

INVESTING

FBN MONEY MARKET FUND

All data as at February 28th 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	₦94.27bn
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: 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.

^{^^} 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

January headline inflation declined by 24bps to print at 15.13% y/y (December 2017: 15.37% y/y) marking a consistent decline for the last twelve months on a year-on-year basis.

The National Bureau of Statistics (NBS) released the national accounts for Q4 2017 which showed that the economy grew by 1.92% y/y compared with 1.40% in Q3, and by 0.83% y/y in 2017 compared with a contraction of -1.58% in 2016.

Yields traded at a 2-month high between 15.70%-16.00% with the most active papers (April- May 2018) eventually closing at 13.85%-14.85%. Mid-dated papers reached a high of 14.80% on the bid, and closed the month at 14.30%.

The FBN Money Market Fund's 30 day moving average yield closed at 15.17% compared with 16.03% recorded in the previous month. The Fund's benchmark closed at an average of 13.64%. The yield on the 28th of February was 15.10%.

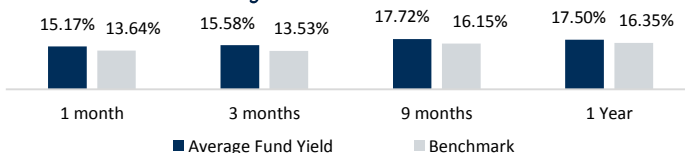
Fund and market outlook

With the anticipation of a more liquid interbank market via inflows from OMO maturities and FAAC in March, we expect bullish trend on the short-mid dated maturities to persist as participants continue to buy up these papers. However, we also expect the Central Bank of Nigeria (CBN) will continue to focus on maintaining 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 and Positioning

Performance Summary



Historic prices and yields

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	17.90%	18.50%	18.37%	16.03%	15.17%

Asset Allocation Ranges

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

Current Allocation

