

August 31, 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 <sup>th</sup> Oct 2016
Financial Year End	31st December
Fund's NAV	N5.62 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

### Target Investors

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

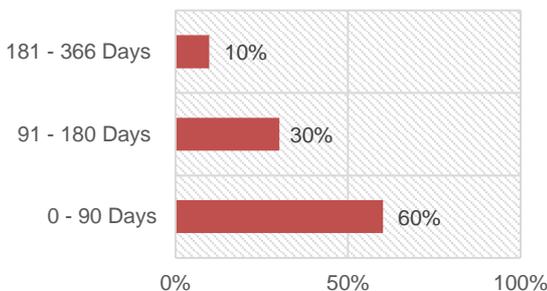
- with low risk appetite
- who seek safety and preservation of capital
- that want to maximize current income
- who require regular income from the fund in the form of quarterly dividends
- and have a short-term investment horizon.

### 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 August, 2018 was 12.71% while the weighted average Day To Maturity (DTM) was 89 days.



### Market Commentary

Headline inflation reversed its eighteenth consecutive month of decline (which started in January 2017) printing at 11.23% y/y in August, up from 11.14% y/y in July. The eighth month of the year saw treasury bill yields expand by 39 bps on average, to 12.20%, as market players reacted to higher than expected primary auction stop rates. Buoyant liquidity drove demand for the major part of the month, however, a 158 bps increase in stop rates on average, at the final auction of the month, led to major selloffs across the market. Consequently, average yield expanded by 39 bps m/m to 12.20%. Yields rose at the mid (+76 bps) and long (+114 bps) ends of the curve, with the 31-JAN-19 (+97 bps) and 18-JUL-19 (+217 bps) bills recording significant expansions, respectively. Conversely, investors were bullish at the short (- 8 bps) segment, with the 13-SEP-18 (-219 bps) bill recording a significant contraction. At the last Nigerian Treasury Bill (NTB) primary auctions for the month, 91-day, 182-day, and 364- day bills were allotted at respective stop rates of 11% (previously 10%), 12.3% (previously 10.4%), and 13.05% (previously 11.22%).

### CMMF Vs 91-day T-Bill

Period	Q1 '18*	Q2 '18*	Jul '18**	Aug '18**
CMMF*	14.98%	14.17%	12.29%	12.71
91 Day T bills*	14.64%	11.87%	10.94%	11.31%

\*Yields as at end of the quarter.

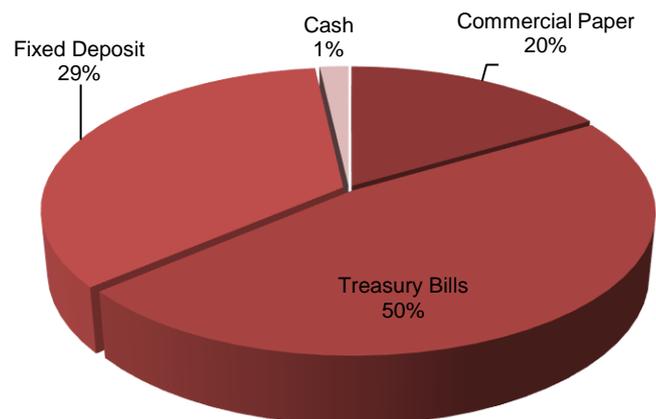
\*\*Yields as at end of the month.

### Market Outlook

We expect current buoyant liquidity to persist on the back of inflows from maturing OMO bills (NGN1.01 trillion), bond coupon payments (NGN146.83 billion), and the budgetary allocations (c. NGN326.06 billion) to state and local governments. Despite market liquidity, we reiterate our expectation of higher yields on money market instruments in the near term anchored on (1) domestic monetary policy direction, (2) capital flight amid higher yields in safe haven assets, (3) political uncertainty stemming from the upcoming general elections, and (4) government borrowing to fund the 2018 budget. In line with interest rate outlook, the Fund Manager will shorten duration to avoid unattractive yields at the longer tenors.

### Asset Allocation Range

Instrument	Range
Fixed Deposit	10% - 60%
Treasury Bills	25% - 80%
Other Money Market Instruments <sup>^</sup>	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.

<sup>^</sup>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.