

FUND DETAILS

Fund Previous Name	DV Balanced Fund
Domicile / Base Currency	Nigeria / Naira (NGN)
Fund Launch Date	26 th August 2014
Fund Conversion Date	6 th August 2019
Fiscal Year End	December
Fund Rating	Agusto & Co: A(f)
Risk Classification	Low Risk
Distribution Frequency	Quarterly
Benchmark	Weighted Average 91-day Treasury Bills
Minimum Initial Investment	₦5,000.00
Minimum Additional Investment	₦5,000.00
Management Fee	1.00%
Minimum Holding Period	30 days
NAV per Unit	₦ 1.00
Fund NAV	₦ 1,069,536,595.51
Fund Manager	Vetiva Fund Managers Limited
Trustees	STL Trustees Limited
Custodian	Citibank Nominees
Registrars	First Registrars

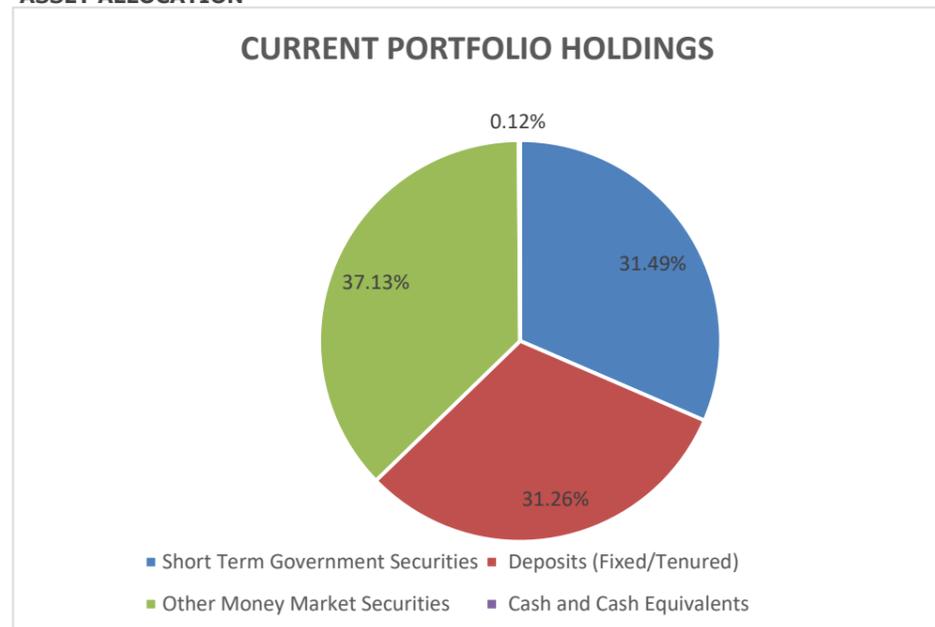
MATURITY PROFILE OF ASSETS

Tenor	Current Allocation
0-30 days	56.86%
31-60 days	9.63%
61- 90 days	3.53%
91 - 180 days	17.72%
181 - 365 days	12.26%

REGISTRATION:

The Vetiva Money Market Fund is authorised and registered with the Securities and Exchange Commission, Nigeria as a Collective Investment Scheme.

YIELD MOVEMENT

ASSET ALLOCATION

CONTACT DETAILS:

Address: 266b Kofo Abayomi Street, Victoria Island, Lagos, Nigeria
 Tel: +234 (1) 453 0697; +234 (1) 279 7328
 Website: www.vetiva.com/funds
 Email: funds@vetiva.com
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The VMMF is an actively managed open-ended Fund that seeks to provide capital stability, liquidity, and diversification whilst providing a competitive return to fund investors. The Fund invests in a diversified portfolio of high yield and high-quality short-term money market instruments like Government Treasury Bills, Commercial Papers, Tenored Deposits, short-term instruments with eligible financial institutions, and other instrument introduced and approved by the Central Bank of Nigeria (CBN) from time to time.

INVESTMENT OBJECTIVE

The fundamental objective of the Fund is to preserve investors' capital whilst providing liquidity and maximising current income, in line with prevailing Nigerian Money Market yields, by investing in a diversified portfolio of money market instruments.

INVESTMENT STRATEGY

Selection of securities for the Fund is driven by a detailed investment policy focused on achieving consistent income streams through investing in a diversified portfolio of money market securities and investments specified in the Trust Deed. The Manager seeks to meet the Fund's objective by actively managing the portfolio based on the relative attractiveness of the money markets.

BENEFITS OF THE FUND

Investing in the Vetiva Money Market Fund gives you the following unique benefits:

- Liquidity and regular income streams;
- Capital Preservation and Safety;
- Competitive return compared to savings account returns;
- Diversification;
- Affordability and Accessibility;
- Professional Management.

INVESTOR SUITABILITY

The Fund is targeted toward prudent investors (retail, High Net-worth individuals and Institutions) with low risk appetite looking to maximize interest income in short-tenored securities.

The Fund would be attractive to investors who desire a regular stream of income with minimal risk appetite.

HOW TO INVEST IN THE FUND

You can subscribe to the fund with as little as ₦5,000.00 and you can continue to make additional investments in the Fund. Deposits can be made by Cheque, paying into the below account or using your Debit/Credit Cards.

Bank: Citibank Nigeria Ltd
 Account Name: STL Trustees/Vetiva Money Market Fund
 Account No: 0011892019

MARKET COMMENTARY
REVIEW:

Although CBN policy direction going into the year pointed towards a moderation in yields, the level of decline in 2020 has been drastic, as the rates on offer during the year were lower than the preceding years. Bonds were sold at an average rate of 9.84% compared with the 14.00% levels of the previous four years. Furthermore, NTB rates fell even more dramatically, with average stop rates of 2.82% compared against a range of between 11% to 16% levels of the last five years. As a result of this decline in real returns, investors began to favour the equity market. Looking forward, we expect the CBN and DMO to attempt to maintain the low yield environment for as long as possible. However, we note that pressure on Foreign Exchange (FX) reserves from FPI's will continue to mount, as investors continue to seek exits from the market as even the foreign investor dominated OMO market has seen yields decline to 8.46% levels. This could force a reversal in yield direction by the second half of the year 2021, especially if crude prices do not recover substantially from current \$45/bbl levels.

On the demand side, we expect demand to remain weak in the current yield environment, with investors likely to continue playing in the Equity market, should dividend yields remain attractive. However, with the FG unlikely to be able to unlock significant funds from concessionary loans due to the reluctance to devalue or float the currency, we expect bond supply to increase in 2021 due to budgetary requirements and inflation.

OUTLOOK:

Going into the new year, we expect the low yield environment to continue to favour debt raising by corporates. We expect said capital raising to come from firms within the financial services, consumer goods and Industrial goods sectors due to current capital levels, the impact of currency devaluations on capital adequacy which were observed in 2020 and attractive borrowing rates.

We expect further focus on short-term borrowing (Commercial Papers) in the coming year due to the current yield environment and capital market realities. We note that Commercial Paper activity this year saw capital in excess of ₦604 billion and \$76.52 million raised, at rates of between 5.00% and 7.00% as corporates took advantage of the lack of access to the attractive OMO market. Given our expectation that the CBN will continue to limit access to the OMO market, we foresee even greater demand for CPs in 2021, with funds in excess of ₦1 trillion expected to be raised.



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