





MUTUAL FUND FACTSHEET

All data as at 30 November 2020 unless otherwise stated

PUBLIC

Executive Summary

- The Organization of the Petroleum Exporting Countries (OPEC) in its closely watched Monthly Oil Market Report revised its expectations for global oil demand downwards by 30,000 barrels per day compared to last month's estimate of 90.3mbpd as the renewed spike in COVID-19 cases in major economies as well as weaker-than-expected demand in developed countries slowed down oil demand recovery. The Organization now sees global oil demand slightly above 90m bpd this year, down by 9.8m bpd compared to 2019.
- Nigeria, Africa's largest oil producer, is set to resume importation of petroleum products from Niger Republic's Soraz Refinery in Zinder, some 260km from the Nigerian border. The refinery has an installed refining capacity of 20,000 barrels per day compared to Niger Republic's total domestic requirement of c.5,000 barrels per day thus leaving a huge surplus of c. 15,000 barrels.
- President Muhammadu Buhari has approved the establishment of an infrastructure company wholly focused on critical infrastructural investments in the country. The infrastructure company is expected to raise funds from the Central Bank of Nigeria (CBN), Nigeria Sovereign Investment Authority (NSIA), pension funds as well as local and foreign private sector development financiers.
- In a unanimous vote, the Monetary Policy Committee (MPC) kept all its policy parameters unchanged. The Committee believes that holding rates at current levels will be beneficial and will allow the present measures permeate the economy while observing the trend of developments as the MPC feels its recent policies are showing positive results.

Asset Class	Benchmark	1M (October) %	Year to Date %	Commentary
Money Market 	91-day T-bill	0.0*	1.8**	<ul style="list-style-type: none"> Increased system liquidity from investment maturities and monthly distribution by the Federation Account Allocation Committee (FAAC) to the tune of N604bn for the latter, continued to dictate rates movement in the month. Investors were left with little investment options as yields on money market instruments continued to trend downwards. Two Nigerian Treasury Bills (NTB) auctions were conducted with rates decreasing across all tenors. The last auction was 2.9x oversubscribed with demand concentrated on the long end. Rates declined 0.2 points, 0.4 points and 0.7 points m/m to close at 0.02%, 0.09% and 0.15% on the short, mid and long ends of the curve respectively.
	181-day T-bill	0.1*	2.4**	
	364-day T-bill	0.2*	3.7**	
Fixed Income 	BNGRI***	1.3	65.9	<ul style="list-style-type: none"> In the bond market, sentiments were mixed in the month with slight profit taking seen across the curve. Demand interest was however sustained as investors remained faced with limited investment alternatives. At the month's bond auction, the Debt Management Office (DMO) offered a total of N80bn which was oversubscribed by N104.7bn with marginal rates closing at 5.0% (+3bps) and 5.7% (-22bps) on the 2035 and 2045 maturities. Companies are taking advantage of the low yield environment by tapping into the debt market. Debt raised are priced at yields such as 5.5% and 6.2%.
	3 Year Federal Government Bond	2.1	29.3	
Eurobond 	3 Year Nigerian Sovereign Eurobond	3.3	5.9	<ul style="list-style-type: none"> News of successful COVID-19 vaccine trials by PFIZER and the steady rise in oil prices (to USD45 per barrel – the highest level in 10 weeks) dictated activities in the Eurobond market in the month. Sub-Saharan Eurobonds witnessed high demand as Nigeria, Ivory Coast and Ghana indicated plans to tap into international markets. Locally, the FBN 2025s saw the most demand due to attractive yields, however, scarcity of that paper made investors seek out the Fidelity Eurobond as the next best option.
	5 Year Nigerian Sovereign Eurobond	7.6	9.2	
Equities 	NSEASI	14.7	30.5	<ul style="list-style-type: none"> High market liquidity and downward trend of yields in the money market continued to drive participation in the market. For context, equities market turnover hit not-so-frequent high levels following the increased participation. In the last two weeks of the month, an average of 6.6bn shares worth N30.7bn were traded compared to previous levels of c. N10bn in very active weeks. Investors cherry-picked stocks with potential for high capital gains and dividend yields. Consequently, the equities market index (NSEASI) rose by 14.7% in the month
	NSE30	11.9	25.3	

