

INVESTING

FBN MONEY MARKET FUND

All data as at April 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 CFA
Fund launch date	24 th September 2012
Fund size	₦106.41bn
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 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: 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

There has been a steady slowdown in the headline inflation rate. March's headline rate recorded the fourteenth successive slowdown at 13.33% year on year. The Monetary Policy Committee (MPC) met in April and left all indices unchanged. The MPC mentioned that the policy rate at 14.00% is tight enough to rein in current inflationary pressure.

The MPC sees a positive outlook for the economy in 2018 supported by budget implementation, foreign exchange (FX) market stability, stable global oil prices and improved national security.

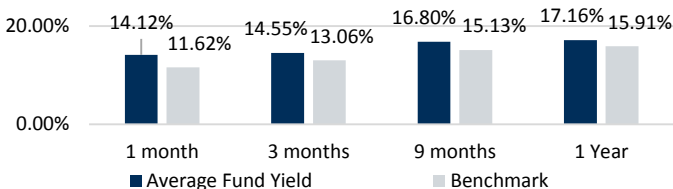
April was a bullish month in the treasury bills space as the Open Market Operations activities spurred volatility in the secondary market. The Central Bank of Nigeria (CBN) issued OMO once a week, maintained rates at an average of 12.00% on the long dated tenor treasury bills offered and sold 15% of subscribed volumes on average. This lack of supply triggered demand in the secondary market with the short dated papers trading low at 7.50% while the mid and long dated treasury bills closed at 10.50% and 11.00% on the bid.

The FBN Money Market Fund's 30 day moving average yield closed at 14.12% compared with 14.93% recorded in the previous month. The Fund's benchmark closed at an average of 11.62%. The yield on the 30th of April was 13.91%.

Fund and market outlook

With more liquidity expected in the interbank market via OMO maturities (approximately N1.2trillion) and regular Statutory Revenue Allocation inflows, we expect the bullish trend to continue in May with most of the activity on the short and mid dated securities. The Fund Manager also expects the CBN to maintain an optimal level of money supply by intervening via OMO and FX retail auctions. The Fund will be actively managed to maintain a competitive yield.

Performance Summary



Historic prices and yields

	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	18.37%	16.03%	15.17%	14.93%	14.12%

Asset Allocation Ranges

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

Current Allocation

