.5% points to 10.5%. Additionally, the Kenyan Shilling depreciated by 1.8% against the US Dollar to close the month at Kshs 138.4, from Kshs 135.9 recorded at the end of April 2023, majorly attributable to increased dollar demand from energy and merchandise importers.

April 2023 inflation rate eased significantly to 7.9%, from 9.2% recorded in March 2023. Despite the decline, the inflation rate still remains above the government target range of 2.5%-7.5%, mainly attributable to the elevated food and fuel prices.

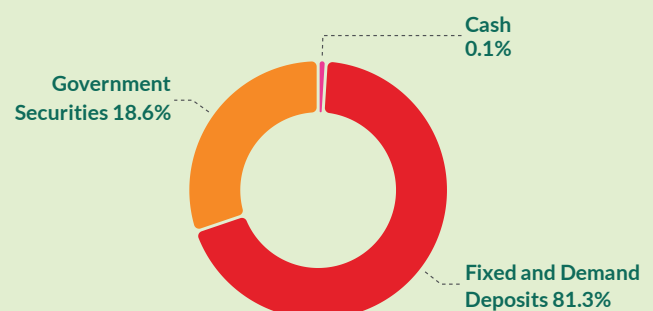
Portfolio Performance

The Cytonn Money Market Fund USD continued to provide a stable hedge against the Kenya shilling depreciation, delivering returns averaging 4.3% p.a. in the month of May 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.