

AIICO BALANCED FUND

OCTOBER | 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 Oct'23 with a YTD return of 25.60%

In spite of CBN reforms, the parallel market depreciated by 15.29% m/m closing at \$/₦1,157.50, reaching highs of \$/₦1,300. Additionally, the NAFEM rate dropped to \$/₦815.32, down by ₦60.05 from September, and the NAFEX rate decreased to \$/₦905.75, a ₦128.96 decline from the previous month.

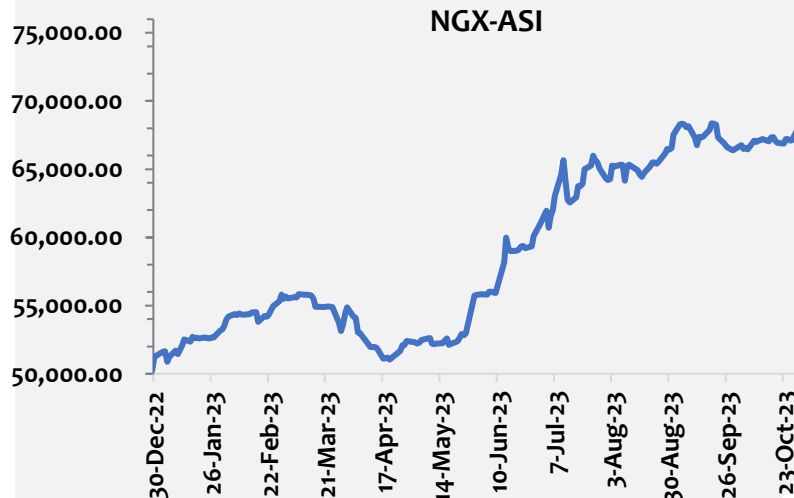
The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) appreciated by 4.30% to settle at 69,236.19 points, while year-to-date return settled at +35.09%. Also, the market capitalization increased by 4.70% m/m to ₦38.04 trillion at the end of October.

The NTB auction initially displayed bullish sentiments with a high bid-to-cover ratio and lower stop rates, but the DMO unexpectedly sold more bills than offered, leading to higher stop rates. Post-auction sessions saw mixed to bearish sentiments, with many auction winners selling their low-rate acquisitions at a loss, and CBN's surprised allotment of high-volume and yields OMO auction further fuelled bearish sentiments.

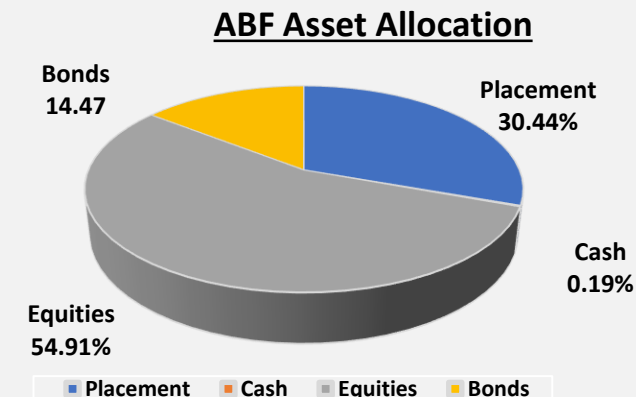
The bond auction, while showing some improvement, allocated lower volumes to competitive bidders, with closing rates higher than the previous auction, signalling the DMO's willingness to raise long-term debt at increased costs. Post-auction sentiment turned bearish, particularly in response to results from NTB and OMO auctions.

FACT SHEET

Fund launch date	14-May-18
Fund Size as of 31 OCTOBER 2023	211,147,815.40
Bid Price as of 31 OCTOBER 2023	4.7184
Offer Price as of 31 OCTOBER 2023	4.8155
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	30-Sep	31-Oct
Gross year-to-date return	20.63%	25.60%
Gross Quarter-to-date return	6.61%	9.56%
Composite Benchmark rate	1.18%	3.70%

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