

AIICO MONEY MARKET FUND

MAY | 2024



OVERVIEW

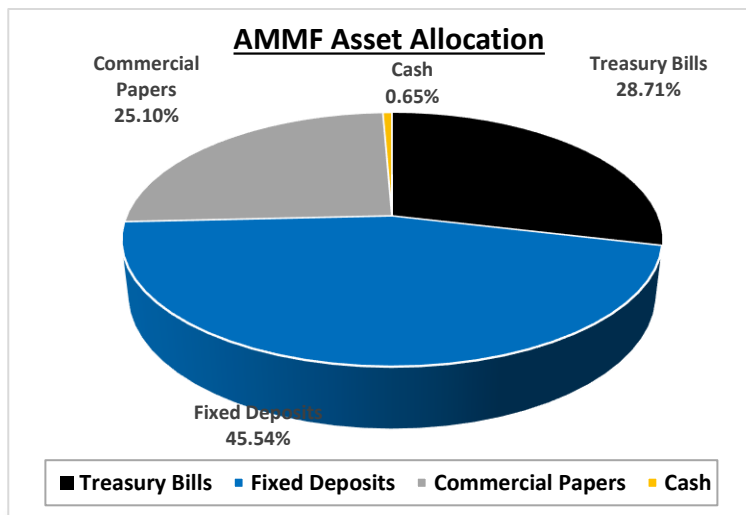
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a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

INVESTMENT OBJECTIVES

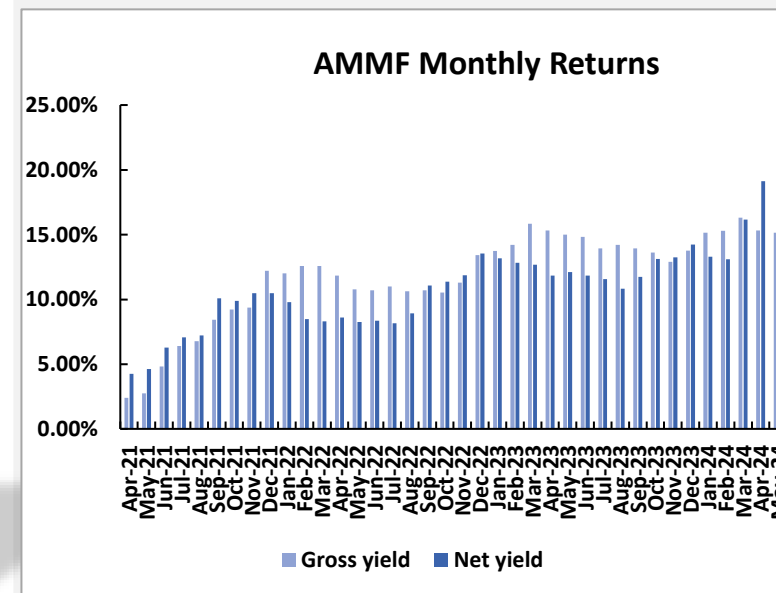
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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	30-Apr-24	31-May-24
Gross Return	17.62%	21.21%
Net Return	15.36%	19.12%
Weighted Average Maturity	52.11	91.63
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	16.2400%	16.5000%



FUND PERFORMANCE

The AIICO Money Market Fund returned a net yield of 19.12%, compared to the benchmark rate of 16.50% 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 91.63Days.

In May, The financial system faced a liquidity shortage for the significant part of May. While inflows from federal allocations and FX Swap maturities helped increase money in the financial system, OMO auctions (₦1.92 trillion), NTB auctions (₦913.64 billion), and FGN local bond auctions (₦682.07 billion) significantly impacted liquidity. Overall, the average opening system liquidity increased from ₦490.48 billion in April to -₦227.77 billion in May. The average Open Repo Rate (OPR) increased by 138 basis points m/m to 29.61%, while the Overnight Rate (OVN) expanded by 118 basis points m/m to 30.38%.

The treasury bills market started bullish in the first half of the month, with a slight decrease in stop rates at the primary market auctions. However, the market's sentiment turned negative after the CBN increased the monetary policy rate by 150 basis points to 26.25% and issued multiple OMO bills. Overall, the treasury bills market closed on a bearish note in May. The average mid-rate rose by 126 basis points m/m, settling at 20.52%.

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