

AIICO MONEY MARKET FUND

JUNE | 2024



OVERVIEW

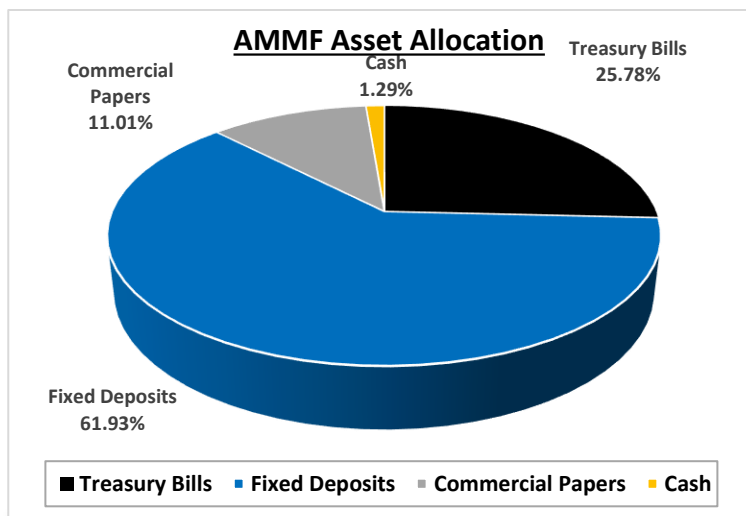
AIICO Money Market fund is an open-ended collective investment vehicles that pools investment monies from various individuals, Corporate organizations and High Net-worth Clients (HNC) for the purpose of investing in money market securities, designed to produce short to medium term growth, income or a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

INVESTMENT OBJECTIVES

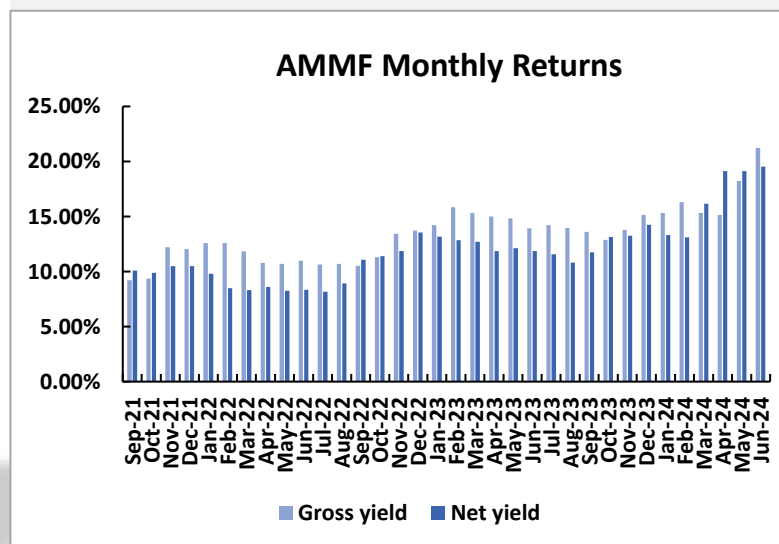
The investment objective of the Fund is to generate regular income for unit holders by investing in high-quality, liquid, and short-tenor fixed income instruments whilst ensuring safety of principal.

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	31-May-24	30-June-24
Gross Return	21.21%	21.62%
Net Return	19.12%	19.54%
Weighted Average Maturity	91.63	79.05
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	16.5000%	16.3000%



FUND PERFORMANCE

The AIICO Money Market Fund returned a net yield of 19.54%, compared to the benchmark rate of 16.30% 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 79.05Days.

In the money market, the first half of the month showed a mixed trend, with most of the deficit balances driven by OMO auction debits ((₦1.50 trillion). However, early FAAC inflows and Bond coupons (c.₦216.00 billion) boosted the liquidity balance around mid-month. Afterward, system liquidity stayed positive given the small size of the other OMO auctions ((₦264.33 billion) and some additional inflows from Remita, Coupon inflows and NDF maturity (c.₦178.00 billion). Overall, average opening system liquidity increased from ₦227.77 billion in May to ₦236.98 billion in June. Accordingly, the average Open Repo Rate (OPR) contracted by 275bps m/m to 26.85%, while the Overnight Rate (OVN) fell by 288bps m/m to 27.49%.

The treasury bills market teetered bullish in the first half of the month but switched to a bearish bias in the second half of the month, supported by the uptick in stop rates at the primary markets. Four OMO auctions and three NTB auctions were held at the during the month. At the end of the month, the market settled bullish, as the average mid-rate fell 5bps m/m to 20.47%.

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