

INVESTING

FBN MONEY MARKET FUND

All data as at January 31st 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 CFA
Fund launch date	24 th September 2012
Fund size	₦144.07bn
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

The consumer price index, (CPI) which measures annual inflation printed at 11.44% in December 2018 from 11.28% in November 2018. The Monetary Policy Committee during the first meeting of the year, left all policy parameters unchanged (MPR at 14%, CRR: 22.5% and Asymmetric corridor:-200bps/+500bps) following the expectation of a slowdown in global economic activity, inflation and possible threats to gross external reserves as a result of the government's efforts at strengthening the currency.

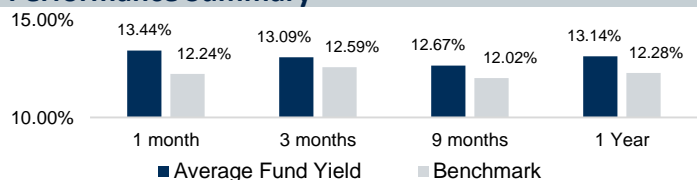
The yields in the fixed income market remained relatively stable at both ends of the curve. The Primary Auction maintained rates at previous levels of 15.00% on the long end of the curve. Despite the series of Open Market Operation (OMO) issuances by the Central Bank of Nigeria (CBN), the system remained broadly liquid due to the combination of Federal Account Allocation Committee (FAAC) inflows, OMO maturities and retail FX refunds.

The Fund recorded yield at 13.98% as at January 31st 2019 which was positively impacted by the attractive rates offered by banks in order to retain funds and attract new flows for the year. The 30 day moving average yield in January for the Fund was 13.44% compared to 12.94% recorded in December. On a year to date basis, the Fund outperformed it's benchmark by 1.74% with an average yield of 12.24%.

Fund and market outlook

In the coming months, the sustained tight monetary stance adopted by the CBN on financial system liquidity is expected to continue, particularly as the election cycle approaches. Activities in the treasury bills market will be largely driven by OMO auction issuance and Primary Auction stop rates. We therefore expect market rates to remain within the same levels.

Performance Summary



Historic prices and yields

	Sept-18	Oct-18	Nov-18	Dec-18	Jan-19
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	12.02%	11.97%	12.47%	12.94%	13.98%

Asset Allocation Ranges

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

Current Allocation

