

**JANUARY 2024**

**1. FUND PERFORMANCE**

| AVERAGE  | 2023  | JANUARY 2024<br>(ANNUALIZED RETURN) | *PERFORMANCE SINCE INCEPTION<br>(01-NOVEMBER-2017) |
|--|-------|-------------------------------------|--|
| Cytonn Money Market Fund                         | 12.5% | 15.6%                               | 11.2%  |
| Benchmark ( Average 91 day T- Bill + 1.0% point) | 12.2% | 16.2%                               | 8.2%   |

\*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**

According to the Kenya National Bureau of Statistics (KNBS), the Kenyan economy recorded an average growth of 5.5% in the period between January to September 2023, with Q3'2023 GDP coming in at 5.9%, adding to the 5.4% growth recorded in Q2'2023. The average GDP growth of 5.5% marked a slight decline from the 5.6% average growth recorded in a similar period in 2022. The performance in Q3'2023 was mainly driven by the 6.7% growth in the agricultural sector due to the favourable weather conditions, which led to more agricultural output as evidenced by the 28.0% increase in tea output to 138.8 thousand metric tonnes coupled with the 84.3% growth in fruit exports to 59.6 thousand metric tonnes in the quarter under review. 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.

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 54.3 bps, 38.6 bps, and 43.8 bps to 16.4%, 16.2%, and 16.1% respectively from 15.8%, 15.8% and 15.7% recorded the previous month. Additionally, the Kenyan Shilling depreciated by 2.7% against the US Dollar to close the month at Kshs 160.7, from Kshs 156.5 recorded at the end of December 2023, largely attributable to increased dollar demand from energy and merchandise importers.

The y/y inflation in January 2024 increased for the first time in three months by 0.3% points to 6.9%, from the 6.6% recorded in December 2023. However, it has remained within the CBK target range of 2.5%-7.5% for the seventh consecutive month.

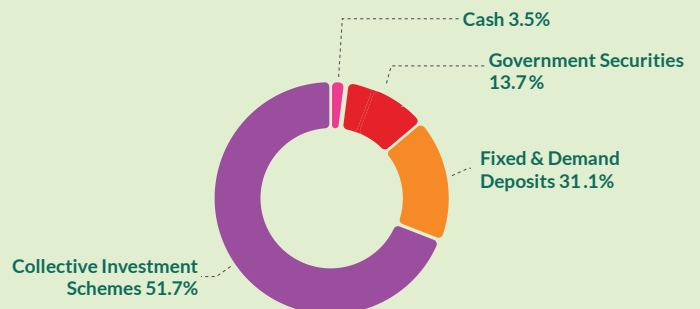
**Portfolio Performance**

The Cytonn Money Market Fund successfully delivered high returns in January 2024, averaging 15.6% 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.

**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.