





## MUTUAL FUND FACTSHEET

All data as at 31<sup>st</sup> May 2019 unless otherwise stated

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### Executive Summary

- Oil prices ended the month with the largest monthly decline (-3%) since November 2018 as trade tensions between the US and China weighed on investors' outlook on global economy. Soft manufacturing data from China raised investors' concern on Chinese growth.
- President Donald Trump has threatened Mexico with 5% tariffs on all goods imported from Mexico and this could further reinforce the global weakness.
- Nigeria's Gross Domestic Product (GDP) grew by 2.01% y/y in Q1 2019 boosted by the non-oil sector. Oil GDP growth declined -2.40% y/y while the non-oil sector grew by 2.47%. Elections spending may have contributed to the strong growth.
- The consumer price index, (CPI) which measures inflation increased by 11.37% y/y in April 2019 which is 0.12 ppt higher than the 11.25% recorded in March 2019.
- The Monetary Policy Committee at their May meeting decided to keep the policy parameters unchanged. The committee raised concern about the growth of private sector credit and called on the Central Bank of Nigeria to institute modalities that will restrict Nigerian banks' access to government securities.
- MTN listed 20.4billion shares on the Nigerian Stock Exchange at ₦90 per share, making it the largest non-oil company in Nigeria by revenue and the first to hit the trillion naira mark. The market reacted positively and the shares traded at limit up (10%) in the first 5 days of listing before declining.

Asset Class	Benchmark	1M (May) %	Year to Date %	Commentary
 Money Market	Average 91 day Tbill Average 181 day Tbill Average 364 day Tbill	10.7 12.0 12.5	11.3 12.8 12.5*	<ul style="list-style-type: none"> <li>The treasury bills market was bullish for most part of the month with average yields declining 73bps due to the liquidity in the market</li> <li>OBB and OVN rates declined by 482bps and 189 bps respectively to close at 4.14% and 7.93% reflecting the high level of liquidity.</li> </ul>
 Fixed Income	BNGRI** 3 Year Federal Government Bond***	1.9 2.1	10.7 7.8	<ul style="list-style-type: none"> <li>At the monthly auction, the DMO raised N111bn across the 5,10 and 30 year bond with the most demand seen on the 10 year bond. The rates were lower than the previous auction by an average of 34bps.</li> <li>Rates in the bonds market declined by an average of 13bps m/m due to market reaction to lower stop rates in the bond auction and lower volumes traded.</li> </ul>
 Eurobond	3 Year Nigerian Sovereign Eurobond***	0.2	5.9	<ul style="list-style-type: none"> <li>Ecobank Transactional Inc. sold an additional \$50 million of Eurobonds in a one day offering due to high demand.</li> <li>Investors demanded more for Corporate Eurobonds than Sovereign Eurobonds in the month of May. This was due to the higher yields experienced on the corporates..</li> </ul>
 Equities	NSEASI NSE30	7.0 -1.43	1.7 -6.1	<ul style="list-style-type: none"> <li>The equities market recouped its year to date loss as a result of its MTN Nigeria listing. This was further shown as the NSE 30 which doesn't include MTN Nigeria was down -1.43% mtd while the NSEASI was up 7.00% mtd.</li> </ul>

\* Stop rate at last primary market auction

\*\* BNGRI – Bloomberg Nigeria Local Sovereign Bond Index

\*\*\* Total Return

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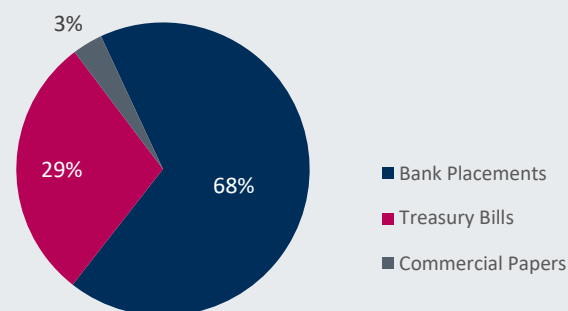
### FBN Money Market Fund Overview

#### Investment Objective

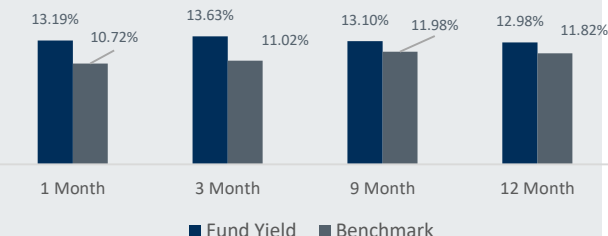
The Fund seeks to maximise current income whilst aiming to preserve and maintain a high degree of liquidity, by investing in a broadly diversified portfolio of short-term, high quality money market securities.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA
Fund launch date	24th September 2012
Fund size	₦163.27bn
Base currency	(₦)
NAV per share	₦100
Minimum investment	₦5,000
Minimum holding period	30 days
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	0.75%
Total Expenses Ratio	0.90%
Risk profile	Low
Custodian	Citibank
Benchmark	Average 91 day Treasury Bill (NTB)

