

FBN Money Market Fund

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All data as at 31st August 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 | ₦27.03bn |
| 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 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.

^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

Activity in the money market for the month of August was mixed, although sentiments of a less liquid market lingered, tenored deposit rates remained lower when compared to the previous month. Treasury Bill rates in the secondary market remained relatively flat with a downward trend, with bills issued at the Open Market Operation auctions offering the highest return to investors. The Apex Bank intervened on three occasions during the month mopping up a total of N654bn. Rates at the Treasury Bill primary auctions closed slightly higher in August. In light of the moderation in money market rates, we stabilised the yield of the Fund by increasing exposure to Treasury Bills and Commercial Papers as they provided better returns when compared to tenored placements. The Fund's exposure to tenored placements was trimmed from 28.8% in July to 17.8% in August, while its combined exposure to Treasury Bills and Commercial Papers increased from 71.2% to 82.3%.

Market Outlook

We envisage a relatively flat month ahead with money market rates remaining at current levels. A Monetary Policy Committee meeting will be held this month, with the Naira remaining relatively stable and the foreign reserve at a comfortable level, we expect the Apex bank to maintain benchmark rates (Monetary Policy Rate and Cash Reserve Ratio).

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

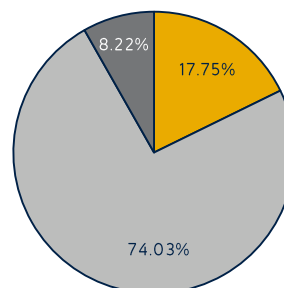
Historic Prices and Yields

| | Apr-14 | May-14 | June-14 | July-14 | Aug-14 |
|--------------------------------|--------|--------|---------|---------|--------|
| Price (₦) ^A | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Annualised yield ^{AA} | 11.8% | 11.2% | 11.0% | 10.64% | 10.59% |

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