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*Mean stop rate at the Monthly Nigerian treasury bill auction

** Average of Nigerian treasury bill auction from the beginning of the year

***BNGRI – Bloomberg Nigeria Local Sovereign Bond Index

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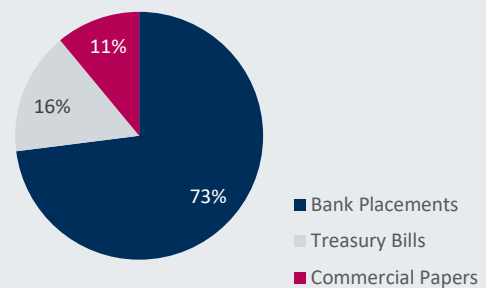
FBN Money Market Fund Overview

Investment Objective

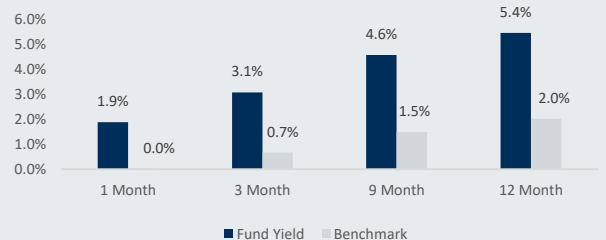
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦221.65bn
Base currency	(₦)
NAV per share	₦100
Minimum investment	₦5,000
Minimum holding period	30 days
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	1.25%
Total Expense Ratio	1.36%
Risk profile	Low
Custodian	Citibank
Benchmark	Average 91-day Treasury Bill (NTB) primary auction stop rates.

Asset Allocation



Historical Prices & Performance



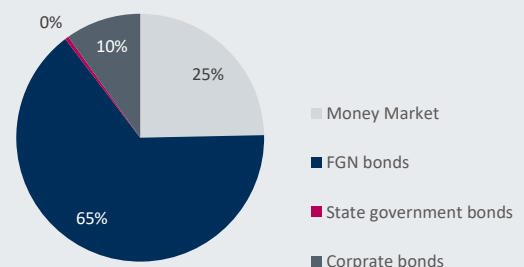
FBN Fixed Income Fund Overview

Investment objective

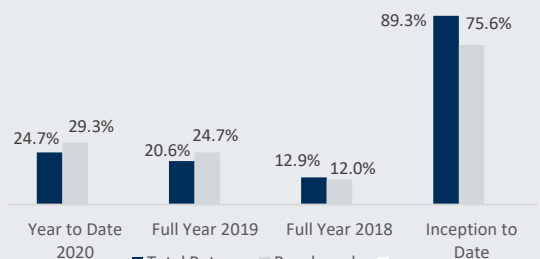
The Fund is designed to provide income generation by investing in long tenured debt instruments and short term, high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦19.57bn
Base currency	(₦)
NAV per share	₦1,481.23
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October) April 2020: ₦80.97 Nov '20: ₦47.87
Total Expense Ratio	1.23%
Risk profile	Low-Medium
Custodian	Citibank
Benchmark	FGN 3 Year Benchmark Bond
Weighted portfolio duration	2-3 years

Asset Allocation



Historical Prices & Performance


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FBN Nigeria Eurobond Fund Overview

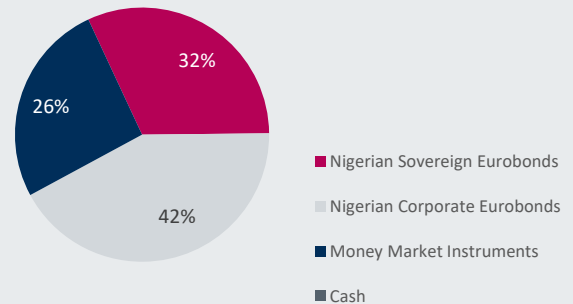
Investment objective

The Fund provides an opportunity to diversify across currencies and serve as a hedge through its exposure to USD denominated assets. It provides income generation by investing in debt instruments issued by the Nigerian government, corporates and financial institutions

