

AIICO BALANCED FUND

OCT. | 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 closed the month of October with a YTD return of +2.03%, compared to 6.67% recorded in September 2022.

In October, the Nigerian Stock Exchange All Share Index (NGX ASI) lost 10.58% M-o-M, closing at 44,283.02 points, as market participants sought higher yields in the fixed income market. Selloffs on bellwethers like AIRTEL, DANGCEM and WAPCO dragged the index southwards.

The Treasury Bills market started the month on a calm note, with mild buying interest recorded on the long end of the curve. However, as liquidity tightened, most players (especially banks) were forced to sell their papers (CBN Special bills, NTBs and OMO) to generate liquidity and settle their cash obligations.

At the most recent NTB auction conducted by the Debt Management Office (DMO), the 91-day, 182-day, and 364-day papers were allocated at 6.50%, 8.05%, and 14.50% respectively, representing a cumulative growth of c.3.06ppts M-o-M across the usual tenors.

The local bonds market traded mixed to bearish sentiments, driven by tight system liquidity and investors anticipation of higher yields in line with the DMO's borrowing plan. However, coupon inflows of c.N260bn drove demand on selected maturities post FGN bond auction to close the month.

At the monthly FGN Bond Auction, the Debt Management Office (DMO) raised the stop rates to 14.500%, 15.000% and 16.000% across the 2029, 2032 and 2037 papers respectively.

FACT SHEET

Fund launch date	14 May 2018
Fund Size as at 31 October 2022	153,787,129.47
Bid Price as at 31 October 2022	3.4815
Offer Price as at 31 October 2022	3.5224
Minimum Investment	₦50,000.00
Minimum Holding Period	90 Days

NSE-ASI PERFORMANCE

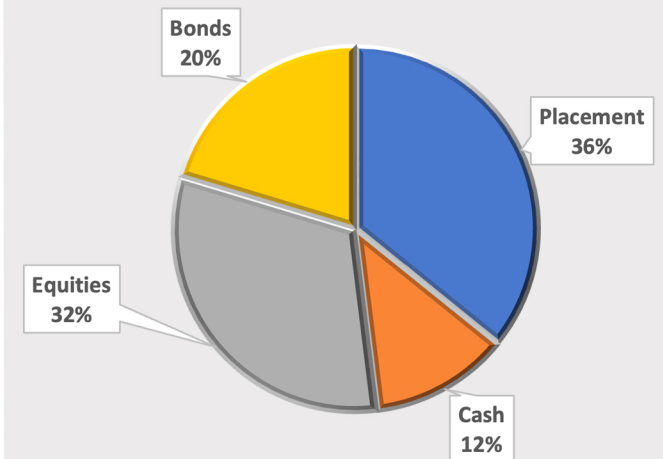


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ASSET ALLOCATION

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	60.00	68.37
Quoted Equities	40.00	60.00	31.63

MONTHLY RETURNS

ABF	30-Sept	31-Oct
Gross year-to-date return	+6.66%	+2.03%
Gross Quarter-to-date return	+0.46%	-4.64%
Composite Benchmark rate	+7.41%	+3.29%