

INVESTING

FBN MONEY MARKET FUND

All data as at June 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	₦114.79bn
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

Rising short-term US Treasury yields and a stronger US dollar kept the emerging markets under pressure during the period under review. The Fixed Income market witnessed offshore sell off due to negative sentiments on the emerging market frontier thereby causing yield to spike upwards.

It was a relatively bearish market in June due to gradual tightness in the interbank market and non payment of Statutory Revenue. Yields at the very short end of curve (July 2018 maturities) reached 13.10% levels as the apathy for securities by market participants triggered a sell-off on these papers. Yields moved up by 50-70 basis points on July, September and November 2018 maturities to close at 13.10%, 12.70% and 12.60% from 12.35%, 12.25% and 12.20% respectively. Little activity was witnessed on the long dates papers which remained stable at 11.00%.

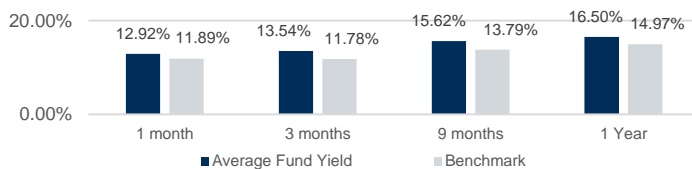
The FBN Money Market Fund's 30 day moving average yield closed at 12.92% compared with 13.57% recorded in the previous month. The Fund's benchmark closed at an average of 11.89%. The yield on the 30th of June was 12.65%. The Fund continued to outperform its benchmark.

Fund and market outlook

Yields are expected to trend higher due to easing demand. We expect the Central Bank of Nigeria (CBN) to create a balance between easing the monetary policy stance and maintaining liquidity conditions in the money market, that would forestall a large outflows of foreign portfolio money from the market.

The Fund will be actively managed to maintain a competitive yield.

Performance Summary



Historic prices and yields

	Feb-18	Mar-18	Apr-18	May-18	June-18
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	15.17%	14.93%	14.12%	13.57%	12.92%

Asset Allocation Ranges

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

Current Allocation