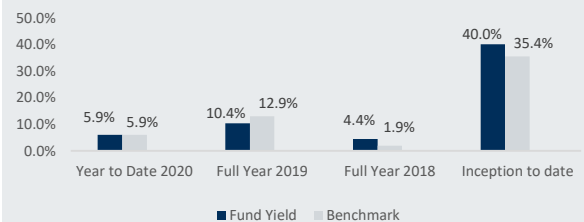
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 January 2016
Fund size	\$11.12mn
Base currency	US Dollars (\$)
Unit classes	I unit class: Institutional R unit class: Retail
NAV per share	I unit class: \$120.13 R unit class: \$119.94
Minimum investment	I unit class: \$100,000 R unit class: \$2,500
Minimum holding period	180 days*
Risk profile	Medium**
Benchmark	3-Year Nigerian Sovereign Eurobond
Total Expense Ratio	I unit class: 1.16% R unit class: 1.68%
Weighted portfolio duration	2-3 years

Asset Allocation



Historical Prices & Performance



FBN Balanced Fund Overview

Investment objective

The Fund provides capital growth and downside protection to investors seeking exposure to equity. The downside is achieved through investments in less risky assets such as money market instrument and bonds

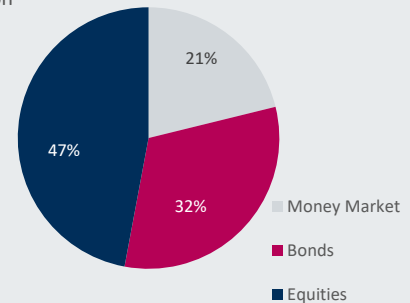
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Oluwaseun Magreola
Fund launch date	1 April 2008
Fund size	₦3.37bn
Base currency	(₦)
NAV per share	₦171.88
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Annual management fee	1.50%
Total Expense Ratio	1.69%
Risk profile	Medium
Benchmark	50% NSEASI 50% 90day average tbill rate
Custodian	Citibank

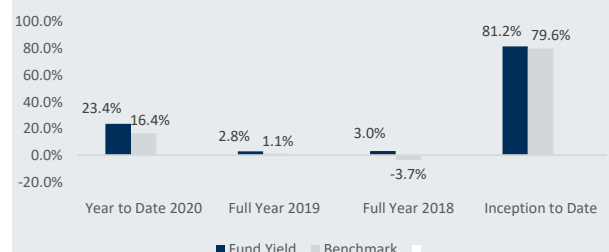
Top 5 equity holdings

Financial Services	19.6%
Industrial Goods	9.5%
Telecommunications	9.1%
Consumer Goods	8.1%
Oil and Gas	0.3%

Asset Allocation



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FBN Smart Beta Equity Fund Overview Investment objective

The Fund seeks to provide capital growth by selecting the best twenty (20) out of the forty (40) most capitalised stocks listed on the Nigerian Stock Exchange. The Fund is appropriate for investors who want equities with the aim of outperforming the NSE 30 index.

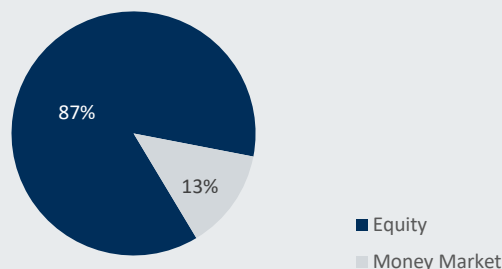
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Harrison Imonikhe
Fund launch date	4 January ,2016
Fund size	₦262.31m
Base currency	(₦)
NAV per share	₦148.82
Total Expense Ratio	1.63%
Minimum investment	₦50,000.00
Annual management fee	1.50%
Risk profile	High*
Benchmark	NSE 30
Custodian	Standard Chartered Bank

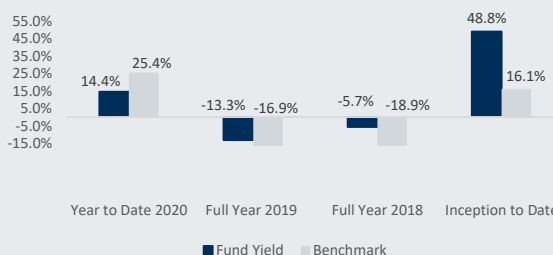
Top 5 equity holdings

Financial Services	34.3%
Industrial Goods	16.7%
Oil and Gas	16.2%
Consumer Goods	10.4%
Agriculture	9.0%

