

Clarification about Cytonn Money Market Fund (CMMF) Article in the Dailies

Reference is made to the article by Daily Nation, titled “Cytonn locked in legal tussle with CMA”, which was published on January 4th, 2020. We wish to make the following clarifications:

1. The article alludes to Cytonn Money Market Fund (CMMF) not having a Trustee as per the Capital Markets Authority (CMA) Regulations. This is inaccurate, CMMF has an ongoing bank trustee and is fully operational; the fund also has procured an incoming bank trustee, and the onboarding is ongoing. There is no issue with the fund at all,
2. Separate from this, one of our directors filed a petition, in their personal capacities, to expand the pool of trustees to include non-bank corporate trustees, as is the case with the Pension Fund industry, since banks themselves are players in the money markets and are conflicted. This petition has nothing to do with Cytonn or CMMF, and,
3. All Cytonn funds and operations continue as usual.

We have also had associated questions that we need to clarify:

1. **Where does CMMF invest?** Money market funds are low risk and geared towards capital preservation while still providing for flexibility on liquidation. Our current market allocation is:
 - 60% bank deposits, but the target is usually 50%,
 - 20% government paper, the target is 25%,
 - 20% other, including commercial paper and high yielding investments; the target is 25%.

These allocations are strictly in compliance with both the CMA Regulations and the Trust Deed and Rules.

2. **What is the liquidity of CMMF?** 80% of the fund is invested in very liquid instruments and 20% in moderately liquid but high yielding instruments.

Please do not hesitate to contact 0709 101 200 incase of any enquiries.

Yours Faithfully,

For: Cytonn Investments Management Plc



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