

AIICO MONEY MARKET FUND

FEBRUARY | 2023



OVERVIEW

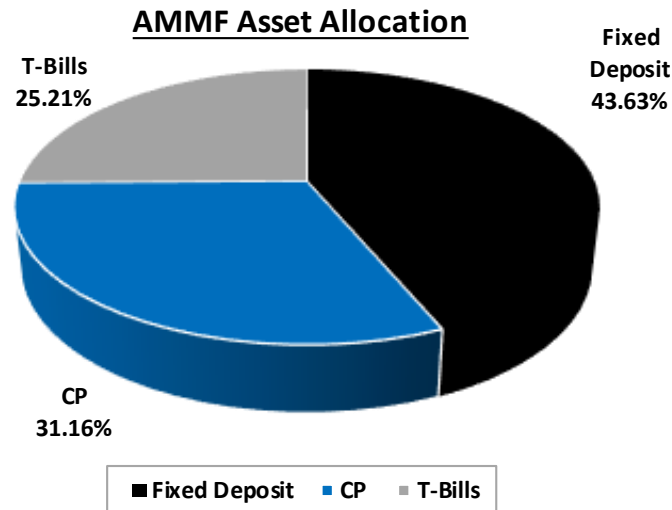
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a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

INVESTMENT OBJECTIVES

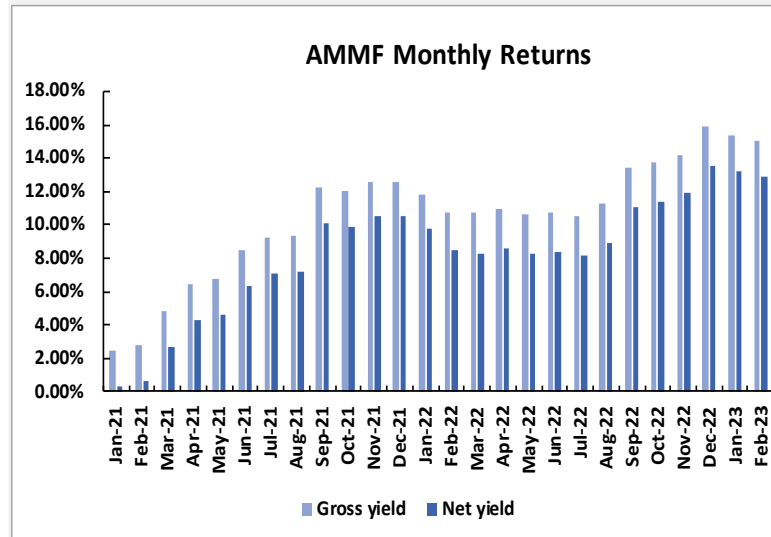
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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:



AMMF	31-Jan-23	28-Feb-23
Gross Return	15.29%	15.00%
Net Return	13.17%	12.84%
Weighted Average Maturity	56.2	61.12
Rating	A	A
Minimum Entry	N10,000	N10,000
Minimum Holding Period	90 Days	90 Days
Benchmark	91 Day Tbill	91 Day Tbill
Benchmark Average Rate	0.2900%	3.0000%



FUND PERFORMANCE

The AIICO Money Market Fund recorded a net yield of 12.84% p.a in Feb'2023, compared to 13.17% recorded in Jan'2023 and outperformed the 91-day NTB paper benchmark closing rate of 3.00%.

This can be attributed to the fund's investment in high yielding fixed deposits and short-term securities such as commercial papers (CPs) and composite Treasury bills. The fund closed the month with a weighted average tenor of c.61.12 days.

In Feb'2023, system liquidity averaged N447.35bn compared to c.N709.62bn, recorded in Jan'2023. Inflows from FGN 2028 bond coupon and FAAC were the major sources of liquidity during the month. Thus, the Overnight Policy Rate (OPR) and Overnight (ON) rates rose to an average of c.12.11% and 12.52% respectively in Feb'2023 compared to 10.10% and 10.55% recorded in Jan'2023.

The Treasury Bills market traded bullish to start the month, as investors sought to lock in idle funds, but leaned to a bearish theme mid-month, following the sharp increase in stop rates at the NTB Auction amid tight system liquidity. At the close of the month, sentiments reversed as inflows from coupon and FAAC allocation drove a bullish bias. Overall, the average mid yield rose by 285bps M-o-M to settle at 4.25%.

At the closing NTB auction, stop rates for the 91-day, 182-day and 364-day papers all improved to 3.00%, 3.24% and 9.90% respectively. This represents an average increase of c.3.09% from 0.29% (91-days), 1.80% (182-days) and 4.78% (364-days) recorded at the last auction in Jan'2023.

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