

# AIICO BALANCED FUND

**AUGUST 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.

## FUND PERFORMANCE

The bargain hunting drove market performance of the domestic bourse in August as investors sought to take advantage of the potential for interim dividend following the release of half-year earnings. Consequently, the Nigerian Stock Exchange All Share Index (NSE ASI) gained 1.74% month-on-month to close at 39,219.61pts, while market year-to-date loss trimmed to -2.61%.

Stop rates at the last Nigerian Treasury Bills (NTB) Primary auction for August were unchanged for the 91-day and 182-day maturities, but trended lower by 55 bps for the 364-day maturity. As a result, the average rates for these maturities were 2.50%, 3.50%, and 6.80%, respectively. Overall, average rates at the NTB secondary market dipped c.133bps month-on-month.

Bullish sentiments were observed at the FGN bonds secondary market, with demand seen across the curve. The recent call by the Federal government (FGN) to tap into the international market through a Eurobond issuance also spiked up activities, which dragged yield levels.

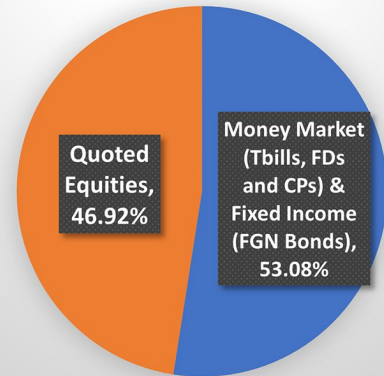
The fund's net yield improved significantly month on month to -2.87% at the end of August 2021, from -4.83% in July. The fund's performance was influenced by the bargain hunting in the equity market as well as the drop in bond yield levels observed in the month.

## FACT SHEET

ABF	30-Jul	31-Aug
Gross return	-4.83%	-2.87%
Minimum Entry	N50,000	N50,000
Minimum holding period	90 days	90 days
Composite Benchmark rate	-4.36%	-2.81%

## ASSET ALLOCATION

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



## NSE-ASI PERFORMANCE

