

# INVESTING

## FBN MONEY MARKET FUND

All data as at January 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 Owolabi-Kadiku <small>CFA</small>
Fund launch date	24 <sup>th</sup> September 2012
Fund size	₦91.21bn
Base currency	(₦)
NAV per share	₦100.00 <sup>^</sup>
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: FBN Capital 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.

<sup>^</sup> Price is stated net of fees and expenses. The fund manager is required to maintain a stable price (NAV) of ₦100.00.

<sup>^^</sup> 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 latest inflation report from the Nigeria Bureau of Statistics showed headline inflation y/y at 15.4% in December. This was the eleventh successive monthly slowdown in inflation. The driver was a steep decline in food price inflation from 20.3% to 19.4% y/y. The Monetary Policy Committee (MPC) meeting scheduled to hold in January was called off due to the inability of the Committee to form a quorum, hence the Monetary Policy Rate (MPR) remained unchanged.

In January, the Treasury bill market was characterised by mixed sentiments which was largely driven by the level of liquidity and primary auction stop rates. Yields dropped across the curve by an average of 200 basis points (bps) from the last trading day of 2017. The short end of the curve (February and March maturities) shed an average of 150 bps from 14% to 12% levels, while the long end of the curve dropped by an average of 100 bps to close at 13% from 14%.

The Central Bank of Nigeria (CBN) debited N1.66trillion from the system through the issuances of Open Market Operations (OMO). The OMO rates remained stable at 12.60% and 14.40% for the short and mid tenor maturities.

The FBN Money Market Fund's 30 day moving average yield closed at 16.03% compared with 18.37% recorded in the previous month. The Fund's benchmark closed at an average of 13.42%. The yield on the 31st of January was 15.60%.

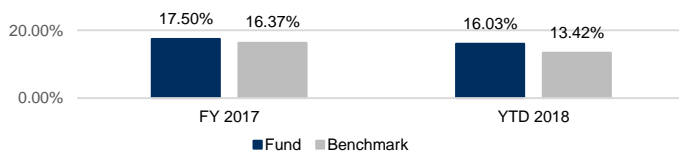
#### Fund and market outlook

With a relatively liquid interbank market we anticipate that there will continue to be high demand for Treasury bills in the secondary market. 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 and Positioning

#### Performance Summary



#### Historic prices and yields

	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18
Price (₦) <sup>^</sup>	100.00	100.00	100.00	100.00	100.00
Annualised yield <sup>^^</sup>	18.67%	17.90%	18.50%	18.37%	16.03%

#### Asset Allocation Ranges

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

#### Current Allocation

