

INVESTING

FBN MONEY MARKET FUND

All data as at December 31st 2018 unless otherwise stated



Fund Overview

Investment objective

The Fund seeks to maximise current income in line with prevailing Nigerian money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity by investing in a broadly diversified portfolio of short-term, high quality money market securities.

Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA
Fund launch date	24 th September 2012
Fund size	₦130.62bn
Base currency	(₦)
NAV per share	₦100.00 [^]
Minimum investment	₦5,000.00
Minimum holding period	30 days*
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	0.75%
Total Expense Ratio	0.90%
Risk profile	Low**
Benchmark	91 day Nigerian Treasury Bill (NTB)

Fund Highlights

The Fund is an open ended mutual fund that invests in a broad range of money market securities such as Treasury Bills, Commercial Papers, Bankers Acceptances and Certificates of Deposits issued by rated banks in Nigeria.

The Fund is suitable for temporary or medium term cash investments and offers an efficient alternative to investing directly in cash deposits. The Fund aims to offer a high level of security coupled with a competitive yield.

Investor Profile

The Fund may be suitable for investors who are seeking an alternative to cash deposits for their medium term or temporary cash investments, including the liquidity components of investment portfolios or diversification to an existing equity portfolio.

Source: FBNQuest Asset Management

* Redemption period: 3 - 5 business days.

No additional charges are applied on redemption. However, units redeemed earlier than the 30 business days minimum holding period will incur a processing fee of 20% on the income earned on the value of such redemptions.

** The Fund has a 'Low' risk profile given it invests the majority of its assets in money market securities. A low risk fund is protected against any adverse losses. A low risk profile does not mean a risk-free investment.

[^] Price is stated net of fees and expenses. The fund manager is required to maintain a stable price (NAV) of ₦100.00.

^{^^} 30 Day Moving Average Annualised yield is stated net of fees and expenses.

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

Monthly Comments

Fund and market review

Headline inflation increased slightly by 0.02% in November to 11.28% from 11.26% in October. The rise in inflation had no impact on market sentiments.

The national account for Q32018 was released and showed that GDP growth picked up to 1.8% y/y, compared with 1.5% recorded in the previous quarter.

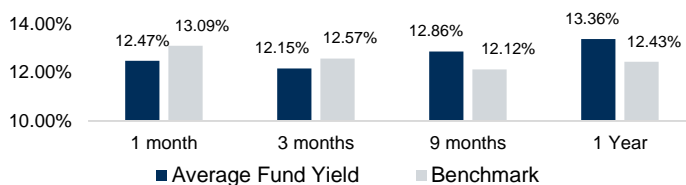
In the fixed income market, rates increased in the treasury bills space as envisaged despite the high level of liquidity that hit the system from treasury bills maturities, as the Debt Management Organization announced that there would be no primary auction in December. The rise in rates was backed by Central Bank's (CBN) aggressive mop-up stance through the frequent issuance of Open Market Operations (OMO) bills. Within the month, the OMO rate rose by 0.25% on the long end of the curve from 14.75% in November to 15.00% in December. The Fund's performance was positively impacted by the high rates offered by banks in order to retain funds and attract new flows for the year.

The Fund's yield as at 31st December, 2018 was 13.40%. The 30 day moving average yield in December for the Fund was 12.94% compared to 12.47% recorded in November. On a year to date basis, the Fund outperformed its benchmark by 1.12% with an average yield of 13.36%. The Fund's overall performance was attributed to active portfolio management and the strategy adopted by the Fund Manager in 2018.

Fund and market outlook

In Q1 2019, we expect the tight monetary stance adopted by the CBN on financial system liquidity to continue, particularly as the election cycle approaches. Activities in the treasury bills market will be largely driven by OMO auction issuance and stop rates. The Fund will benefit from the expected rise in treasury bill rates, particularly on the short end of the curve as banks sell-off to augment limited liquidity in the inter-bank market.

Performance Summary



Historic prices and yields

	Aug-18	Sept-18	Oct-18	Nov-18	Dec-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	12.14%	12.02%	11.97%	12.47%	12.94%

Asset Allocation Ranges

Bank tenored placements	10-75%
Treasury bills and short-government securities	25-100%
Other money market securities	10-75%

Current Allocation

