

AIICO MONEY MARKET FUND

JUNE | 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.

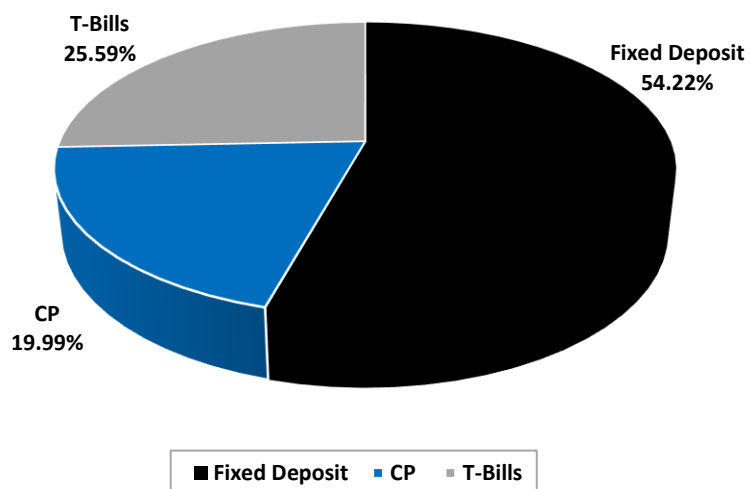
INVESTMENT OBJECTIVES

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

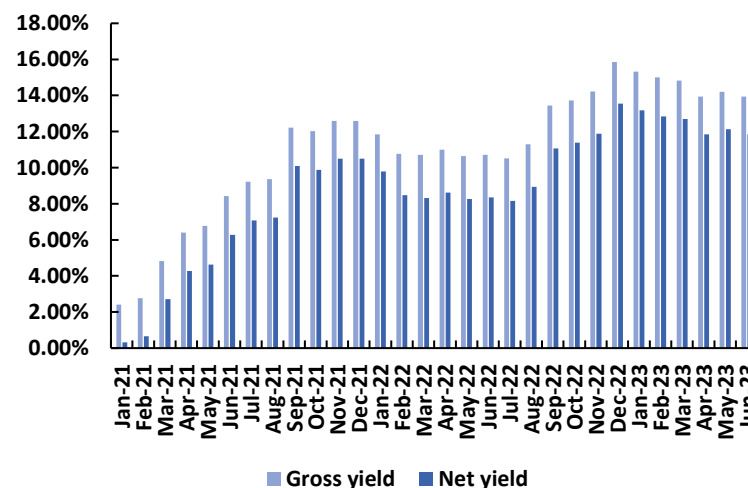
In seeking to achieve all of the fund's objective, and inline with the SEC rules, the asset allocation of the fund is shown below:

AMMF Asset Allocation



AMMF	31-May-23	30-Jun-23
Gross Return	14.20%	13.94%
Net Return	12.12%	11.85%
Weighted Average Maturity	87.88	87.28
Rating (GCR)	A	A
Minimun Entry	N10,000	N10,000
Minimum Holding Period	91 Days	91 Days
Benchmark	91 Day Tbill	91 Day Tbill
Benchmark Rate	2.29%	2.87%

AMMF Monthly Returns



FUND PERFORMANCE

The AIICO Money Market Fund recorded a net yield of 11.85% p.a in June'2023, compared to 12.12% recorded in May'2023 and outperformed the benchmark closing rate (91-day NTB) of 2.87%.

This can be attributed 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.87.28 days.

It was a relatively liquid month in June, significantly better than the previous month, with robust moments of liquidity observed. However, there were liquidity crunch moments, exacerbated by the bi-weekly Retail SMIS auction, the FGN bond auction and mild CRR debits. For context, in Jun'2023, system liquidity averaged c.N569.94bn compared to c.N307.12bn, recorded in May'2023. Consequently, the Overnight Policy Rate (OPR) and Overnight (ON) rates declined to an average of c.9.42% and 9.91% respectively in June'2023 compared to 12.38% and 12.87% recorded in the previous month.

Mixed sentiments dominated the early part of June 2023, as investors had varying views for the last month in the quarter. A few investors sought to manage their idle cash by investing in treasury bills and Promissory notes, while others capitalized on their positions and booked profits as they anticipated higher yields at the succeeding NTB auctions. However, as a sequel to the suspension of the CBN governor, Godwin Emefiele, 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. Market players, especially banks, tilted to treasury bills rather than interbank placement whose rates ranged between 1% to 1.50%.

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.

At the closing NTB auction for June, the stop rate for the 91-day paper increased by 58bps to 2.87% relative to May close, while the 180 and 364-day papers declined by 62bps and 176bps to 4.37% and 6.23%, respectively. Thus, representing an average decline of 60bps M-o-M.

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