

AIICO MONEY MARKET FUND

MARCH | 2024



OVERVIEW

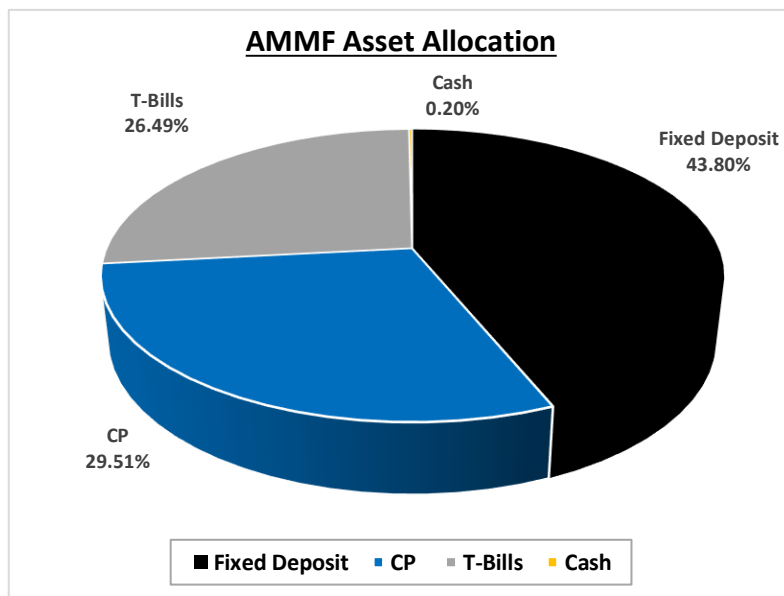
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a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

INVESTMENT OBJECTIVES

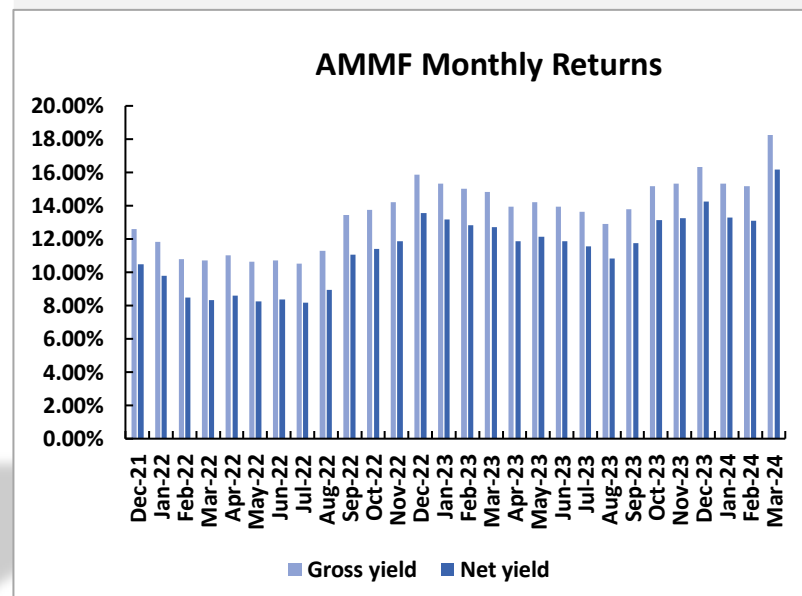
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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	29-Feb-24	31-Mar-24
Gross Return	15.15%	18.23%
Net Return	13.10%	16.16%
Weighted Average Maturity	69.06	69.08
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	17.0000%	16.2400%



FUND PERFORMANCE

The AIICO Money Market Fund returned a net yield of 16.16%, compared to the benchmark rate of 16.24% set by the 91-day NTB paper. The fund's return 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 69.08 days.

In March, system liquidity was impacted by the sale of OMO auction and treasury bills worth about c. ₦1,056.30 billion and ₦1,316.68 billion, respectively, which mopped up a sizeable portion of liquidity in the system. However, liquidity slightly improved towards the end of the month following the inflows from bond coupon, bond maturity, swap maturity, and some CRR refunds. Consequently, the Open Repo Rate (OPR) and Overnight Rate (OVN) rates increased by 27.96% and 29.45%, respectively, compared to 19.87% and 20.82% in the previous month.

Towards the end of the month, the CBN increased MPR by 200bps from 22.75% to 24.75%, adjusted the asymmetric corridor to +100/-300 bps from +100/-700 bps, adjusted the CRR of Merchant Banks from 10% to 14%, and retained the CRR for deposit money banks and liquidity ratio at 45% and 30.00%, respectively.

In the treasury bills market, the DMO held three auctions. The first auction witnessed an increase in stop rates due to the tight liquidity conditions, as well as the substantial sale of OMO bills in the primary market. Despite occasional increases in liquidity, particularly around mid-month, cherry-picking activity was observed on several papers, including those with maturities in June 2024, January 2025, February 2025, and March 2025. Towards the end of the month, an improvement in liquidity led to the stability in stop rates at the final auction. However, the market closed slightly bearish, with the average mid-yield increasing by 9bps to settle at 15.89% M-o-M.

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