

## FBN Money Market Fund

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All data as at 31st July 2015 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	Michael Oyebola
Assistant Fund Managers	Ifeoluwa Dixon
Agusto & Co rating	Aa(f)
Fund launch date	24 <sup>th</sup> September 2012
Fund size	₦35.42bn
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%
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 2.0% 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> 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 Central Bank of Nigeria held its Monetary Policy Committee meeting in July and the committee expressed optimism that business confidence in Nigeria will improve as the Federal Government begins to unfold its plans. The committee left all its policy parameters (Monetary Policy Rate, Cash Reserve Requirement and Liquidity Ratio) unchanged.

The capital markets received a total sum of N730.5bn in July; N487.5bn from Open Market Operation (OMO) bill maturities and N243.0bn from the Federal Account Allocation Committee (FAAC). During the month, N271.6bn was mopped up through OMO auctions. In addition to this, the Nigerian National Petroleum Corporation (NNPC) withdrew about N400bn from the interbank market, pushing Open Buy Back and Overnight interest rates to a record high of 50% in the course of the month, however, this was corrected when FAAC inflow were received. The treasury bills market recorded pump and dump trading patterns (where players would buy bidding up the price and sell shortly after), with the mixed sentiment influenced by level of liquidity in the market. The Fund's yield remained relatively stable and was not adversely impacted by the mixed sentiments that paned out during the month.

#### Fund and market outlook

We anticipate that yields will react to the level of liquidity in the market which will include approximately 285bn in OMO maturities and FAAC inflows of approximately N250bn. We expect a tighter monetary policy environment in August which we anticipate will lead to a possible increase in short term rates.

### Benchmark

91 days Nigerian Treasury bill (NTB)

### Performance and Positioning

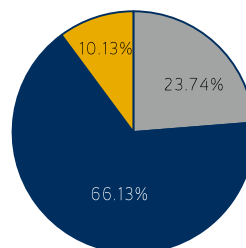
#### Historic prices and yields

	Mar-15	Apr-15	May-15	June-15	July-15
Price (₦) <sup>^</sup>	100.00	100.00	100.00	100.00	100.00
Annualised yield <sup>^^</sup>	13.5%	14.4%	13.8%	13.6%	14.4%

#### 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