

DECEMBER 2023

1. FUND PERFORMANCE

AVERAGE	2022	DECEMBER 2023 (ANNUALIZED RETURN)	*PERFORMANCE SINCE INCEPTION (01-NOVEMBER-2017)
Cytonn Money Market Fund	10.6%	15.5%	11.1%
Benchmark (Average 91 day T- Bill + 1.0% point)	9.2%	16.8%	9.1%

*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

According to Kenya National Bureau of Statistics (KNBS) Quarterly Gross Domestic Product Report Q3'2023 GDP the Kenyan economy recorded a 5.9% expansion in Q3'2023, faster than the 4.3% growth recorded in Q3'2022. All sectors in Q3'2023 recorded positive growths, with varying magnitudes across activities. Most sectors recorded improved growth compared to Q3'2022 with Accommodation and Food Services, Agriculture, Forestry and Fishing, and Mining and Quarrying Sectors recording the highest growth improvements of 9.1% points, 8.0% points, and 5.6% points, respectively. Other sectors that recorded expansion in growth rate, from what was recorded in Q3'2022 were Financial and Insurance Services, Information and Communication, and Real Estate sectors, of 5.1%, 2.7%, and 2.2% points respectively.

During the month, yields on the shorter-dated Government papers were on an upward trajectory, with the 364-day, 182-day, and 91-day papers yields increasing by 30.7 bps, 48.2 bps, and 45.6 bps to 15.9%, 15.9%, and 15.8% respectively from 15.6%, 15.4% and 15.4 recorded the previous month. Additionally, the Kenyan Shilling depreciated by 2.2% against the US Dollar to close the month at Kshs 156.5, from Kshs 153.2 recorded at the end of November 2023, largely attributable to increased dollar demand from energy and merchandise importers.

The y/y inflation in December 2023 decreased by 0.2% points to 6.6%, from the 6.8% recorded in November 2023, marking the sixth consecutive month that the inflation has remained within the CBK target range of 2.5%-7.5%.

Portfolio Performance

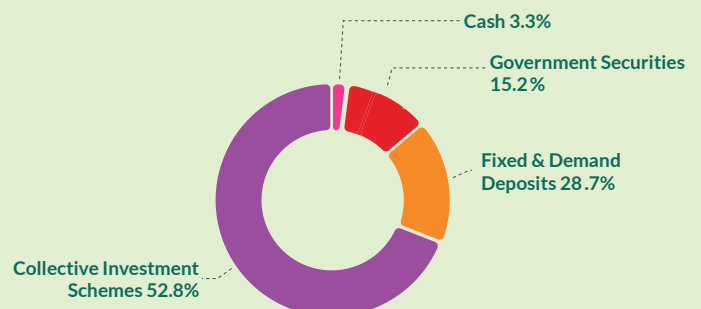
The Cytonn Money Market Fund successfully delivered high returns in December 2023, averaging 15.5% p.a. Going forward, Cytonn Asset Managers Limited (CAML) expects the Cytonn Money Market Fund to deliver returns above its benchmark of 91-day T-Bill+1.0% points leveraging on optimal asset allocation in line with the Fund's Investment Policy Statement.

As at 31st December 2023, Cash, bank deposits and government securities constituted 47.2% of the portfolio.

FUND PROFILE

- ◉ **Fund Manager:** Cytonn Asset Managers Limited
- ◉ **Risk Profile:** Low
- ◉ **Minimum Initial Investment:** Kshs. 1,000
- ◉ **Minimum Additional Investment:** Kshs. 100
- ◉ **Annual Management Fee:** 1.5%
- ◉ **Ledger Fee:** Kshs 50
- ◉ **Initial Fee:** Nil
- ◉ **Inception Date:** 01 November-2017
- ◉ **Trustee:** Goal Advisory
- ◉ **Custodian:** SBM Bank Kenya Ltd
- ◉ **Benchmark:** Average 91-day T-Bill plus 1.0% 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.