

AIICO BALANCED FUND

JANUARY | 2023

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 Jan'23 with a YTD return of 2.57%

In January, the Nigerian Stock Exchange All Share Index (NGX ASI) appreciated by c.0.03% M-o-M, closing at 53,238.67 points. This performance follows the rekindled buying interest in blue chip companies, especially, those with high dividend yields and strong growth prospects as all eyes are on expected corporate earnings and actions from early filers.

The Treasury Bills market sustained its bullish momentum for majority of the month, as heavy demand was witnessed from market participants amid prolonged ample system liquidity.

At the closing NTB auction, stop rates on the 91-day, 182-day and 364-day papers declined by 171bps to 0.29%, 433bps to 1.80% and 252bps to 4.78% respectively from Dec'2022 close.

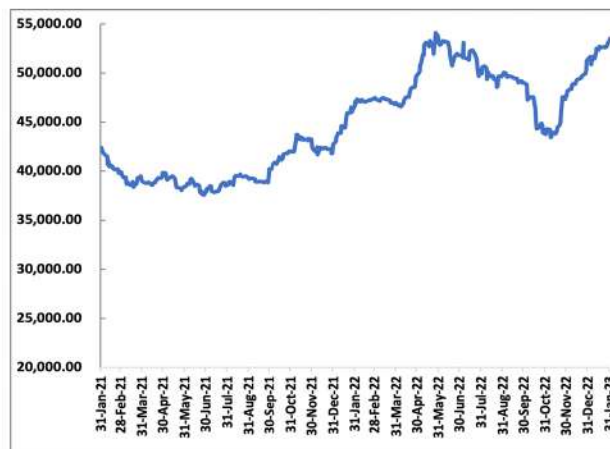
Activity in the FGN bonds market was mixed to bullish, with most of the interest skewed to 2024s, 2025s, 2028s, 2029s, 2032s, 2037s and 2049s. Investors started the year with buy-side interest on select maturities, amid coupon inflows. However, there was a reversal in the bullish theme as short sellers took position ahead of Jan'23 FGN bond auction, following the release of Q1'2023 FGN bond issuance calendar where N320bn – N400bn was expected to be borrowed every month across 4 maturities (2028s, 2032s, 2037s and 2049s).

At Jan'2023 FGN Bond Auction, successful bids for 2028s, 2032s, 2037s and 2049s were allotted at the marginal rates of 14.0000%, 14.9000%, 15.8000% and 15.9000%, respectively

FACT SHEET

Fund launch date	14 May 2018
Fund Size as at 31 January 2023	170,802,306.25
Bid Price as at 31 January 2023	3.8531
Offer Price as at 31 January 2023	3.9161
Minimum Investment	₦50,000.00
Minimum Holding Period	90 Days

NSE-ASI PERFORMANCE

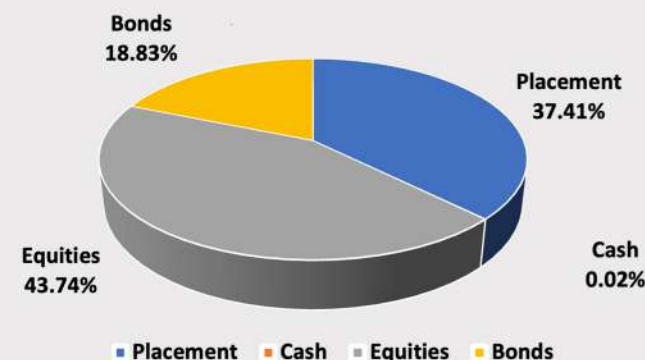


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ASSET ALLOCATION

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 & Fixed Income	40.00	60.00	56.27
Quoted Equities	40.00	60.00	43.73

MONTHLY RETURNS

ABF	30-Dec	31-Jan
Gross year-to-date return	+10.63%	+2.57%
Gross Quarter-to-date return	+3.96%	+2.57%
Composite Benchmark rate	+8.92%	+2.63%