

AIICO BALANCED FUND

MAY | 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 May'23 with a YTD return of 8.45%

Activity in Nigerian equity market dwindled further in the early period of May, suggesting late profit taking by some participants. Observably, selling interest persisted in some bellwether stocks, particularly AIRTELAFRI, shedding over 6.00% in mid-May. Amongst other big names in the Banking Sector, WEMABANK trended downwards by roughly 2% in the same period.

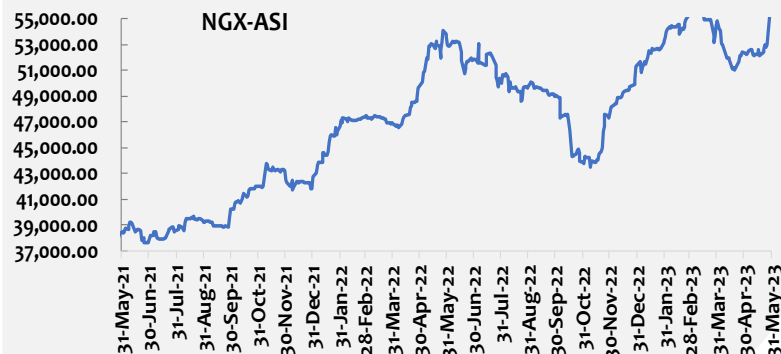
In the early part of the month, there was a mixed to bearish market sentiment as investors sold off holdings after the April 2023 Retail SMIS auction & CRR debit. Selling was mainly focused on the short end of the curve to minimize losses, suggesting a potential increase in yield levels. However, prior to the preliminary auction, there was renewed buying activity at the long end of the curve, leading to a decline in rates by approximately 118bps. This was driven by CBN Swap maturities and other statutory credits.

Overall, the total NTB primary market subscription for the month printed at c.₦1.63 trillion, while c.₦324.43 billion was offered and same was allotted

In the local bonds market, the month began bearish as market players offered on-the-run papers (2028s, 2032s, 2042s and 2050s) with limited demand from traditional buyside players. Offers increased to stimulate trades, which resulted in some hits on market bids, as short positions were opened with the expectation to cover at the auction

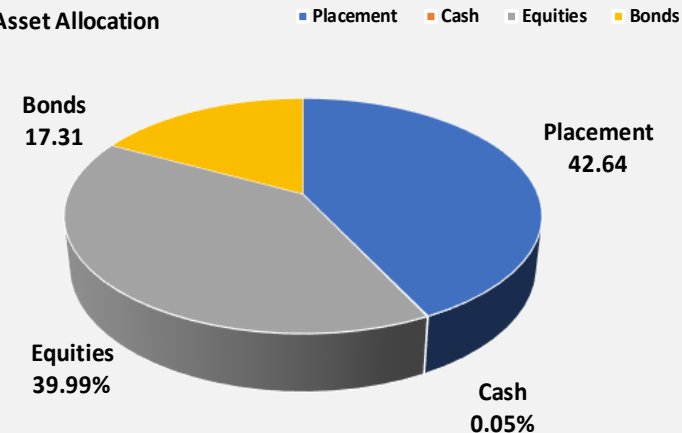
Post-auction, demand emerged for the 2028s, with investors who lost at the auction scrambling to fill their bids, thus causing a decrease of approximately 25bps. The 2042s and 2050s also experienced demand, reducing yields by about 5bps from auction closing levels

FACT SHEET	
Fund launch date	14-May-18
Fund Size as of 31 MAY 2023	180,454,407.67
Bid Price as of 31 MAY 2023	4.0426
Offer Price as of 31 MAY 2023	4.1029
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	60.01
Quoted Equities	40	60	39.99

ABF	28-Apr	31-May
Gross year-to-date return	1.36%	7.61%
Gross Quarter-to-date return	2.56%	2.84%
Composite Benchmark rate	1.83%	1.83%

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