

AIICO BALANCED FUND

NOVEMBER | 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 Nov'23 with a YTD return of 27.39%

In November, the Naira appreciated 0.86% against the USD in the parallel market, closing at \$/₦1,147.50. NAFEX rate gained ₦57.55, reaching \$/₦848.20, while NAFEM depreciated to \$/₦832.32. The Central Bank's interventions led to a \$390 million decline in gross FX reserves.

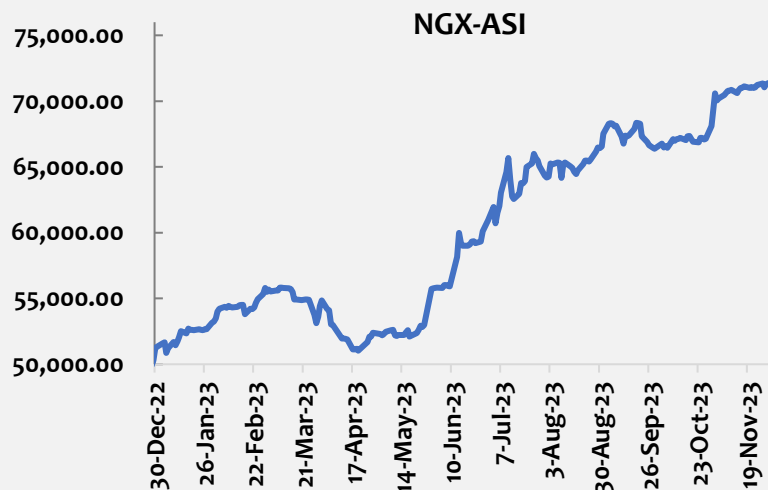
The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) appreciated by 3.08% to settle at 71,365.25 points, while year-to-date return settled at +39.25%. Also, the market capitalization increased by 2.66% m/m to ₦39.05 trillion at the end of November.

The treasury bills started the month bearish due to a high OMO stop rate of 17.98%. Subsequently, NTB auction saw higher closing rates, notably a 1-year paper rise from 13.00% to 16.75%. Market shifted to a bullish trend driven by FAAC inflows. Most activity was centered on the 2024 papers. During the month, the DMO conducted two auctions, offering ₦521.83 billion and selling c.₦1.05 trillion. Further, post-auction saw significant buying, particularly for November 2024 bills at 14.80%. In the end, average mid-rate declined by c.34bps to 10.17% M-o-M.

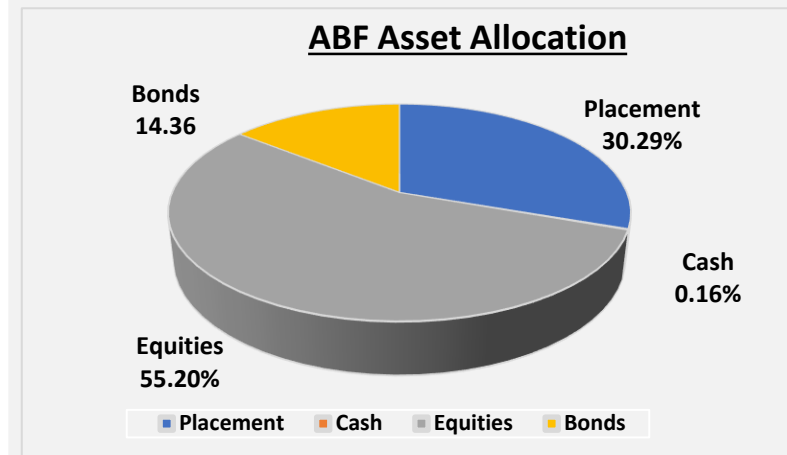
The FGN local bonds market exhibited a mixed-to-bearish sentiment in November. At the auction, the DMO, for the first time in four auctions, allotted more than the offered size, issuing ₦434.50 billion worth of bonds as against the offered amount of ₦360 billion. Although the 2029s, 2033s, and 2038s were undersubscribed, substantial subscription focused on the 2053s, resulting in significant upticks in closing yields, particularly the 2053s closing at 18.00%. Post-auction, a bearish sentiment persisted, adjusting the yield curve upward, but trading volumes remained limited as investors hesitated to incur losses.

FACT SHEET

Fund launch date	14-May-18
Fund Size as of 30 NOVEMBER 2023	214,018,649.82
Bid Price as of 30 NOVEMBER 2023	4.7856
Offer Price as of 30 NOVEMBER 2023	4.8849
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:



ASSET CLASSES	LOWER LIMIT	UPPER LIMIT	ACTUAL
Money Market & Fixed Income	40	60	45.09
Quoted Equities	40	60	54.91

ABF	31-Oct	30-Nov
Gross year-to-date return	25.60%	27.39%
Gross Quarter-to-date return	9.56%	7.37%
Composite Benchmark rate	3.70%	4.02%

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