



# CORAL MONEY MARKET FUND

## FY 2022 Fund Managers Report

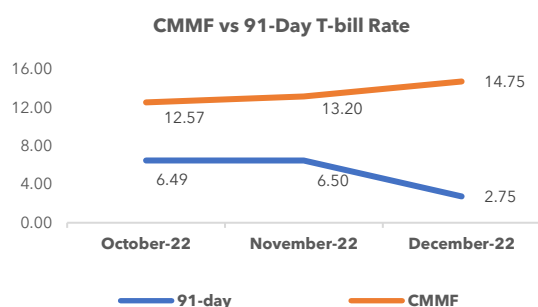
### BACKGROUND INFORMATION

The Coral Money Market Fund "CMMF" is an actively managed open-ended unit trust scheme that invests exclusively in money market instrument – instruments with maturities less than 365 days.

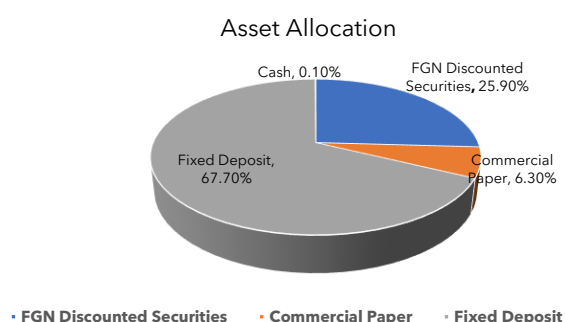
### INVESTMENT OBJECTIVE

The objective of the Fund is to enable investors achieve consistent income streams through investment in a portfolio of money market securities and investments specified in the Trust Deed. The money market fund preserves capital, offers quarterly interest payment as well as safety and liquidity over the long term. It is also particularly designed to enable investors satisfy a broad range of financial needs as it can be used as a private pension/retirement plan, investments plan, or children's educational plan.

### Fund Performance vs. benchmark



### ASSET ALLOCATION (% OF TOTAL ASSETS)



### UPDATE ON THE CMMF

You can now monitor your investment online by viewing your statement on our website [www.fsdhaml.com](http://www.fsdhaml.com).

### REVIEW OF THE FUND

Inception date:	June 2019
Net Asset Value:	N7.62bn
Base Currency	Naira
Management Fee	1.50%
Minimum Investment	N5,000.00
Distribution Frequency	Quarterly
Investment Managers Rating:	BBB(f) (Agusto & Co)

Current Asset Allocation: 25.9% in FGN Treasury Bills, 67.7% in Fixed deposits, 6.3% Commercial Paper Instruments, and cash 0.1%.

Benchmark:	91days FGN Treasury Bills
Risk Profile:	Low
Fund Custodian:	United Bank of Africa
Fund Trustee:	UTL Trust Management Service
Auditors:	KPMG Towers
Registrars:	United Securities Limited

### Fund Manager's Comment

The CMMF returned 14.75% in 2022 compared to 7.39% printed in 2021. The Fund also outperformed the benchmark of 3.62% (91 days FGN Treasury Bills). The fund return was supported by our going short at the commencement of the year when interest rates were low and gradually repricing as interest rates went up. Our treasury bill position was also sweated to drive overall returns on the fund while we carefully selected high quality commercial paper to add premium to fund return. The fund AUM which started the year with 5.62billion closed the year with 7.62 billion representing a growth of 35.59%. This is a testament of the growing investing public's confidence in the Fund. From a peer review perspective, our CMMF fund return was the 4<sup>th</sup> in ranking out of Twenty-Nine Money Market Funds reviewed (Data gotten from SEC website).

### Strategy

The elevated interest rate which we saw in the second half of 2022 is expected to begin to moderate in the first quarter of 2023 before expectation of increased economic activities post-election possibly drive-up interest rate leading to the second half of 2023. Given this expectation, we had gone long in our money market activities locking in higher interest while considering the overall WAM and impact on asset allocation. Our strategy will be to continue to watch the interest rate environment and anticipate various inflection points that would lead to reversal of our position as interest rate is the major driver of returns of the Fund. We will also continue to cherry pick on quality commercial papers.

### Increasing your investment in the Coral Money Market Fund just got easier!

- From the comfort of your space, you can increase your investment in the CMMF with as little as N5,000 through any of the following:
- Automatic transfer sums from any Nigerian bank to the funds custodian by issuing a direct debit instruction. You simply fill and execute the form; we will process it on your behalf.
- Transfer the investment sum to the funds' custodian.
- Issue a cheque/ bank draft in favor of "Coral Money Market Fund".

You can also reach out to us via email at [coralfunds@fsdhgroup.com](mailto:coralfunds@fsdhgroup.com). Follow us on twitter and Instagram via @Fsdhcoralfunds and like our face book page; FSDH Coral Funds [www.facebook.com/coralfunds](http://www.facebook.com/coralfunds)