

# Cordros Money Market Fund

## Fund Factsheet

March 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	N5.77 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 31<sup>st</sup> March 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.

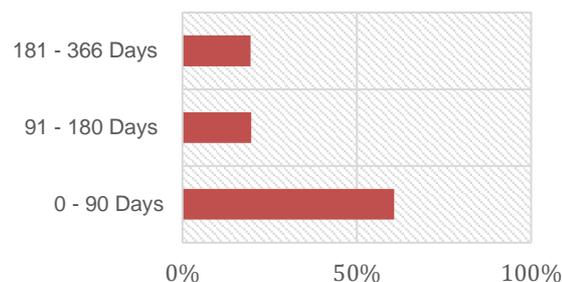
### Benefits to Investors

- ⇒ Investment in 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 March, 2018 was 14.98% while the weighted average Day to Maturity (DTM) was 87 days.

### Maturity Mix



### Market Commentary

The month of March saw a decline in money market yields due to healthy demand by local and foreign institutional investors and thinning Open Market Operations (OMO) supply by the apex bank. Sentiments were bullish as the market reacted to higher-than-expected moderation in inflation to 14.33% in February, and a marked reduction in the amount of bills being offered (NGN481bn) vs the amount of bills maturing (NGN964bn), as shown in the Q2-2018 NTB auction calendar. Primary market treasury bill yields closed at 11.95% for 91-days (previously 11.75%), 13.00% for 182-days (previously 13.00%) and 13.15% for 364-days (previously 13.19%).

Thus, sentiments were tilted in favor of secondary market and OMO issuances due to availability of higher asset yields when compared with those on primary market assets. Secondary market treasury bill yields closed at 14.38% for 91-days (previously 14.57%), 14.81% for 182-days (previously 15.54%) and 14.83% for over 200 -days tenor (previously 15.42%).

### CMMF\* Vs 91-day T-Bill\*\*

Period	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
CMMF	19.26%	18.74	18.95%	18.62%	16.01%
91 Day T bills	15.07%	17.88%	17.95%	15.73%	13.92%

\*Quarterly average yields of the Cordros Money Market Fund.

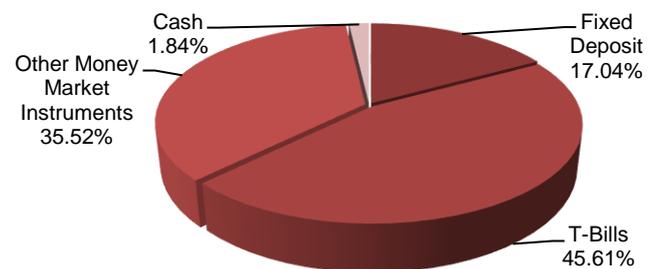
\*\*Quarterly average yields of the 91-day T-bill.

### Market Outlook

After a quarter without a Monetary Policy Committee ('MPC') meeting, the Committee eventually met in the month of April, 2018; following the senate's approval of the appointed Committee members. In line with consensus expectation, the benchmark policy rate was kept unchanged at 14%. On the argument to hold, the Committee believes that key macroeconomic variables have continued to evolve in a positive direction in line with the current stance of macroeconomic policy and should be allowed more time to fully manifest. Our outlook, which posits a downward trend in interest rates, is hinged on moderating inflation in the short term. However, this view will be limited by expectations of higher inflation in the latter part of the year; on the back of large projected government spending and the need to provide continuous support for a still relatively weak currency. As such, the Fund Manager will increase fund 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 <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.