

INVESTING

FBN MONEY MARKET FUND

All data as at May 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 <small>CFA</small>
Fund launch date	24 th September 2012
Fund size	₦106.41bn
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 days 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

At its May 2018 meeting, the Monetary Policy Committee (MPC) left all parameters unchanged, noting the improvement in the domestic economy and the satisfactory implementation of a growth plan. The MPC expressed concern about inflationary pressure from the late budget passage. However, inflation has continued its year on year deceleration, slowing to 12.5% in April from 13.3% recorded for March in the previous month.

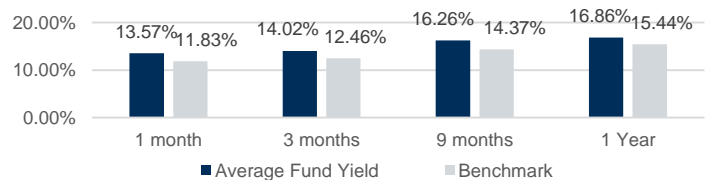
The month started out bullish with demand across the curve however, this trend moderated by mid-month with a slight uptick in yields as the improvement in supply of treasury bills by the Central Bank of Nigeria (CBN) via the usual Open Market Operations (OMO) and Foreign Exchange (FX) Retail auction offerings spurred a sell off in the treasury bill secondary market. Month on Month, the 91 Day treasury bill yield moved to 11.60% at the close of the month from 10.45% recorded on April 30, 2018. On the other hand, not much activity was recorded on the long dated maturities which remained stable at 10.80%-11.00%.

The FBN Money Market Fund's 30 day moving average yield closed at 13.57% compared with 14.12% recorded in the previous month. The Fund's benchmark closed at an average of 11.83%. The yield on the 30th of April was 13.78%. The Fund continued to outperformed its benchmark.

Fund and market outlook

With more liquidity expected in the interbank market via OMO maturities (approximately N1.26trillion) and regular Statutory Revenue Allocation inflows, we expect the bullish trend to continue in June with most of the activity on the short and mid dated securities. The Fund Manager also expects the CBN to maintain an optimal level of money supply by intervening via OMO and FX retail auctions. The Fund will be actively managed to maintain a competitive yield.

Performance Summary



Historic prices and yields

	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	16.03%	15.17%	14.93%	14.12%	13.57%

Asset Allocation Ranges

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

Current Allocation

