

INVESTING

FBN MONEY MARKET FUND

All data as at September 30th 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 <small>CFA</small>
Fund launch date	24 th September 2012
Fund size	₦120.01bn
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 inflation increased by 11.23% (year-on-year) in August 2018. This is 0.09 percent points higher than the rate recorded in July 2018 11.14% and represents the first year on year rise in headline inflation following the eighteenth consecutive disinflation.

In September, the Monetary Policy Committee (MPC) noted the drop in Q2 GDP and attributed this to the contraction in the Oil industry and the decrease in the amount of crude extracted for export. The MPC expressed concern over growth challenges and Inflationary pressures but concluded on maintaining all parameters.

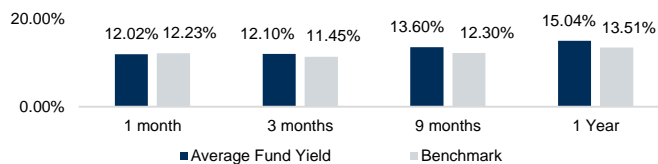
In September, yields oscillated in the Treasury bills space, as market traded sideways for most part of the month. The market kicked off on a bullish note but ended the month on a bearish mode. Liquidity levels in the interbank market and a rate hike by the Central Bank on the long dated papers in both the Primary and Open Market Operation auctions, spurred aggressive sell offs in the market.

The FBN Money Market Fund's 30 day moving average yield closed at 12.02% compared with 12.14% recorded in the previous month. The Fund's benchmark closed at an average of 12.23%. The yield on the 30th of September was 12.08%.

Fund and market outlook

We expect The treasury bills yields to react to the level of liquidity in the market. The portfolio is expected to remain stable and the manager will continue to seek to deliver attractive returns.

Performance Summary



Historic prices and yields

	May-18	June-18	July-18	Aug-18	Sept-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	13.57%	12.92%	12.14%	12.14%	12.02%

Asset Allocation Ranges

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

Current Allocation

