

### 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	N5.56 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:

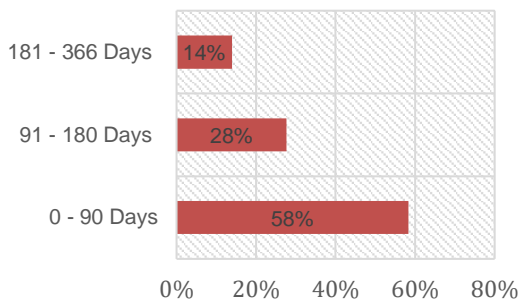
- with low risk appetite
- who seek safety and preservation of capital
- that want to maximize current income
- who require regular income from the fund in the form of quarterly dividends
- and have a short-term investment horizon.

### 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 May, 2018 was 14.20% while the weighted average Day To Maturity (DTM) was 87 days.



### Market Commentary

Inflation decelerated for the fifteenth consecutive month with headline inflation for the month of April decreasing to 12.48% YoY versus 13.34% YoY in the month of March. Despite the sustained deceleration, the Monetary Policy Committee (MPC) maintained status quo at the last MPC meeting citing the need to get further clarity on the direction of inflation and GDP before tinkering with the rate. The Central Bank of Nigeria (CBN) mopped up excess naira liquidity aggressively via its weekly OMO (Open Market Operations) auctions, withdrawing a total of NGN1.81 trillion, and leading the overnight rate to spike to as high as 164.17% at the middle of the month, the highest level since 12th April 2017. Other outflows from FX sales (USD1.69 billion) and primary market auctions (NGN229.32 billion) also put a strain on liquidity. In view of the tight system liquidity, treasury bill yields expanded by 144 bps on average to 12.68%. The last Nigerian Treasury Bill (NTB) primary auction for the month was oversubscribed by over 100%. In comparison to the previous auction in the month, the stop rate remained unchanged on the 91-day (10.00%), closed lower on the 182-day (10.30%; previously 10.50%), and closed higher on the 364-day (11.00%; previously 10.70%) bills.

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

Period	20 17*	Q1 '18	April '18	May '18
CMMF*	18.89%	16.01%	14.58%	14.20%
91 Day T bills*	16.66%	13.92%	11.83%	11.63%

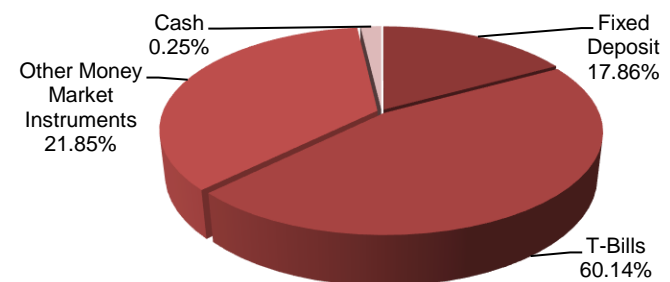
\*Full Year average yields of the Cordros Money Market Fund & 91 Day T bills.

### Market Outlook

Although inflation rate has been on a downward trajectory, we expect an upward pressure in prices in the second half of the year. This will be driven by substantial expansionary fiscal policy due to the late passage of the 2018 budget and election activities as we get closer to 2019. While we do not expect the CBN to hike the Monetary Policy Rate (MPR) this year, we opine that the apex bank will use its other administrative tools in controlling money supply. This is expected to cause a slight uptick in money market yields. In view of the interest rate outlook, the Fund Manager will shorten duration. In addition, the Fund Manager's 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^	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.