



INVESTMENT ONE

# INVESTMENT ONE FUNDS MANAGEMENT – ABACUS MONEY MARKET FUND

Quarterly Fact Sheet  
March, 2021

## Fund Overview

The Abacus Money Market Fund is an open-ended Fund authorized and registered by the Securities and Exchange Commission on November 28, 1990 as Abacus Unit Trust Scheme. Investment One Funds Management was later appointed by the Trustees and approved by SEC in 2014 to act as the Fund Manager.

The AMMF was restated and re-launched in December 2016 with asset under management of ₦190million. Its diversified portfolio consists of quality money market instruments including short-term government securities, commercial papers and bank placements.

The Fund is most suitable for Investors with short-term investment horizon and offers an alternative to short-term deposits and savings accounts with the added benefit of enjoying decent returns from the professional management of the Fund's assets.

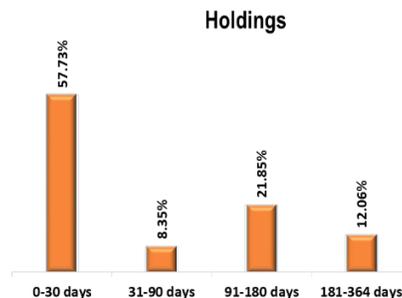
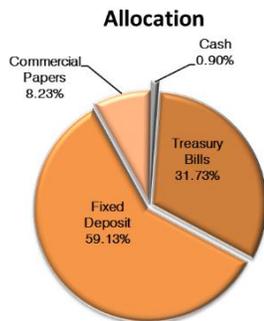
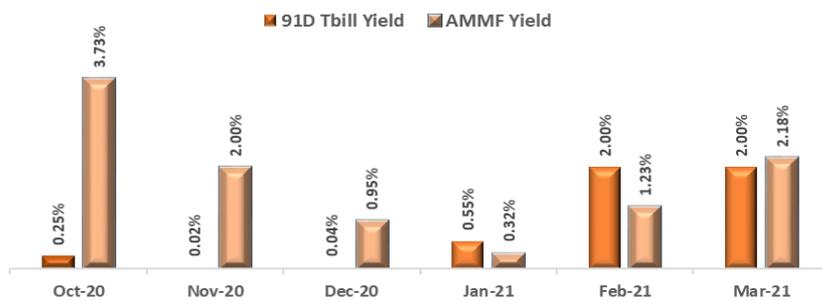
## Fund Manager's Remark

The Fund continues to witness decline in asset size due to withdrawals majorly for rotation to other investments. Although rates improved from what it was last quarter but investors still demand for more. The Fund experienced more withdrawals than subscriptions and due to lack of fresh inflows, we couldn't take advantage of the uptick in rate to drive return of the Fund as expected. The strategy adopted during period under review was to stay at the lower end of the money market tenor and reprice rate higher at maturity.

At the end of period under review, asset under management declined by 22.56% to close at N7.56bn from N11.27bn it closed the previous quarter. The fund experienced lots of redemptions thereby leading the pre-termination of some investments at a cost

The net return for the Fund as at the end of Q1'2021 was 2.18% compared to 0.86% at the end of Q4'2020 while the net outflow was N679 mn for period under review

## Fund Composition and Performance



## Macro-Economic Review

- During the quarter, sentiment in global economy was boosted by the signing of the US\$1.9trillion stimulus bill into law in the US and increase in China's factory and retail sector activity in the first two months of the year which beat expectations as the economy consolidated its brisk recovery from the coronavirus paralysis of early 2020.
- In the local economy, the National Bureau of Statistics released the Q4 2020 GDP numbers which showed that the nation's economy exited recession in the last quarter of 2020. Contrary to our expectation, the country recorded an expansion in output as GDP rose by 0.11% in Q4 2020 compared to a decline of 3.62%y/y recorded in Q3 2020 and a growth of 2.55% in Q4 2019. We highlight that the growth in Q4 2020 was driven by stronger than expected recovery in Non-oil sector (94% of the GDP) which grew by 1.69% in Q4 2020 as Oil sector (6% of the GDP) shrank by 19.76%.
- At the end of the last meeting of the Monetary Policy Committee in the quarter, the Committee maintained the benchmark interest rate at 11.50%. In the same vein, the Committee kept the asymmetric corridor at +100/-700 bps around the MPR, CRR at 27.50% and Liquidity ratio at 30.0%.
- In the fixed income space, yields in the secondary market moved northwards after downtrend we saw in the most part of 2020 as investors reacted to the increase in stop rates at NTB and Bond auctions. The yield on the 1yr Treasury bill rose by 592bps q/q to 6.64%.
- The pressure on Consumer prices remained high in the first quarter of the year as the effects of the weak food supply due to elevated insecurity in the country and energy cost caused general prices to increase faster. As such, headline inflation rose to 17.33% y/y in February 2021 from 15.75% in December 2020.
- While the naira closed at around N410/USD in December 2020 at the IEFX window, the nation's currency gained at the beginning of the year as it appeared that the sharp depreciation on the last trading day of the year was temporary. Overall, naira closed at N486.00 and N408.67 against N470.00 and N410.25 in Q4 2020 at parallel and IEFX market respectively.
- Q2 2021 Outlook:** With the recent increase in yields in the fixed income market we expect return to improve

## Fund Manager

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## Fund Features

Launch Date	1990
Net Assets	₦7.56 billion
Domiciliary	Nigeria
Currency	NG Naira
Objective	Interest Income Guaranteed Principal
Financial Year End	December
Minimum Initial Investment	₦1,000
Fund Rating	A(f)
Rating Agency	Agusto & Co.
Management Fee	1.5% of Net Asset Value (NAV)
Incentive Fee	15% of Excess Return above 10%
Risk Tolerance	Low
Permissible Asset Class	Bank Placement (15% - 75%) Short Term Govt. Instr. (25% - 85%) Others* (0% - 60%)
Composite Benchmark	91D Treasury Bill
Fund Price (31-Mar-21)	Bid/Offer: ₦100/₦100
Custodian	Citibank Nigeria Ltd
Trustee	United Capital Trustees Limited

\*Other refers to money market investments such as commercial papers, banker's acceptances, certificates of deposits, collateralised repurchase agreements

## Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Pension Fund Administrators
- Insurance firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Manager

**Important Information:** Kindly note that the information contained in this document may vary from time to time and may be subject to changes, including but not limited to changes in market conditions. Investments are prone to risks and consequently fund value may go up as well as down and past performance is not an indicator nor a guarantee of future performance. We strongly advise that you consult your stockbroker, solicitor, banker or an independent investment adviser in making investment decisions. Carefully consider the funds' investment objectives, risks, charges and expenses. This and other information can be found in the funds' fact sheet. You are advised to read and understand the contents of this fact sheet. This information is not an offer to sell or a solicitation of an offer to buy units of any Fund to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.