

AIICO BALANCED FUND

APRIL | 2024



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 Apr-24 with a YTD return of 4.22%

The All-Share Index (ASI) of the Nigerian Exchange Limited (NGX) declined by 6.06% to settle at 98,225.63 points, while the year-to-date return settled at +31.36% at the end of April. Also, the market capitalization fell by 6.03% M-o-M to ₦55.55 trillion in the same period.

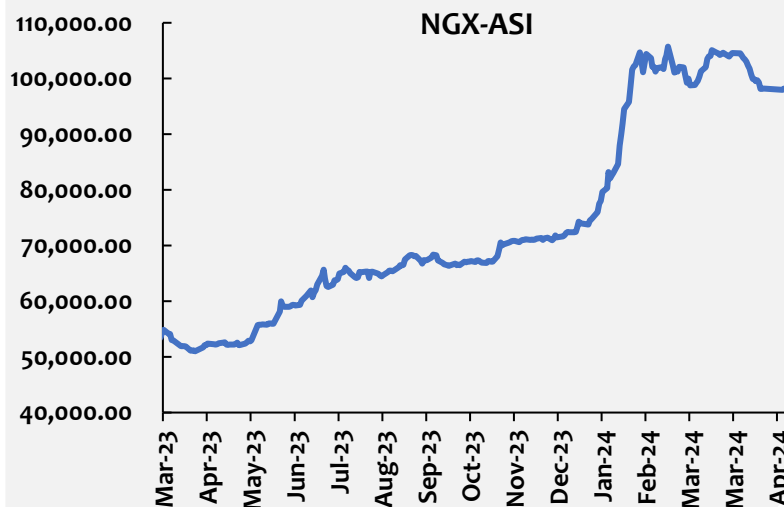
In April, after the FAAC credit at the beginning of the month, system liquidity reported a negative balance for most of the month, given the less significant inflows from FGN coupon against substantial outflows, including OMO bills auction (₦676.67 billion), new treasury bills issues (₦1.00 trillion) and FGN local bonds auction (₦626.81 billion). Although, average opening system liquidity relatively increased from -₦830.43 billion in March to -₦490.48 billion. Overall, the average Open Repo Rate (OPR) increased by 27bps m/m to 28.22%, while the Overnight Rate (OVN) decreased by 25bps m/m to 29.20%.

The treasury bills market started the month with a bearish sentiment, driven by the OMO bills auction. However, the OMO bills auction maintained the same rates for the short and medium papers at 19.00% and 19.50%, respectively, while the stop rate for the long-dated paper declined by 38bps to 21.125% compared to the previous auction. Similarly, the first treasury bills auction result portrayed a comparable posture, while the final auction saw a stable stop across the three papers. Overall, the market settled bearish, as the average mid-rate closed higher at 19.26%, from 15.89% in March.

The FGN local bonds market enjoyed some optimism in April, with sustained demand for profitable papers, especially the Feb 2034. At the auction, the DMO sold bonds worth ₦626.81 billion across three tenors, with total subscriptions amounting to ₦920.09 billion. The stop rate for the new 2029 paper was 19.30%, while the stop rates for the reissued 2031 and 2034 papers stood at 19.75% and 20.00%, depicting 25bps and 45bps less than the previous stop rates. At post-auction, activity was calm, although there was occasional demand for the 2034 maturity, which was further boosted by coupon inflows. Consequently, the market settled bullish, as the average mid-yield declined by 31bps m/m to close at 18.63%.

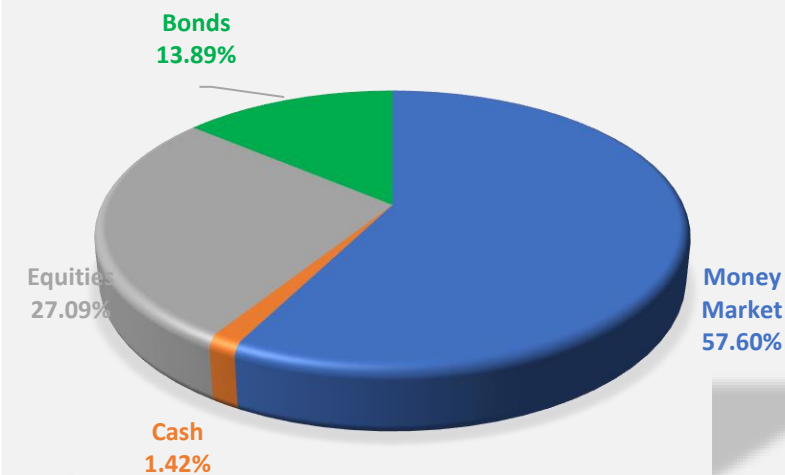
FACT SHEET

Fund launch date	14-May-18
Fund Size as of 30 APRIL 2024	232,890,088.48
Bid Price as of 30 APRIL 2024	5.2419
Offer Price as of 30 APRIL 2024	5.2579
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



ABF	31-Mar	30-Apr
Year-to-date return	5.24%	4.22%
Composite Benchmark rate (YTD)	12.96%	14.59%
Quarter-to-date return	5.24%	-0.97%
Composite Benchmark rate (QTD)	12.96%	0.69%

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