

INVESTING

FBN MONEY MARKET FUND

All data as at August 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 Adekoya CFA
Fund launch date	24 th September 2012
Fund size	₦136.73bn
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

Nigeria's headline inflation rate continued its downward trend for the 18th consecutive month according to the Nigerian Bureau of Statistics from 11.23% to 11.14%; albeit at a slower pace than previous releases.

The treasury bill market opened the month on a bearish note with sell-offs concentrated on the short end of the curve due to outflows from foreign exchange purchases by banks which offset inflows from Open Market Operation (OMO) maturities. The risk-off sentiment from foreign investors further intensified the selloff in the market as a result of the economic crisis in Turkey.

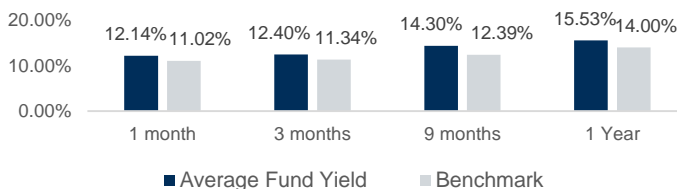
The market turned bullish thereafter due to high liquidity levels in the system as there was weak demand for OMO bills. There was a significant increase in the treasury bill primary auction stop rates for the 91, 182 and 364 day bills which closed at 11%, 12.30% and 13.05% respectively from 10%, 10.4% and 11.22% respectively. Bids at the last OMO auction were more aggressive than the 12.15% usually issued by the Central Bank of Nigeria (CBN) on the back of the higher primary auction stop rates but there was no sale by the CBN.

The average yield on the portfolio remained unchanged from the previous month at 12.14% and outperformed the benchmark which closed at 11.02% as the Fund manager was able to take advantage of opportunities in the market during spikes in yields.

Fund and market outlook

We expect the bullish sentiment in the treasury bill market to continue, due to significant liquidity levels in the system with the CBN issuing OMO auctions to mop up liquidity with the aim of balancing cost and attracting more funds. The portfolio is expected to remain stable and the manager will continue to seek to deliver attractive returns.

Performance Summary



Historic prices and yields

	Apr-18	May-18	June-18	July-18	Aug-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	14.12%	13.57%	12.92%	12.14%	12.14%

Asset Allocation Ranges

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

Current Allocation