Asset Allocation



Historical Prices & Performance



FBN Halal Fund Overview

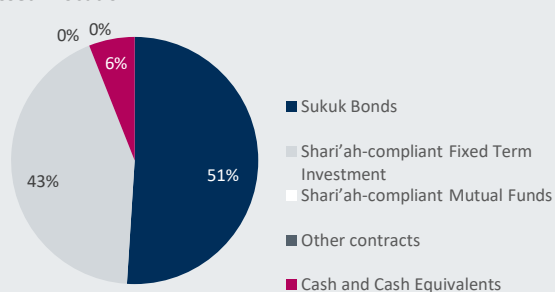
Investment objective

The Fund is designed to provide long-term income generation by investing in Shari'ah compliant instruments such as Sukuku, Ijarah (Lease), Murabaha (Cost plus mark-up) and Mudarabah (Working Partner) contracts.

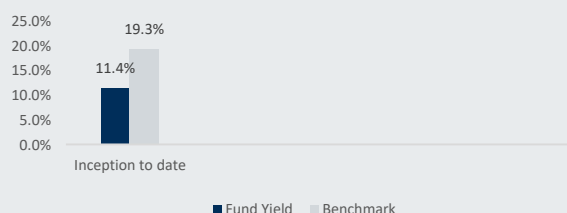
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦3.43bn
Base currency	(₦)
NAV per share	₦111.36
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

Asset Allocation



Historical Prices & Performance



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Outlook

- Globally, market and economic performance is expected to be driven by the successful or unsuccessful launch of COVID-19 vaccines in various countries coupled with very easy monetary and fiscal policies in those countries. A successful launch, which is most likely, is expected to lead to re-opening of major economies which would spur economic activities and drive economic growth. Consequently, the global economy has the potential to make full recovery in 2021, rebounding from the -4.4% decline in 2020 with growth of 5.2% according to current estimates from the International Monetary Fund (IMF).
- In the fixed income space, we expect rates to be driven by actions/inactions of policy makers and market liquidity. More recently, the Central Bank of Nigeria (CBN) announced the introduction of Special Bills as part of its effort to deepen the financial markets and avail monetary authority with a new liquidity management tool. This presents an opportunity for investors seeking alternative investment outlets to the available money market instruments and riskier assets. We expect this new outlet to usher in higher rates albeit at a gradual pace as the policy makers would look to keep borrowing costs at low levels.
- We expect market liquidity and monetary policy to drive participation in and performance of the equities market in the month. With the introduction of the special bills by the CBN which is expected to usher in a new investment alternative for investors, we expect some level of rotation out of risk assets such as equities by investors who are more risk averse. Further, we expect some sell-off in the market as the festive period approaches, particularly by retail clients with immediate cash needs. Consequently, we expect relatively more liquid stocks to witness high level of volatility in the month.
- Possible launch of a COVID-19 vaccine and activity in the oil market are factors which are expected to drive the Eurobond market. We expect increased positive sentiments as countries begin inoculation and ease lockdown restrictions. We expect the same optimism to drive participation in the Nigerian Eurobond market especially as oil prices inch higher. This is coupled with the recent deregulation of the downstream petroleum sector which is expected to bode well for the Nigerian Eurobonds as it is meant to inspire positive sentiments.

Terms and Conditions

- Redemption period: 3 - 5 business days.
- No additional charges are applied on redemption. However, units redeemed earlier than the minimum holding period will incur a processing fee of 20% on the income earned on the value of such redemptions.
- The Funds range from 'Low-High' risk profile depending on what security it is invested in. The value of securities may change significantly depending on economic, political, inflationary and interest rate conditions.
- Bid prices and yield to maturity are stated net of fees and expenses with dividends reinvested (where applicable).
- The yield to maturity (YTM) is the rate of return anticipated on the portfolio if the current bonds in the portfolio were held until the end of their lifetime. YTM is an annualised rate and takes into account the current market price, par value, coupon interest rate and time to maturity for each bond in the portfolio. It is also assumes that all coupon payments are reinvested at the same rate as the bond's current yield.
- Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested

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