

AIICO BALANCED FUND

FEBRUARY | 2023



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 OBJECTIVES

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 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 Feb'23 with a YTD return of 5.21%

The All-Share Index (ASI), which increased by 4.82% to close at 55,806.26 points, marked a favorable conclusion for the Nigerian stock market in February 2023. In a similar line, the Nigerian Exchange Limited (NGX), whose market capitalization at the start of trading was N28.99 trillion, completed the month of February at N30.40 trillion, meaning that the MTD gain was N1.40 trillion.

The Treasury Bills market began the month bullish but tilted to a bearish theme by mid-month, following a sharp increase in stop rates at the NTB Auction amid tight system liquidity. Sentiment however turned bullish at the end of the month, as coupon inflows and FAAC allocation drove buy interest. Overall, the average mid yield rose by 285 basis points to 4.25% month on month.

Stop rates for the 91-day, 182-day, and 364-day papers improved to 3.00%, 3.24%, and 9.90%, respectively, at the final NTB auction. This represents a 3.09% average increase from the previous auction's 0.29% (91 days), 1.80% (182 days), and 4.78% (364 days).

The FGN bonds market endured a mixed theme, with demand recorded across the short-dated papers in response to the decline recorded in the bills market, while mild selling interest were observed across the mid to long dated papers. However, the average mid-yield declined by 14bps overall, spurred by late buying interest due to the influx of liquidity.

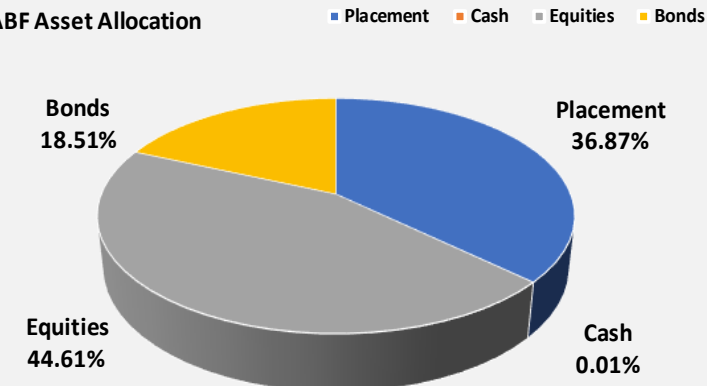
At the auction, which was oversubscribed, the DMO allotted a total volume of c.N770bn across the 4 maturities on offer, with stop rates for the 2028s, 2032s, 2037s and 2049s closing at 13.99%, 14.90%, 15.90% and 16.00% respectively.

FACT SHEET	
Fund launch date	14-May-18
Fund Size as of 31 January 2023	170,802,306.25
Bid Price as of 31 January 2023	3.8531
Offer Price as of 31 January 2023	3.9161
Minimum Investment	₦50,000.00
Minimum Holding Period	90 Days



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:

ABF Asset Allocation



ASSET CLASSES	LOWER LIMIT	UPPER LIMIT	ACTUAL
Money Market & Fixed Income	40	60	55.39
Quoted Equities	40	60	44.61

ABF	31-Jan	28-Feb
Gross year-to-date return	2.57%	5.21%
Gross Quarter-to-date return	2.57%	5.21%
Composite Benchmark rate	2.63%	4.04%

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