

# AIICO MONEY MARKET FUND

APRIL | 2023

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.

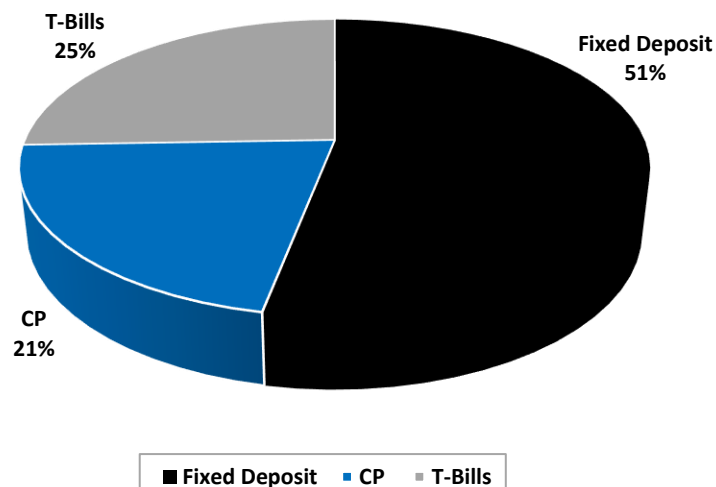
## INVESTMENT OBJECTIVES

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

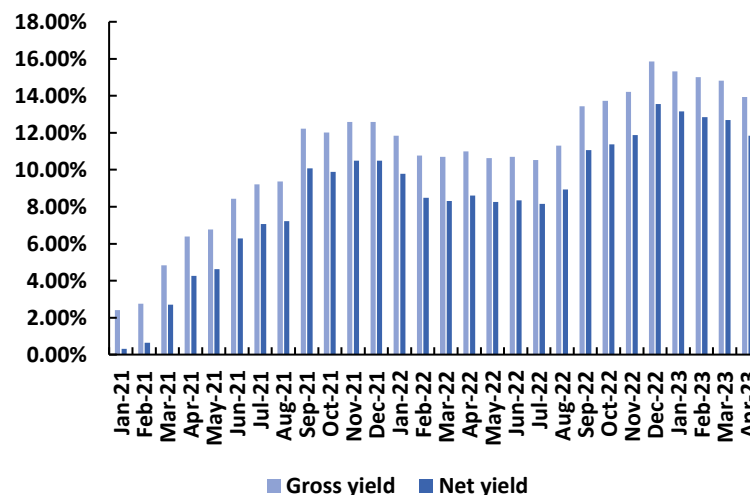
In seeking to achieve all of the fund's objective, and inline with the SEC rules, the asset allocation of the fund is shown below:

**AMMF Asset Allocation**



AMMF	31-Mar-23	28-Apr-23
Gross Return	14.82%	13.93%
Net Return	12.69%	11.85%
Weighted Average Maturity	65.24	51.36
Rating (GCR)	A	A
Minimun Entry	N10,000	N10,000
Minimum Holding Period	90 Days	90 Days
Benchmark	91 Day Tbill	91 Day Tbill
Benchmark Average Rate	6.00%	5.30%

**AMMF Monthly Returns**



## FUND PERFORMANCE

The AIICO Money Market Fund recorded a net yield of 11.85% p.a in Apr'2023, compared to 12.69% recorded in Mar'2023 and outperformed the benchmark closing rate (91-day NTB) of 5.30%.

This can be ascribed to the fund's prudent 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.51.36days.

System liquidity trended in the negative territory early in the month amid tight liquidity, however inflows from coupon payments, bond maturity and FAAC allocation towards the end of the month drove buoyant liquidity to close the month. For context, in Apr'2023, system liquidity averaged c.N17.06bn compared to c.N173.30bn, recorded in Mar'2023. Consequently, the Open Repo Rate (OPR) and Overnight (ON) rates spiked to an average of c.16.98% and 17.35% respectively in Apr'2023 compared to 13.72% and 14.17% in the previous month.

The Treasury Bills market opened with a bearish tilt, with offers seen majorly along the mid to long end of the curve, driven by illiquidity in the system. However, bearish sentiments reversed towards the close of the month, as investors tried to lock in excess liquidity from coupon payments, bond maturity and FAAC inflows. Overall, the average mid yield rose by 165bps M-o-M to settle at 6.43%.

At the closing NTB auction, stop rates for the 91-day and 364-day papers declined to 5.30% and 10.17% respectively while the stop rate on the 182-day paper remained unchanged at 8.00%. This represents an average decline of c.2.64% from 6.00% (91-days) and 14.74% (364-days) recorded at the last auction in Mar'2023.

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