AIICO BALANCED FUND

MAY | 2022

AIICO CAPITAL

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 AIICO balanced fund ended the month with a return of +9.01%, up from 8.36% in April.

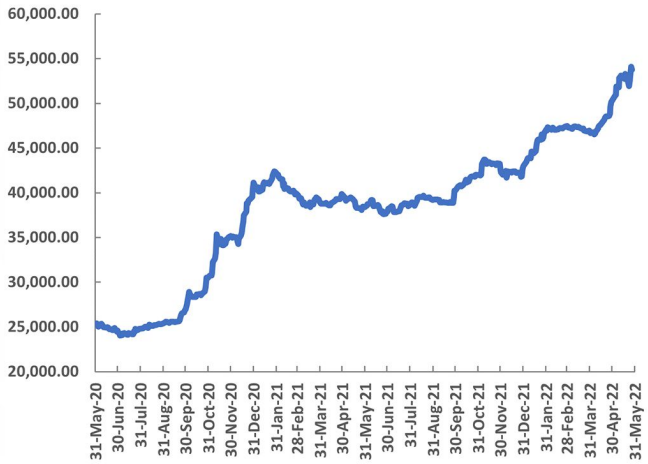
Trading on the domestic bourse continued its upward trend despite the periods of profit taking that occurred during the month. For the month under review, the Nigeria Stock Exchange All Share Index (NGX ASI) rose 8.05%, month-on-month to settle at 53,637.14 points as buy interest in bellwethers like MTNN and AIRTEL drove the index northwards.

The decision by the monetary policy committee to hike the benchmark interest rate by 150 basis points to 13.00% (the first rate hike since July 2016), triggered a bearish theme in the NTB market. The month of May witnessed consecutive increase in stop rates at the NTB auctions, across the papers offered. The 91-day, 182-day, and 364-day papers rose by 76bps, 89bps, and 179bps M-o-M, to settle at 2.50%, 3.89%, and 6.49%, respectively in tandem with the MPR hike.

The FGN bonds market traded mixed to bearish sentiments, with mild buyside interest seen on the short end of the curve, while the mid to long dated papers witnessed an uptick in offer yields following the increase in MPR. However, there was a slight reversal in bearish theme to close the month, with yield levels retracing to 13.00%-13.10% levels, on the back of late FAAC inflows.

FACT SHEET	
Fund launch date	14 May 2018
Fund Size as at 31 May 2022	163,997,253.58
Bid Price as at 31 May 2022	3.7025
Offer Price as at 31 May 2022	3.7659
Minimum Investment	₦50,000.00
Minimum Holding Period	90 Days

NSE-ASI PERFORMANCE



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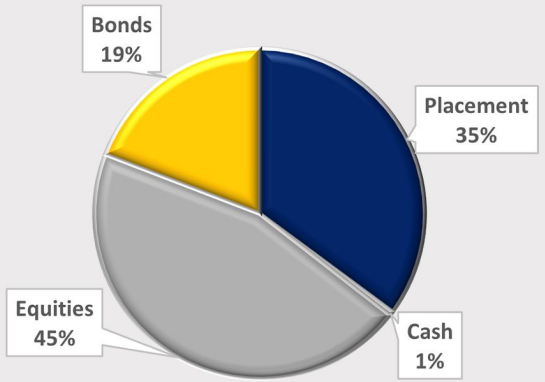
ASSET ALLOCATION

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:



Asset Classes	LOWER LIMIT	UPPER LIMIT	ACTUAL
Money Market	40.00	60	54.69
Quoted Equities	40.00	60	45.31

MONTHLY RETURNS

ABF	29-Apr	31-May
Gross year-to-date return	+8.36%	+9.01%
Gross Quarter-to-date return	+5.95%	+6.60%
Composite Benchmark rate	+8.57%	+12.45%