

SEPTEMBER 2023

1. FUND PERFORMANCE

AVERAGE	2022	SEPTEMBER 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (19-FEB-2020)
Cytonn Money Market Fund (USD)	4.7%	6.1%	4.1%
Benchmark (USD LIBOR+ 2.0% Points)	4.0%	7.4%	3.7%

*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

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 Q1'2023, the Kenyan economy recorded a 5.3% expansion in Q1'2023, although slower than the 6.2% growth recorded in Q1'2022. The growth was mainly supported by a rebound in agricultural activities, which grew by 5.8% in Q1'2023 compared to a contraction of 1.7% in Q1'2022. The biggest gainer in terms of sectoral contribution to GDP was the financial and Insurance sector, increasing by 1.9% points to 8.8% in Q1' 2023 from 6.8% in Q1'2022, while Agriculture and Forestry was the biggest loser, declining by 4.9% points to 18.5% in Q1'2023, from 23.4% in Q1'2022. The accommodation and Food Services sector recorded the highest growth rate in Q1'2023 growing by 21.5%, albeit slower than the 40.1% growth recorded in Q1'2022. Real Estate was the second largest contributor to GDP at 10.0% in Q1'2023, 1.5% points increase from 8.5% in Q1'2022, indicating sustained growth. The Real Estate sector grew by 5.2% in Q1'2023, albeit 0.8% points lower than the 6.0% recorded in Q1'2022. The decline in Real Estate performance was mainly attributed to the increased cost of construction materials arising from increased inflationary pressures and prevailing local currency depreciation, which 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 91-day papers increasing by 1.2% points, 1.3% points, and 1.2% points to 14.7%, 14.5%, and 14.5%, respectively. Additionally, the Kenyan Shilling depreciated by 1.9% against the US Dollar to close the month at Kshs 148.1, from Kshs 145.4 recorded at the end of August 2023, largely attributable to increased dollar demand from energy and merchandise importers. The September 2023 inflation rate increased marginally to 6.8% from the 6.7% recorded in the month of August 2023, marking the third consecutive month that the inflation has remained within the CBK target range of 2.5%- 7.5%.

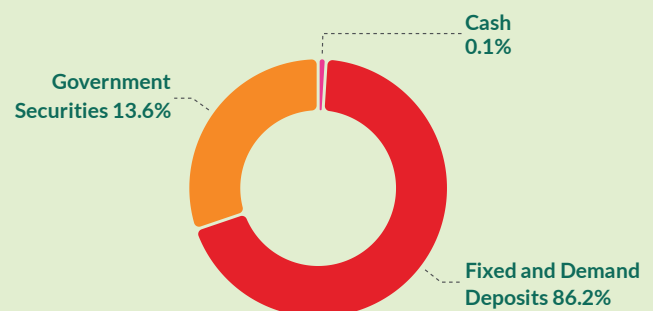
Portfolio Performance

The Cytonn Money Market Fund USD continued to provide a stable hedge against the Kenya shilling depreciation, delivering returns averaging 6.1% p.a. in the month of September 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.