

AIICO BALANCED FUND

SEPTEMBER | 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 Sep'23 with a YTD return of 20.62%

The market maintained sideways trajectory for most part of the month. However, it witnessed significant sell-off in the middle of the month. This sell-off was triggered by the CBN's circular, which aimed to restrict banks from utilizing gains from FX revaluation.

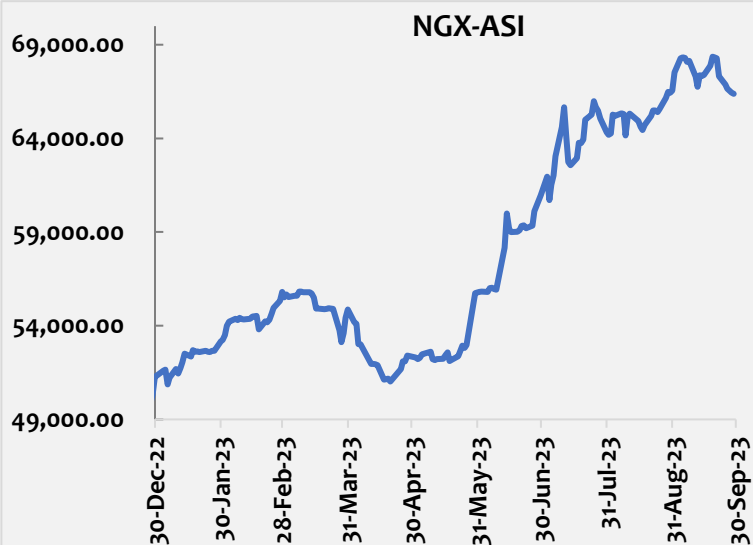
The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) depreciated by 0.25% to settle at 66,382.14 points, while year-to-date return settled at +29.52%. Also, the market capitalization increased by 0.25% m/m to ₦36.33 trillion at the end of September.

The Treasury bills market in September experienced mixed dynamics. We saw the one-year paper (25-July-2024), decline from 10% to 9% levels. Bearish market sentiment emerged as the month progressed, with selling pressure at the long end, but short-dated papers saw increased buying interest. At mid-month, market turned bearish due to depressed system liquidity. Towards the end of the month, the market regained momentum, with a reduction in stop rates at the final NTB auction and a more bullish theme.

In the bond market, the DMO sold ₦251.50 billion out of ₦360.00 billion offered, leading to rate increases in several bond maturities. The market continued to trend bearishly due to rising stop rates and tight system liquidity constraints. Occasional buy-side activity emerged driven by coupon inflows, and average yield increased by 37bps to 14.43%.

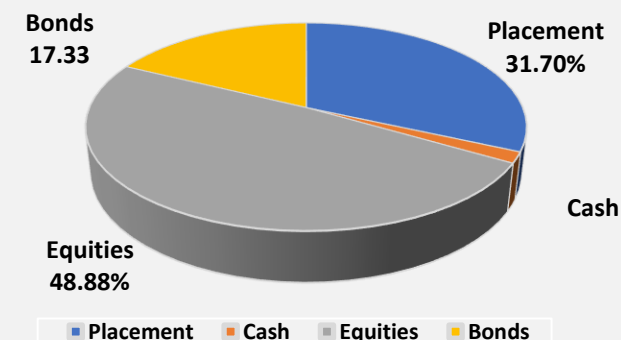
FACT SHEET

Fund launch date	14-May-18
Fund Size as of 30 SEPTEMBER 2023	201,685,134.62
Bid Price as of 30 SEPTEMBER 2023	4.5305
Offer Price as of 30 SEPTEMBER 2023	4.6224
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	51.12
Quoted Equities	40	60	48.88

ABF	31-Aug	30-Sep
Gross year-to-date return	20.02%	20.63%
Gross Quarter-to-date return	6.63%	6.61%
Composite Benchmark rate	2.62%	1.18%

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