

Market Overview

The fixed income market was mostly bullish in May, as evidenced by yield decline in the market. This was on the back of liquidity pressure, fuelled by reduced OMO sales from the CBN and the limited volume of the 365-day TBills tenor issued at the Primary Market Auctions (PMAs) held in the month.

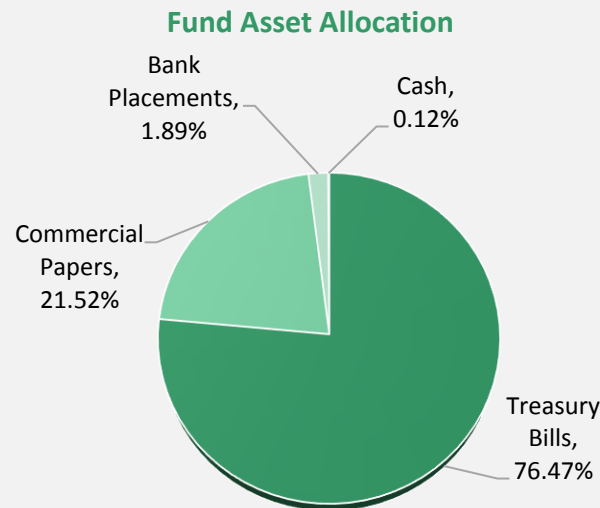
Average Treasury Bills yield therefore declined by more than 100 basis points to close the month at 11.71% as pressure persisted especially at the long end of the curve.

A few corporates took to the market to raise low cost capital through the issuance of commercial papers, mostly at a premium to PMA TBills rates.

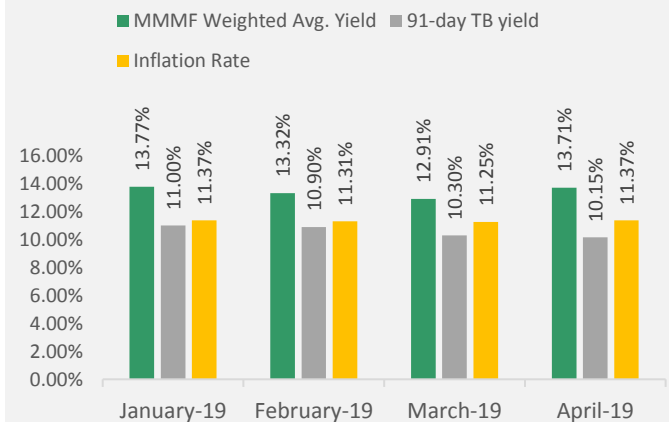
Fund Performance Review

The portfolio returned 14.11% gross and 12.30% effective Weighted Average Yields respectively by the end of May. It outperformed both its benchmark return and inflation rate of 10.26% and 11.37% respectively.

Given the continued bullish nature of the fixed income market and yield decline in the secondary market for TBills, the Fund's asset was tilted slightly towards commercial papers which provided higher returns in the period. The portfolio is set to deliver superior returns to investors through a combination of optimal asset allocation and proactive management strategies.



Weighted Average Yield



Gross Weighted Average Yield (WAY)
14.11%

Effective WAY
12.30%

Weighted Average Maturity (WAM)
80.37 days

Benchmark Return
10.26%

Net Asset Value (NAV)
N809.86mn

Fund Credit Rating
A+ (f)

Expense Ratio
1.80%

Bid /Offer Prices
NGN10.00

Inflation Rate
11.37%

MPR
13.50%

The Fund distributes to unitholders quarterly, through cash payments or re-investment in additional units.

***WAY**: represents yield at period end

***WAM**: upper statutory limit of 90 days

***Benchmark return**: Average 91-day TBills Yield

***NAV**: represents point estimate at period end

Subscription

Bank Name: Standard Chartered Bank Plc

Account Name: VETIVA TRUSTEES/MERISTEM MMF

Account Number: 0002190585

Sort code: 068150057

Profile of the Fund Manager

Meristem Wealth Management Limited (MWML) is a financial services company licensed by the Securities and Exchange Commission (SEC) as a Fund and Portfolio Manager. We distinguish ourselves as a distinct and preferred financial services provider, maintaining enviable track record of performance and excellent professional services for over a decade. Our Asset Under Management (AUM) is currently in excess of NGN200 billion. Meristem Equity Market Fund and Meristem Money Market Funds are part of our retail products.

Fund Managers

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