

FBN Money Market Fund

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All data as at 30th September 2014 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, Opeyemi Odejide
Agusto & Co rating	Aa(f)
Fund launch date	24 th September 2012
Fund size	₦27.86bn
Base currency	(₦)
NAV per share	₦100.00 ^A
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.

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

^{AA} 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 US Federal Reserve's (Fed) Asset Purchase Programme came to an end in September and this was the focus of global traders and investors as well as a probable rate increase in the United States. Economic data and comments made by the Fed executives were scrutinised for any insight into the timing of a rate hike. In contrast, the Euro zone was faced with the possibility of yet another recession forcing the European Central Bank to ease monetary policy. Locally, September began with money market yields relatively flat, however, towards the end of the month we saw yields pickup slight on the back of selling sentiments from traders. The Monetary Policy Committee met in September and decided to keep benchmark rates stable while expressing concern about the elevated inter-bank liquidity. The Apex bank used Open Market Operations to mop up the increased market liquidity witnessed; the issuance of these treasury bills pushed yields on securities with similar maturities.

Market Outlook

In light of the following prevailing market conditions i.e. declining international oil prices, probable outflows on the back of a stronger dollar, growing pressure on the Naira, moderate increase in headline inflation and elevated inter-bank liquidity, we envisage further monetary tightening by the apex bank through continuous Open Market Operations. If the above mentioned conditions persist, the market may experience a slight uptick in domestic interest rates across the yield curve.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

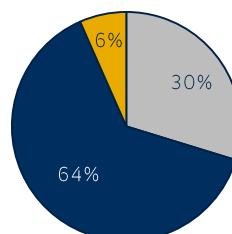
Historic Prices and Yields

	May-14	Jun.-14	Jul.-14	Aug.-14	Sep.-14
Price (₦) ^A	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{AA}	11.2%	11.0%	10.6%	10.6%	10.8%

Asset Allocation Ranges

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

Current Allocation



■ Bank tenored deposits

■ Treasury Bills and short term government securities

■ Commercial Papers