

## 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	N5.61 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:

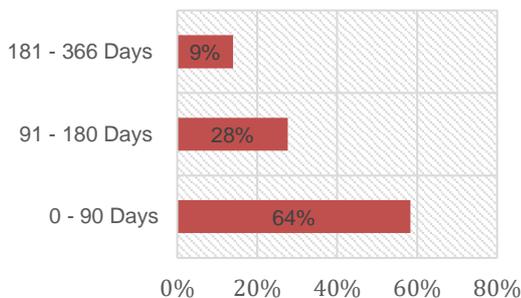
- with low risk appetite
- who seek safety and preservation of capital
- that want to maximize current income
- who require regular income from the fund in the form of quarterly dividends
- and have a short-term investment horizon.

## 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 June, 2018 was 13.01% while the weighted average Day To Maturity (DTM) was 79 days.



## Market Commentary

Inflation sustained its downward spiral in the month of May decreasing to 11.61% versus 12.48% YoY in April. It is noteworthy to mention that despite a sustained decline in inflation, pressures persist as the month on month (MOM) inflation printed at 1.09%; the highest monthly increase since last August. The decline in yields witnessed last month reversed in June; yields on the 91 day and 182 days expanded by 0.35% and 0.91% to close at 12.24% and 13.07% respectively. However, yields fell at long end of the curve. Similarly, at the Primary Market Auctions (PMA), stop rates closed higher across all maturities month on month. 91-day closed at 10.20%; up 0.20%, 182 -day closed at 10.50%; up 0.20%, and 364-day closed at 11.50%; up 0.50%. To us, the CBN is slightly drifting from curtailing rates to align with declining inflation, to taking a preventive stance on likely liquidity threats to currency stability in the second half of the year.

## CMMF Vs 91-day T-Bill

Period	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18
CMMF*	16.75%	15.68%	14.98%	15.29%	14.20%	13.01%
91 Day T bills*	13.18%	14.05%	14.64%	10.80%	11.93%	12.87%

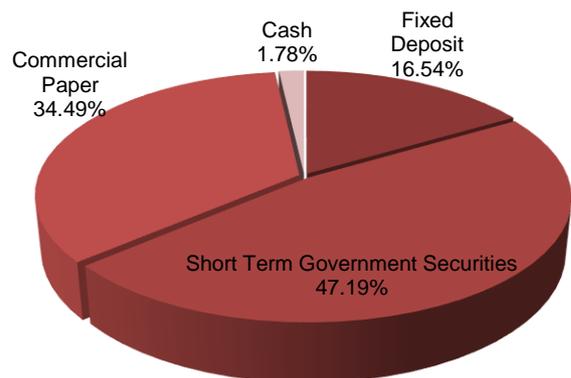
\*Yields as at end of the month.

## Market Outlook

Given the presidential assent to the 2018 appropriation bill, we expect immediate implementation of the capital expenditure plan to exert further liquidity and inflationary pressures in H2 2018. Given this and a confluence of other factors, we are of the opinion that the Monetary Policy Committee (MPC) will increasingly focus on managing currency risks by issuing securities at higher yields. They will however continue to use Open Market Operations (OMO) to control money supply versus altering the Monetary Policy Rate (MPR) in our view. As such, the Fund Manager sees merit in positioning for higher yields in H2 2018 at the OMOs by shortening duration and avoiding unattractive yields at the longer tenors. Furthermore, our asset allocation strategy will be skewed towards 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.