

FBN Money Market Fund

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All data as at 31st March 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	₦23.46bn
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 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.

[^] 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

The month of March was characterised with uncertainty surrounding the general election; the market was relatively quiet for most part as appetite for domestic fixed income securities remained low. During the month, the 2015 budget proposal, following a fourth revision, was finally submitted to the National Assembly by the Minister of Finance. Oil price and exchange rate benchmarks were revised to US\$ 52 (previously US\$ 73) per barrel for oil prices and the Naira weakened against the dollar at N190/US\$ (previously N165/US\$). The opening liquidity position in money markets was considerably lower in the first half of March relative to the corresponding period in February; the markets opened at N269.49bn, 40.06% lower than February's position, which was N449.59bn long. The decrease in liquidity was as a result of a combination of the devaluation effect and other 'mopping up' administrative tools such as Open Market Operation (OMO) auctions.

Market Outlook

Looking ahead at April, we anticipate high levels of liquidity due to maturing government securities. The expected liquidity will decrease yields on all instruments. The CBN is expected to maintain its tight monetary stance through OMOs and continued implementation of the Independent Revenue e-Collection Scheme under the Treasury Single Account. The Fund is well positioned to take advantage of volatility during this period.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

Historic Prices and Yields

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	10.6%	11.9%	12.4%	12.5%	13.5%

Asset Allocation Ranges

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

Current Allocation

