

AIICO BALANCED FUND

JUNE | 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 Jun'23 with a YTD return of **14.0123%**

The Nigerian equity market did reasonably well in the first half of 2023, with the performance index at the Nigerian Exchange reaching its best level in 16 years. The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) rose 21.01% Year-to-Date (YtD) to settle at 60,968.27 basis points. Thus, when the market capitalization climbed from N27.92 trillion at the end of 2022 to N33.197 trillion at the conclusion of the first half of 2023, which ended on June 30th, equity investors collectively earned N5.28 trillion.

Mixed sentiments dominated the early part of June 2023, as investors had varying views for the last month in the quarter. However, following the suspension of the CBN governor, there was a removal of the floor and ceiling in the interbank money market rates. This, coupled with buoyant system liquidity, spurred a bullish theme as the month progressed with ample demand for treasury bills.

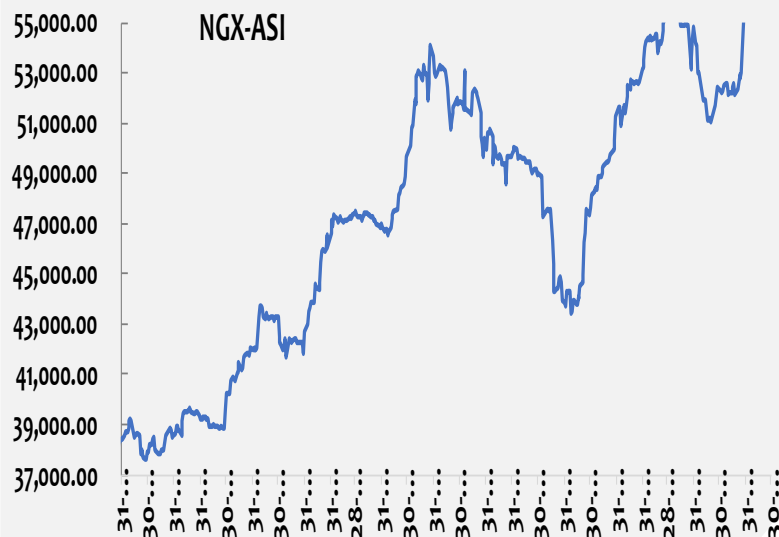
At the closing NTB auction, stop rates for the 91-day 180-day and 364-day papers increased to 2.87%, 4.37% and 6.23% respectively. This represents an average decline of c.0.58% from 2.73%, 0.62% and 1.76% recorded at the last auction in May'2023. Overall, the total NTB primary market subscription for the month printed at c.₦1.87 trillion, while c.₦404.51 billion was offered and same was allotted.

The local bonds market endured a bullish start to the last month in Q2 2023, sustaining the buy-side interest that was evident as at close of May 2023. This was mostly driven by investors who continued to close their short exposures following the retirement of 2032, 2042 and 2050 FGN bonds by the DMO and subsequent introduction of new securities (2033, 2038 and 2053 papers).

The FGN bond auction was oversubscribed, and the allotment and subscription levels were the highest recorded in the last 3 auctions. Stop rates for the 2029, 2033, 2038 and 2053 papers closed at 13.90%, 14.70%, 15.45% and 15.70% respectively. Post auction, the yield curve adjusted further downwards, as unmet demand at the auction filtered to the secondary market and the buoyant system liquidity also drove intense buying.

FACT SHEET

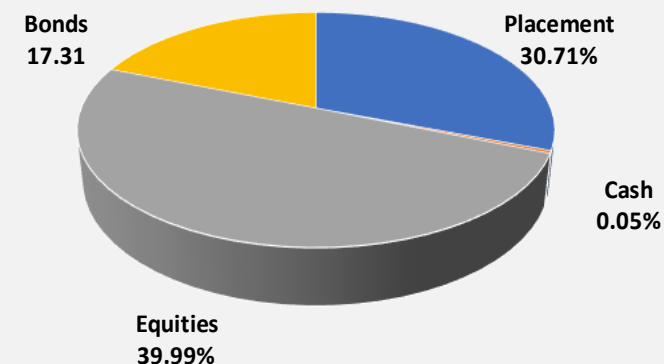
Fund launch date	14-May-18
Fund Size as of 30 JUNE 2023	191,303,692.51
Bid Price as of 30 JUNE 2023	4.2831
Offer Price as of 30 JUNE 2023	4.3512
Minimum Investment	₦50,000.00
Minimum Holding Period	90 Days



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

■ Placement ■ Cash ■ Equities ■ Bonds



ASSET CLASSES	LOWER LIMIT	UPPER LIMIT	ACTUAL
Money Market & Fixed Income	40	60	60.01
Quoted Equities	40	60	39.99

ABF	31-May	30-Jun
Gross year-to-date return	7.61%	14.01%
Gross Quarter-to-date return	8.82%	9.18%
Composite Benchmark rate	8.82%	9.63%

Aim higher. Reach further ▶