

AIICO MONEY MARKET FUND

SEPT. | 2022

AIICO CAPITAL

OVERVIEW

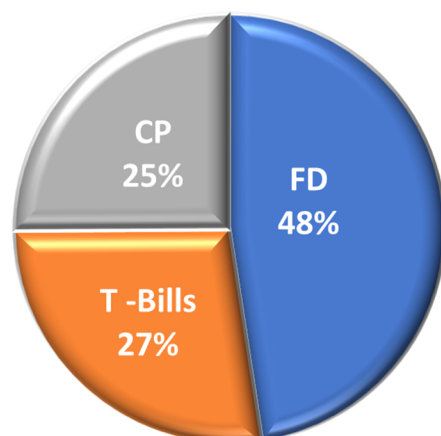
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients(HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a combination of the two.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short tenored fixed income instruments whilst ensuring safety of principal.

ASSET ALLOCATION

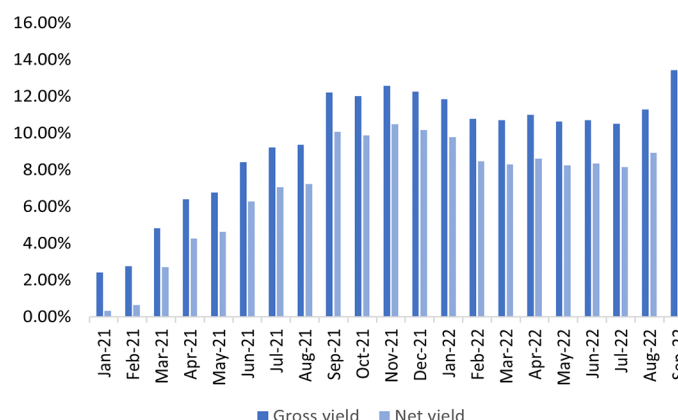
In seeking to achieve all of the fund's objective, and in-line with the SEC rules, the asset allocation of the fund is shown below:



FACT SHEET

AMMF	31-Aug	30-Sep
Gross Return	11.30%	13.43%
Net Return	8.93%	11.07%
Weighted Average Maturity	60.55	85.40
Rating	A	A
Minimum Entry	N10,000	N10,000
Minimum Holding Period	90Days	90Days
Benchmark	91 Day Tbill	91 Day Tbill
Benchmark Average Rate	3.90%	5.91%

FUND RETURNS



Important Disclaimers

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FUND PERFORMANCE

The AIICO Money Market Fund achieved a net yield of 11.07% p.a. in September 2022, surpassing the 91-day NTB paper benchmark closing rate of 5.91%. This is due to the fund's investment in high-yielding short-term assets including fixed deposits, commercial papers, and Treasury bills. The fund ended the month with a weighted average maturity of around 85.40 days.

Interbank System liquidity was fairly liquid in September, driven by coupon payments during the month, with average liquidity printing at c. ₦127.57bn, significantly higher than August 2022's c. ₦34.44bn. Thus, the Open Buy Back (OBB) and Overnight (ON) rates declined to an average of 11.71% and 12.17% respectively, from 13.75% and 13.34% recorded in August 2022.

The Treasury bills secondary market observed a mildly positive sentiment during the month, as investors deployed idle cash from coupon credits to short and mid dated NTB papers with attractive rates. However, a sharp reversal was seen in the buying trend towards close of the month, amid Nigeria's MPC hike in benchmark interest rate to 15.50% (+150bps), DMO's increase in stop rates at the primary auctions and the gradual tapering of system liquidity due to CRR debits.

At the most recent NTB auction (the last in September) conducted by the Debt Management Office (DMO), the 91-day, 182-day, and 364-day papers were allocated at 6.49%, 7.50%, and 12.00% respectively.