

FBN Money Market Fund

www.fbncam.com

All data as at 28th February 2015 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	₦25.07bn
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 2.0% 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

The economic weakness in global markets continued into February, however, renewed confidence about the world economy emerged a few days into the month on the back of a number of headlines; news on a likely end to the conflict between Russia and Ukraine; a possible agreement between the newly elected Greek government and the European Union (EU); anticipated policies to boost the economies of European countries; positive economic data from the United States; and a slight recovery in international oil prices. In spite of renewed global optimism, investors maintained their negative sentiments towards Nigeria as the country continued to face huge uncertainty, most notable was the postponement of the General Elections. Money market rates began the month at moderate levels (10%-12%), however, just a week into the month these rates were elevated as inter-bank liquidity declined. During the month the Fund Manager increased the Fund's exposure to Treasury Bills which offered higher returns when compared to other money market securities.

Market Outlook

Money market rates are expected to remain elevated as inter-bank liquidity dwindles. The Apex Bank is expected to maintain its tight monetary stance through open market operations and continued implementation of the Independent Revenue e-Collection Scheme under the Treasury Single Account. Given the recent stability in foreign exchange, the Apex Bank is expected to maintain key rates at its next Monetary Policy Committee meeting. The Fund is expected to take advantage of the sustained elevated rates.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

Historic Prices and Yields

	Oct.-14	Nov.-14	Dec.-14	Jan.-15	Feb.-15
Price (₦) ^A	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{AA}	10.5%	10.6%	11.9%	12.4%	12.5%

Asset Allocation Ranges

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

Current Allocation

