

FBN Money Market Fund

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All data as at 31st October 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	₦26.54bn
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 United States (US) Federal Reserve's (Fed) Asset Purchase Programme ended in October, becoming the focus of global traders and investors attempting to time the advent of a rate increase in the US. We witnessed a relatively volatile trading month globally with traders' positions influenced by various economic data releases; overall the US economy showed significant strengths. In contrast, the Eurozone continued to show significant weakness as the European Central Bank commenced the buying of covered bonds, while seeking reforms across the Eurozone. Locally, treasury bill rates remained stable over the month, the Central Bank of Nigeria (CBN) used Open Market Operations to mop up excess inter-bank liquidity with a 20bps increase in the stop rate from previous auctions. Bank deposit rates remained flat from the previous month with the exception of a few tier 2 banks attempting to raise year end deposits.

Market Outlook

Domestic money market rates in the month ahead will be significantly influenced by global events notably international oil prices and local phenomenon's such as interbank liquidity and expectations of a probable tightening by the monetary policy committee at the next monetary committee meeting. We envisage persistent open market operations by the CBN through the month in a bid to reduce interbank liquidity, while establishing some measure of monetary tightening in the upcoming meeting.

Benchmark

91 days Nigerian Treasury bill (NTB)

Performance and Positioning

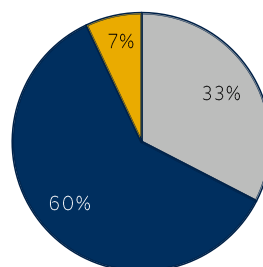
Historic Prices and Yields

	Jun.-14	Jul.-14	Aug.-14	Sep.-14	Oct.-14
Price (₦) [^]	100.00	100.00	100.00	100.00	100.00
Annualised yield ^{^^}	11.0%	10.6%	10.6%	10.8%	10.5%

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