

FBN Money Market Fund

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All data as at 31st December 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	₦22.27bn
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%
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.

[^] 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

Market activities around the world continued to be driven by the downward pressures on oil prices. The U.S economy continued to show significant strength whilst on the contrary, the Euro zone continued to show significant weakness as speculators remained positive on sovereign debt buying by the European Central Bank. Domestic Money Market rates remained very volatile in the month primarily due to dwindling inter-bank liquidity levels. The market experienced a severe liquidity crunch; Inter-bank rates rose as high as 80% at the peak of the volatility. Fixed deposit rates of deposit taking institutions also increased on the back of the liquidity crunch. Treasury bill rates rose across all tenors with most activity seen at the short-end of the yield curve as banks sold off short tenored bills to provide liquidity. Rates on short tenored bills rose from 12% levels to 15% levels. The Naira continued to face significant pressure, as the apex bank was forced to intervene on several occasions (selling an undisclosed amount of US dollars to banks) to curtail the pressure on the domestic currency, the Naira traded within the range of N179 - N191 to a dollar.

Market Outlook

Domestic money market rates in the month ahead will continue to be influenced primarily by inter-bank liquidity, international oil prices and the upcoming elections. With continued pressure on the Naira, there is room for slight tightening by the apex bank at the next MPC meeting. The Fund is however positioned to take advantage of a probable elevated interest rate environment.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

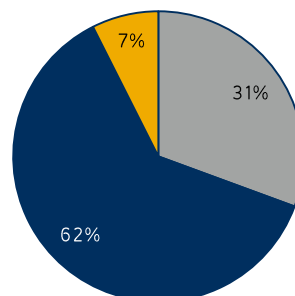
Historic Prices and Yields

	Aug.-14	Sep.-14	Oct.-14	Nov.-14	Dec.-14
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	10.6%	10.8%	10.5%	10.6%	11.9%

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 placement
- Treasury Bills and short term government securities
- Commercial Papers