

INVESTING

FBN MONEY MARKET FUND

All data as at 31st January 2016 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
Agusto & Co. rating	Aa(f)
Fund launch date	24 th September 2012
Fund size	₦92.89bn
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%
Risk profile	Low**

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.

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

^{^^} 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

Interbank market liquidity opened the month at N1.31 trillion pushing the Overnight and Open Buy Back rates to 0.50%, the rates were maintained throughout the month except on Foreign Exchange (FX) prefunding days when Deposit Money Banks were debited for FX purchases. The Central Bank of Nigeria (CBN) was aggressive in reducing system liquidity through the issuance of Open Market Operation (OMO) bills; ₦698bn was mopped up from the system via OMO and this helped to reduce system liquidity to ₦460bn by the end of the month.

The Monetary Policy Committee (MPC) held its first meeting for the year on the 25th and 26th of January, 2016 where it maintained all policy rates. The Treasury bill market traded with mixed sentiments in January, mostly caused by the FX provisioning on prefunding days and refunds on Fridays. We experienced a repositioning of assets along the yield curve when there were sell-offs on the short end to provide for the FX purchases and reinvestment in mid-tenured instruments. Activities on the long-end were relatively quiet. The Fund Manager was able to anticipate days of volatility and positioned the Fund to take advantage of such volatility. The Fund yield outperformed its 91 day Treasury bill benchmark by 273bps and closed the month with an annualised yield of 7.60%.

Fund and market outlook

We do not anticipate any major local/international policy decision will be made in February that will impact our market and forecast a quiet market in the coming month. The Fund Manager will continue to seek and spot opportunities in the market and position the Fund to benefit. We anticipate more OMO bills will be auctioned to reduce excess liquidity in the system.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

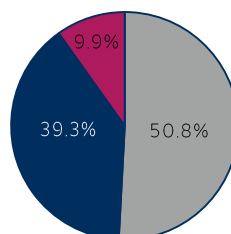
Historic prices and yields

	Sept-15	Oct-15	Nov-15	Dec-15	Jan-16
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	13.8%	12.4%	10.7%	8.6%	7.6%

Asset Allocation Ranges

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

Current Allocation



- Bank tenored deposits
- Treasury bills and short term government securities
- Commercial papers