

INVESTING

FBN MONEY MARKET FUND

All data as at July 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	₦135.73bn
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

The National Bureau of Statistics (NBS) released its Consumer Price Index (CPI) and Inflation report for the month of June 2018, revealing that Nigeria's headline inflation rate moderated on a year-on-year basis for the seventeenth consecutive month to 11.23%, from 11.61% in May. The Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) concluded its third meeting of the year, announcing its decision to hold policy tools at current levels – in line with market expectation.

With an improved liquidity position owing to Treasury bill maturities of ₦1.7 trillion, we saw a bull run in the Treasury bills market in July as rates on sub 90-day securities dropped by 170 basis points on the average to close at 10.65%. After weeks of inactivity, there was finally some demand at the long end of the curve which closed at 11.10% levels. The Central Bank of Nigeria (CBN) mopped up ₦913 billion from the market through Open Market Operations in July, with stop rate closing at 11.05% and 12.15% for the short and long tenured securities respectively.

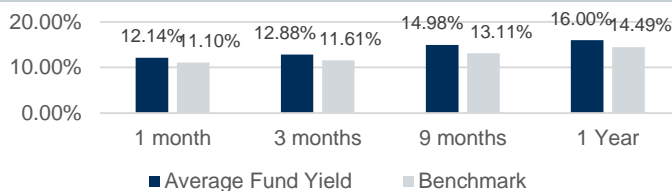
The FBN Money Market Fund's 30 day moving average yield closed at 12.14% compared with 12.92% recorded in the previous month. The Fund's benchmark closed at an average of 11.10%. The yield on the 31st of July was 12.28%. The Fund continues to outperform its benchmark.

Fund and market outlook

With a relatively liquid interbank market we expect the secondary market to continue to trade bullishly. However we envisage that the CBN will mop up liquidity in a bid to maintain an optimal level of money supply.

The Fund will be actively managed to maintain a competitive yield.

Performance Summary



Historic prices and yields

	Mar-18	Apr-18	May-18	June-18	July-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	14.93%	14.12%	13.57%	12.92%	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

