

AIICO MONEY MARKET FUND

NOVEMBER | 2023



OVERVIEW

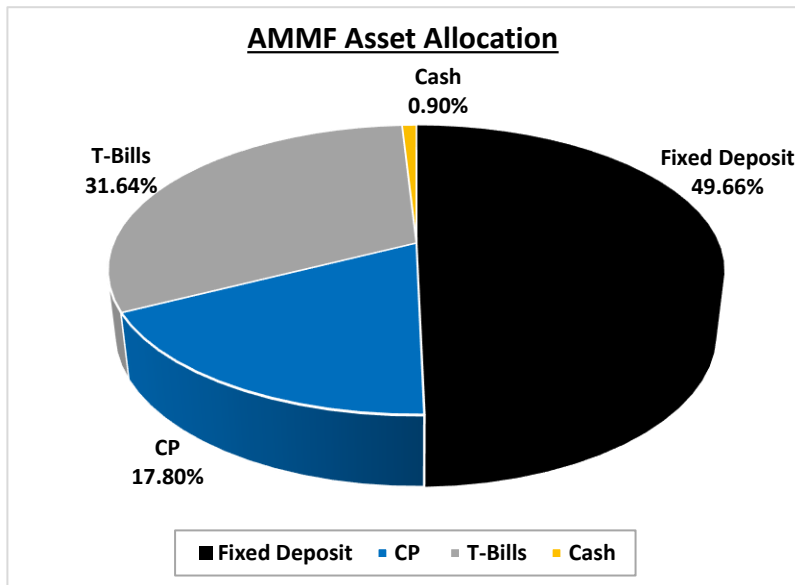
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a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

INVESTMENT OBJECTIVES

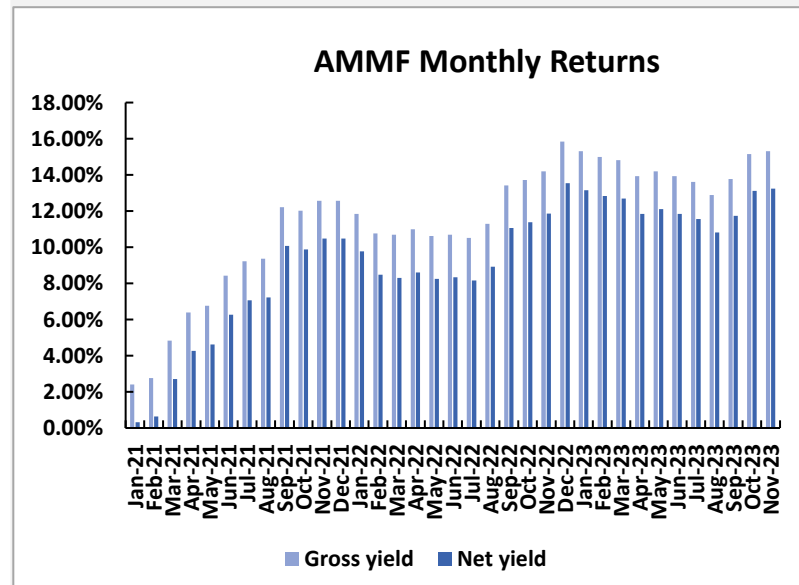
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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	30-Oct-23	30-Nov-23
Gross Return	15.16%	15.31%
Net Return	13.13%	13.25%
Weighted Average Maturity	73.84	60.48
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	5.9990%	8.0000%



FUND PERFORMANCE

In November, the AIICO Money Market Fund demonstrated robust growth, concluding with a net yield of 13.25%, surpassing the October figure of 13.13% and outperforming the benchmark rate of 8.00% set by the 91-day NTB paper.

The fund's success was attributed to 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 60.48 days.

Despite a relatively buoyant opening in system liquidity, interbank rates remained consistently above 15.75%, largely influenced by the removal of the N 2bn cap on the Standing Deposit Facility (SDF) for commercial banks. Liquidity tightened during the month due to persistent CRR debits, FX interventions, and debits from NTB and FGN bond auctions. Overall liquidity averaged ₦111.38bn in November, marking a substantial decline from ₦521.52bn in October. The average Open Repo Rate (OPR) and Overnight Rate (ON) spiked to 19.00% and 19.91%, respectively, in contrast to the 3.87% and 4.90% observed in the preceding month.

The treasury bills market initially opened bearish, with the longest dated paper's stop rate at the OMO auction impacting the preliminary NTB auction. Post-auction, a bullish trend emerged, driven by FAAC inflows and reduced CRR debits. Most of the activity was focused on the January, March, October, and November 2024 Bills.

In the two auctions conducted by the DMO, approximately ₦521.83bn was offered and ₦1.05trn was sold across various tenors, sustaining the trend of overallotment at the primary market window. Stop rates on the 91-day, 181-day, and 364-day Treasury bills rose by an average of c.2.92% month-on-month, closing at 8.00%, 12.00%, and 16.75%, respectively.

Regarding Monetary Policy, the MPC postponed its November meeting for the second consecutive time. However, during the 58th Annual CIBN Dinner, the CBN governor expressed the intention to implement further tightening measures over the next two quarters in response to rising inflation.

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