

AIICO MONEY MARKET FUND

SEPTEMBER | 2023



OVERVIEW

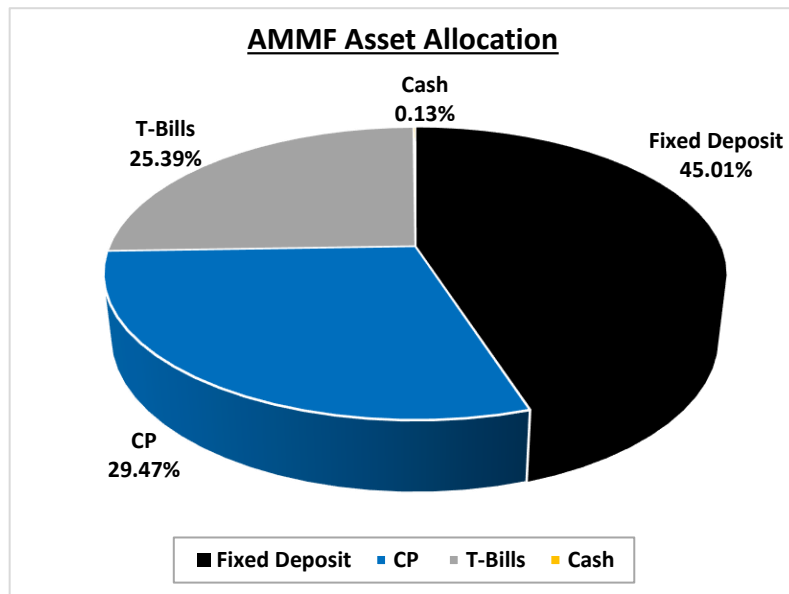
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a combination of the two.

INVESTMENT OBJECTIVES

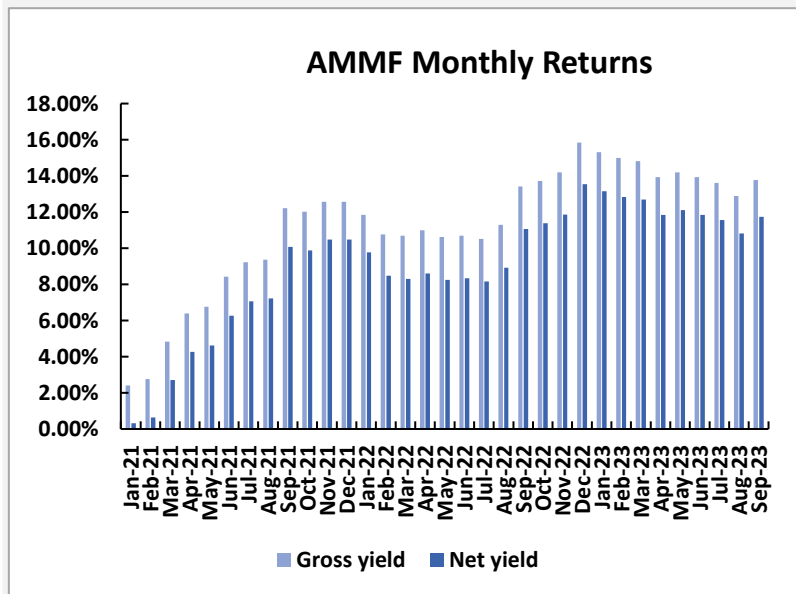
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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	31-Aug-23	29-Sep-23
Gross Return	12.89%	13.77%
Net Return	10.82%	11.74%
Weighted Average Maturity	62.63	61.41
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	5.19%	4.99%



FUND PERFORMANCE

In September, the AIICO Money Market Fund sustained continuous growth, achieving a net yield of 11.74% per annum vs 10.82% recorded in August, and outperforming the benchmark rate (91-day NTB paper) of 4.99%.

This stellar performance was underpinned by prudent investments in high-yielding fixed deposits and short-term securities, such as commercial papers and Treasury bills, resulting in a weighted average tenor of approximately 61.41 days.

For system liquidity, it opened on a strong note, carrying over positive momentum from the previous month. However, mid month, persistent CRR debits, CBN interventions at the FX I&E window and the monthly FGN Bond auction drove liquidity into negative territory. The negative liquidity reversed to close the month, driven by late FGN bond coupons and FAAC credits.

Overall, liquidity averaged ₦ 45.21bn from ₦ 275.77bn recorded in August, while Open Repo Rate (OPR) and the Overnight Rate (ON) experienced a marginal moderation, closing at an average of 10.40% and 11.12%, compared to 10.77% and 11.46% from the previous month.

In the treasury bills space, the month commenced with mixed interests and gradually gave way to bearish sentiments characterized by selling pressures along the long end. The preliminary NTB auction for the month generated significant demand, leading to a decline of c.104bps on average across the tenors offered.

Mid-month, bearish sentiments reemerged, driven by the negative system liquidity, and this spurred an increase in stop rates at the second NTB auction for the month. Towards month end, the market regained a bullish momentum building up to the final NTB auction for the month driven by FAAC credits. This led to a notable reduction in stop rates across tenors, followed by bullish theme post auction. Overall, stop rates on the 91-day, 181-day and 364-day declined by an average of c.1.42% M-o-M to close at 4.99%, 6.55% and 11.37% respectively.

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