

INVESTING

FBN MONEY MARKET FUND

All data as at February 28th 2019 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	₦143.19bn
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

In February, the Nigeria Bureau of Statistics released reports on the Nation's Gross Domestic Product (GDP) for the fourth quarter of 2018 and Consumer Price Index (CPI) for January 2019. The fourth quarter growth performance implies that real GDP grew at an annual growth rate of 1.93% in 2018, compared to 0.82% in 2017, an increase of 109 bps. The CPI increased by 11.37% year on year in January 2019. This is 7bps lower than the rate recorded in December 2018 (11.44%).

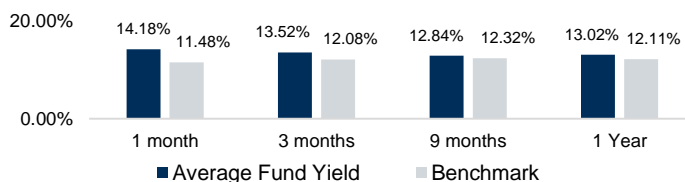
Pre-election, the Treasury bill market was stable during the period under review as the supply of bills via the Open Market Operations (OMO) auctions satisfied demand. However, the market became bullish post-election (last week of the month) as the frequency of OMO auctions dropped significantly. The drop in supply of T-Bills led to a decline in yields coupled with a significant drop in stop rates of both the Primary Market and OMO auctions especially on the 1 year bill by 61bps and 70 bps from 14.98% and 15.00% respectively. The auctions left the market with unmet demand, which dove tailed into the secondary market, with yields as low as 12.95% on February 2020 papers from 14.75% where they opened the month.

The Fund recorded a yield of 15.62% as at 28th February 2019, and outperformed its benchmark which was recorded 11.48%. The Fund's performance was positively impacted by the attractive rates offered by banks and frequent OMO trades. The 30 day moving average yield in February for the Fund rose to 14.18% from 13.44% which was recorded in January.

Fund and market outlook

We expect that the Central Bank of Nigeria will ensure rates are attractive to keep foreign portfolio investors in the market. There will be a dearth of liquidity in the market in the coming month and this will dictate the direction of yields. The Fund is well positioned to take advantage of spike in yields to enhance performance.

Performance Summary



Historic prices and yields

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	11.97%	12.47%	12.94%	13.44%	14.19%

Asset Allocation Ranges

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

Current Allocation

