

# AIICO EUROBOND FUND

AUGUST | 2024



## OVERVIEW

AIICO Eurobond Fund is an open-ended Dollar denominated mutual fund, strategically investing in high-quality Nigeria sovereign & non-sovereign Eurobonds and in investment-grade money market instruments.

## INVESTMENT OBJECTIVES

The investment objective of the fund is to offer investors the opportunity to diversify their portfolios, ensure long term capital appreciation and capital preservation while generating a steady stream of income on USD denominated securities.

## FUND PERFORMANCE

The AIICO Eurobond fund closed the month of August 2024 with a YTD return of 6.95%

In August, the Naira recorded marginal appreciation amid minimal volatility. The CBN's retail Dutch Auction (rDAS) was instrumental in maintaining stability, with about \$876.26 million sold at ₦1,495 per dollar. As a result, the Naira appreciated by 0.63% m/m to ₦1,598.56 per USD in the NAFEM window and gained 1.57% m/m to ₦1,602.58 per USD based on NAFEX fixing. However, there was a slight depreciation in the parallel market, with the Naira losing approximately 0.78% m/m to ₦1,615.35 per USD.

The average foreign exchange market turnover declined further by 17.77% m/m to \$185.13 million in August from \$225.13 million in July. Gross external reserves decreased by 1.30% m/m, from \$36.80 billion at the end of July to \$36.32 billion at the end of August. The price of Brent crude oil also declined by 2.50%, dropping from \$86.84 per barrel at the end of July to \$78.82 per barrel at the end of August.

The Eurobonds market closed bullish, as the average mid-yield decreased by 12bps m/m to settle at 9.94%.

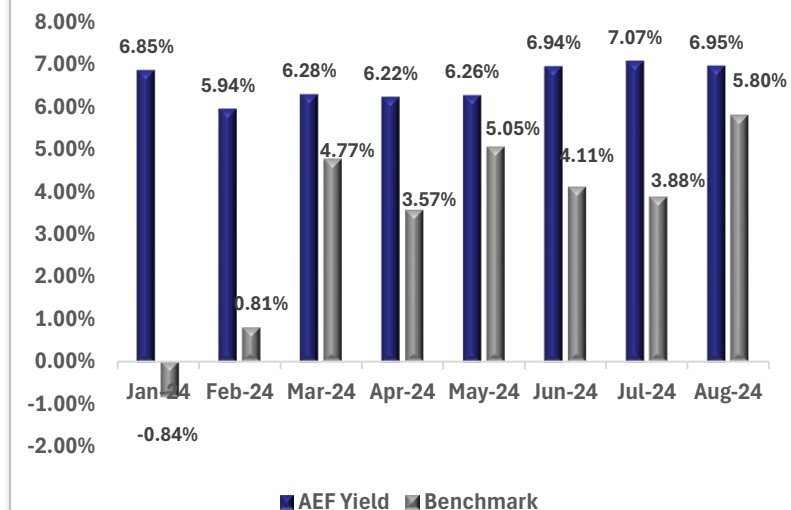
The bullish trend in August was enhanced by the lower inflation print, dovish Fed minutes, and Jerome Powell's dovish speech at the Fed's annual economic symposium in Jackson Hole.

US inflation (CPI) grew by 0.20% month-on-month, which aligns with market forecasts. However, year-on-year inflation rose by 2.90%, lower than the estimated 3.0%.

## FACT SHEET

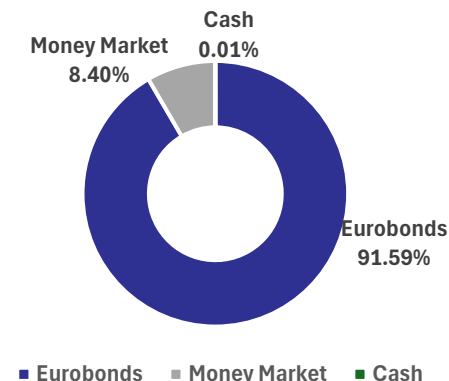
Fund launch date	20 Dec 2023
Net Asset Value as of 31 August 2024	\$ 972,534.36
Minimum Investment	\$1,000.00
Minimum Holding Period	180 Days
Benchmark	3-year NIG Eurobond
Net Yield	6.95%
Benchmark Rate	5.80%

AEF Monthly Returns



**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 ALLOCATION



ASSET CLASSES	LOWER LIMIT	UPPER LIMIT	ACTUAL
NIG Sovereign, Supranational & Corporate Eurobonds	50.00%	100.00%	91.59%
Money Market	0.00%	30.00%	8.40%
Cash	0.00%	5.00%	0.01%

Aim higher. Reach further ▶