

FBN Money Market Fund

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All data as at 30th April 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	₦22.9bn
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%
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 Certificate of Deposits issued by rated banks in Nigeria.

The Fund is suitable for temporary or medium term cash investment 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.

^{^^} 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

Over the month, the Inter-Bank market was characterised with excess liquidity; we began the month with circa ₦450bn, this figure rose to a high of ₦1tr before retracting to close at approximately ₦700bn. The significant liquidity resulted in a downward pressure on money market instruments with yields on short-term Government securities declining, as investors sought a home for their funds. Unlike the previous months, the month of April had only one Open Market Operations (OMO) auction; OMOs had been a good outlet for investors to invest their funds at above market rates. The fewer auctions also contributed to the buying pressure on Government securities in the secondary market. The Naira strengthened in April, from a high of ₦164.90 to close the month at ₦160.54.

Market Outlook

Elevated Inter-Bank market liquidity is expected to persist in May as about ₦ 1trn of government securities mature during the month. To this end rates are expected to remain at current levels for both government securities and fixed deposits. The third Monetary Policy Committee (MPC) meeting is scheduled for the third week of May and with persistent liquidity levels, there may be some form of tightening by the Apex bank. The Fund will continue to seek value within the set asset allocation and risk limits.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

Historic Prices and Yields

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	11.7%	11.3%	11.5%	11.9%	11.8%

Asset Allocation Ranges

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

Current Allocation

