

Cordros Money Market Fund

Fund Factsheet

April 30, 2018

Investment Objective

The fund's investment objective is to provide capital preservation and regular income to unit holders by investing in high-quality money market instruments.

Fund Overview

Inception Date	13 th Oct 2016
Financial Year End	31st December
Fund's NAV	N5.75 Billion
Price	N100
Benchmark	91-day T-Bill
Income distribution	Quarterly
Minimum Investment	N10,000
Subsequent Investment	N5,000
Fund Rating	Bbb-
Rating Agency	Agusto & Co. Ltd
Annual Management Fee	1.00%
Risk profile	Low

*As at 30th April 2018

Target Investors

The Cordros Money Market Fund is an attractive investment option for retail, high net-worth individuals, and institutional investors:

- with low risk appetite
- who seek safety and preservation of capital
- that want to maximize current income
- who require regular income from the fund in the form of quarterly dividends
- and have a short-term investment horizon.

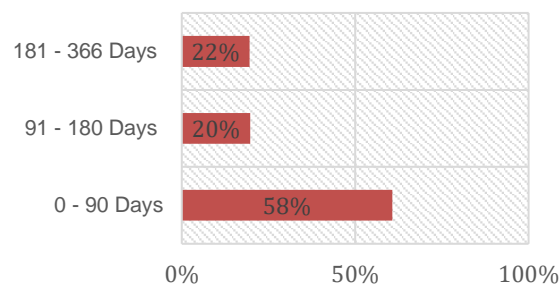
Benefits to Investors

- ⇒ Low-risk short-term money market securities
- ⇒ Diversification
- ⇒ Capital preservation
- ⇒ Liquidity and Ease of entry and exit
- ⇒ Professional Management
- ⇒ Affordability
- ⇒ Competitive return with minimum investment

Fund Performance

The fund's yield as at the end of April, 2018 was 14.58% while the weighted average Day to Maturity (DTM) was 87 days.

Maturity Mix



Market Commentary

In the month of April, treasury bills yield contracted by 350 bps on average, to 11.24%. Sentiments were bullish on the back of surplus system liquidity, reduced supply of bills at the primary market auctions, expectations of a rate cut at the April MPC meeting, and excess demand at the CBN's OMO auctions. It is noteworthy that CBN sold OMO bills just three times in April and cut OMO rates by 165bps and 235bps to 10.95% and 12.05% for the 90 Day and 250 Day papers. Notably, average yield dropped across all ends of the curve. In the primary market, treasury bill yields closed at 10.90% for 91-days (previously 11.95%), 12.00% for 182-days (previously 13.00%), and 12.08% for 364-days (previously 13.15%). Secondary market treasury bill yields closed at 10.48% for 91-days (previously 14.38%), 11.31% for 182-days (previously 14.81%) and 12.25% for over 200 -days tenor (previously 14.83%).

CMMF* Vs 91-day T-Bill**

Period	Q2' 17	Q3 '17	Q4 '17	Q1 '18	April '18
CMMF	18.74	18.95%	18.62%	16.01%	14.58%
91 Day T bills	17.88%	17.95%	15.73%	13.92%	11.83%

*Quarterly average yields of the Cordros Money Market Fund.

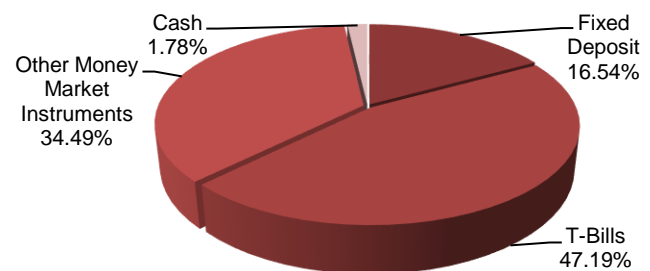
**Quarterly average yields of the 91-day T-bill.

Market Outlook

We expect the downward trend in money market interest rates to be sustained in the near term. Our theme is hinged on exchange rate stability, fast declining inflation rate, and huge system liquidity. CBN's significant reduction of OMO issuances and huge maturity profile (NTB: N358 billion, OMO: N1.2 billion, Bond: N300 billion) in the month of May will contribute to the current elevated system liquidity position and pressure yields lower. Despite a lower interest rate outlook in the short term, we maintain our view that the rate of decline will be limited by expectations of inflation reversal in the latter part of the year; on the back of large Capex disbursements by the Federal Government, election spending, and the need for the CBN to provide continuous support for a still relatively fragile currency. As such, the Fund Manager's asset allocation strategy will focus on increasing allocation to high quality money market instruments that offer premium to government treasury bills.

Asset Allocation Range

Instrument	Range
Fixed Deposit	10% - 60%
Treasury Bills	25% - 80%
Other Money Market Instruments^	10% - 65%



The daily annualized yield is stated net of fees and expenses.

The fund manager is required to maintain a stable NAV of N100. However, the price of investments and the income from them may rise or fall and investors may not get back the full amount invested.

*** Past performance is not a guarantee of future results.

^Other money market instrument includes unsubordinated short-term debt securities such as Bankers' Acceptances and Commercial Papers of companies, other Money Market Funds and other instruments introduced and approved by the Central Bank of Nigeria from time to time and as permissible under Securities and Exchange Commission Rules & Regulations.