

AIICO BALANCED FUND

JUNE 2021

OVERVIEW

AIICO Balanced Fund is an open-ended mutual fund, investing in Fixed income instruments, Money market instruments and both Quoted and Unquoted equities.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to create medium to long term capital growth as well as yearly income streams from declared dividends for unit holders. The fund also provides investors with the opportunity to diversify their investments into products that would hitherto have been more difficult to invest in.

ASSET ALLOCATION

In seeking to achieve all of the fund's objectives, and in line with the SEC rules, the asset allocation of the fund is shown below:



FACT SHEET

ABF	31-May	31-Jun
Minimum Entry	N50,000	N50,000
Minimum holding period	90 Days	90 Days
Gross return	-6.38%	-4.89%
Composite Benchmark rate	-4.00%	-4.19%

The domestic bourse closed trading activities for the month of June in the red, as the Nigerian Stock Exchange All Share Index (NSE ASI) lost 1.38% month-on-month to close at 37,907.28pts, while market year-to-date loss expanded to -5.87%.

Stop rates at the Nigerian Treasury Bills (NTB) Primary auction for May was steady for the 91-day and 182-day maturities while it trended lower by 25bps for the 364-day maturity. Consequently, average rates for these maturities closed at 2.50%, 3.50% and 9.15%, respectively.

Activities in the domestic bond market were largely bullish in June, due to reinvestment plans from maturity of the special bill, short sellers closing out positions, and spillover demand from May's bond auction, which resulted in a dip in the yield curve.

The fund's net yield increased month on month to -4.89% at the end of June 2021 and improvement from -6.38% in May. This improvement was closely tied to the bullish yield trend in bonds market as well as strategic positioning in some defensive stocks that ensured the fund was able to withstand the shock from the downtrend in the local bourse.

NSE-ASI PERFORMANCE

