



CORAL MONEY MARKET FUND

Q1 2023 Fund Managers Report

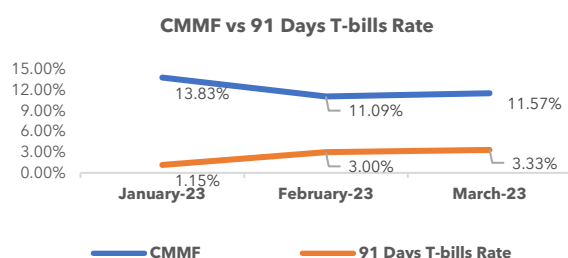
BACKGROUND INFORMATION

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.

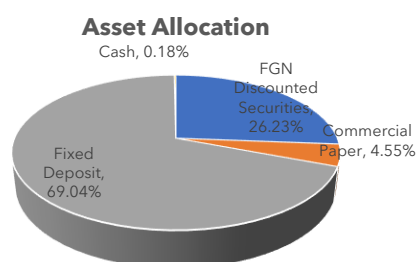
INVESTMENT OBJECTIVE

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)



• FGN Discounted Securities • Commercial Paper • Fixed Deposit • Cash

UPDATE ON THE CMMF

You can now monitor your investment online by viewing your statement on our website www.fsdhaml.com.

REVIEW OF THE FUND

Inception date:	June 2019
Net Asset Value:	N11.69bn
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: 26.23% in FGN Treasury Bills, 69.04% in Fixed deposits, 4.55% Commercial Paper Instruments, and cash 0.18%.

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 11.57% in Q1 2023 compared to 14.75% printed in Q4 2021. Generally, we saw money market rate decline as the financial system became awash with liquidity. Hence, the marginal decline in the Fund return; nevertheless, the Fund still outperformed the benchmark of 2.55% (91 days FGN Treasury Bills' 3 months average). Also, we keyed into 364-day treasury bills position at a good rate (when yield was relatively high) to drive overall returns on the fund and stay competitive in the industry. The fund AUM which started the year with 7.62billion closed the quarter at about 11.69billion representing a growth of 53.41%. This is a testament of the growing investing public's confidence in the Fund.

Strategy

We expect the gap between the money market rate and benchmark rate to further widen as liquidity boost in the financial system suppresses rate on fixed deposits and short-term government securities. Hence, we expect market rate to turn southward in Q2 2023. Given this expectation we have taken steps to further key into 364-day treasury bills at a relatively high rate while considering the overall impact on WAM and asset allocation. Our strategy will also 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 continue to cherry pick on quality commercial papers, and further expand our counterparty lines to accommodate well-rated regulated money takers that would offer juicy rate.

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. Follow us on twitter and Instagram via @Fsdhcoralfunds and like our face book page; FSDH Coral Funds www.facebook.com/coralfunds