

# AIICO BALANCED FUND

DECEMBER | 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 Dec'23 with a YTD return of 33.88%

The Nigerian naira depreciated by 3.92% (₦45.00) against the USD in the parallel market, closing at \$/₦1,192.50. At the NAFEM, the naira saw an 8.99% depreciation, closing at \$/₦907.11. The year-to-date exchange rate decline reached a substantial 49%, starting the year at \$/₦461.5. The NAFEX rate concluded the year at \$/₦951.79.

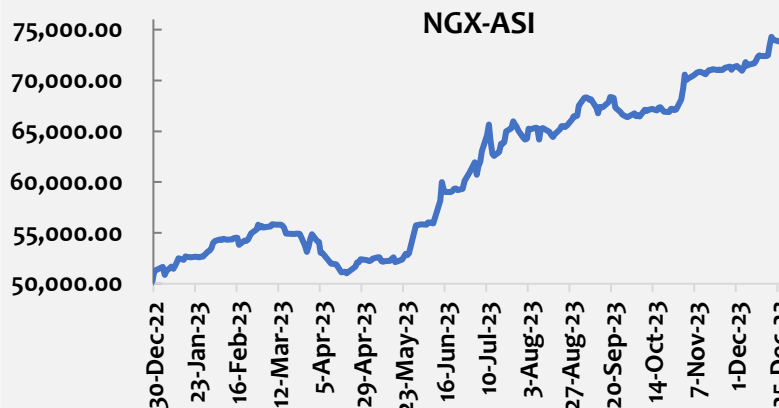
The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) appreciated by 4.78% to settle at 74,773.77 points, while year-to-date return settled at +46.58%. Also, the market capitalization increased by 4.78% m/m to ₦40.92 trillion at the end of December.

Despite ample system liquidity, the treasury bills market began on a subdued note as participants directed their bids to the auction. Post-auction, the market witnessed increased activities, particularly at the short and long ends, notably with the new 1-year paper. Market players, seeking to fulfil unmet bids, drove demand. The market concluded the year quietly, recording an overall average mid-rate decline of approximately 248 basis points to settle at 7.69% Month-on-Month (M-o-M).

The local bonds market experienced relatively subdued trading as the year wound down. Despite the quiet atmosphere, sporadic demand emerged across the curve, particularly at the short and tail ends. Some banks sought to sterilize liquidity and finalize their year-end bookkeeping. After the allotted bonds at lower rates at the auction, The secondary market experienced buy-side interest to end the month, especially in 26s-28s and 53s, leading to a mixed-to-bullish theme by month-end. The average mid-yield contracted by around 161 basis points, closing at 14.09% M-o-M.

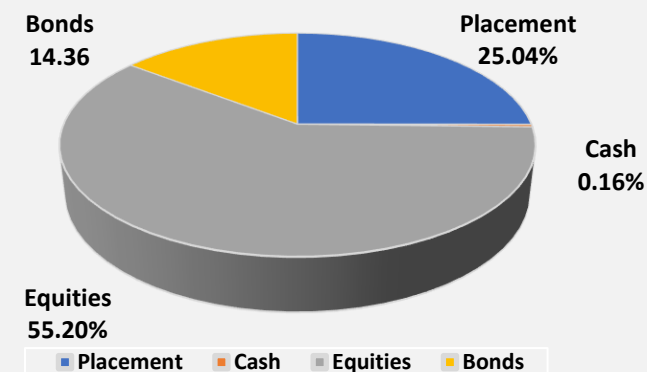
## FACT SHEET

Fund launch date	14-May-18
Fund Size as of 31 DECEMBER 2023	225,059,542.90
Bid Price as of 31 DECEMBER 2023	5.0295
Offer Price as of 31 DECEMBER 2023	5.1366
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	40.01
Quoted Equities	40	60	59.99

ABF	30-Nov	31-Dec
Gross year-to-date return	27.39%	33.88%
Gross Quarter-to-date return	7.37%	13.25%
Composite Benchmark rate	4.02%	5.38%

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