#### Asset Allocation



#### Historical Prices & Performance



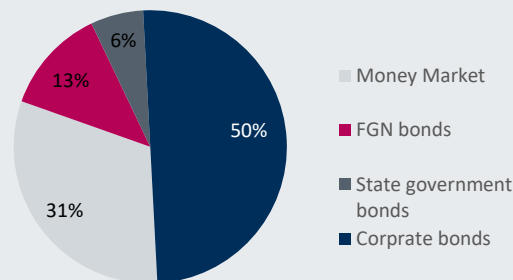
### FBN Fixed Income Fund Overview

#### Investment objective

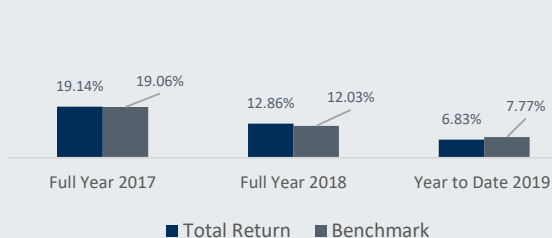
The Fund seeks to preserve and maximize return on capital while maintaining a high degree of liquidity by investing in a diversified portfolio of long tenured debt securities and short-term, high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA
Fund launch date	24th September 2012
Fund size	₦6.06bn
Base currency	(₦)
NAV per share	₦1,192.73
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October) April '19: ₦73.67
Total Expenses 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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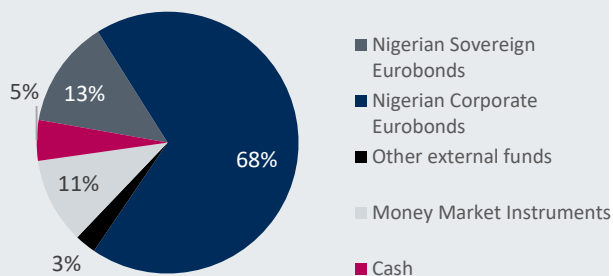
### FBN Nigeria Eurobond Fund Overview

#### Investment objective

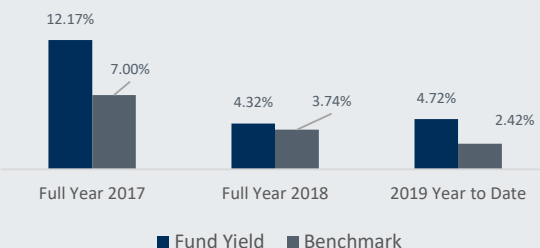
The Fund seeks to provide competitive income and total returns in USD primarily by investing in USD debt instruments of the Nigerian government, corporate and financial institutions

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, Adeyemi Roberts
Fund launch date	4th January 2016
Fund size	\$3.78mn
Base currency	US Dollars (\$)
Unit classes	I unit class: Institutional R unit class: Retail
NAV per share	I unit class: \$115.62 R unit class: \$115.65
Minimum investment	I unit class: \$100,000 R unit class: \$2,500
Minimum holding period	180 days
Income accrual	Daily
Income distribution	Semi-annually (March and September) Mar'19: \$3.62
Annual management fee	I unit class: 1.00% R unit class: 1.50%
Total Expense Ratio	I unit class: 1.16% R unit class: 1.68%
Risk profile	Medium
Benchmark	3-Year Nigerian Sovereign Eurobond
Custodian	Standard Chartered Bank
Weighted portfolio duration	2-3 years

#### Asset Allocation



#### Historical Prices & Performance



### FBN Heritage Fund Overview

#### Investment objective

The Fund seeks to maximise returns and provide long term capital appreciation by investing primarily in companies and debt securities listed or issued in Nigeria.

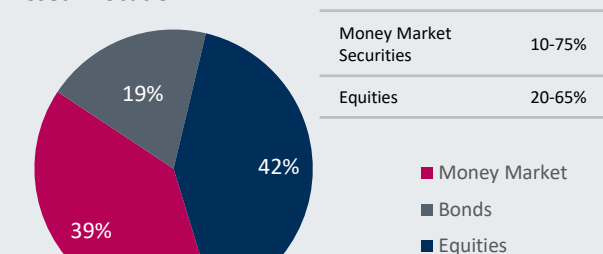
Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA, Kike Mesubi, CFA,
Fund launch date	1 <sup>st</sup> April 2008
Fund size	₦2.83bn
Base currency	(₦)
NAV per share	₦144.12
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Annual management fee	1.50%
Total Expenses Ratio	1.69%
Risk profile	Medium
Benchmark	50% NSE30 25% 90day average tbill rate 25% BNGRI
Custodian	Citibank

#### Top 5 Sector Exposure

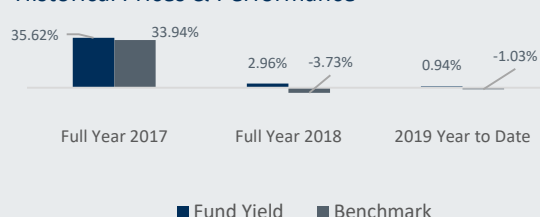
Financial Services	21%
Industrial Goods	8%
Consumer Goods	7%
Agriculture	4%
Telecommunications	0.2%

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#### Asset Allocation



#### Historical Prices & Performance



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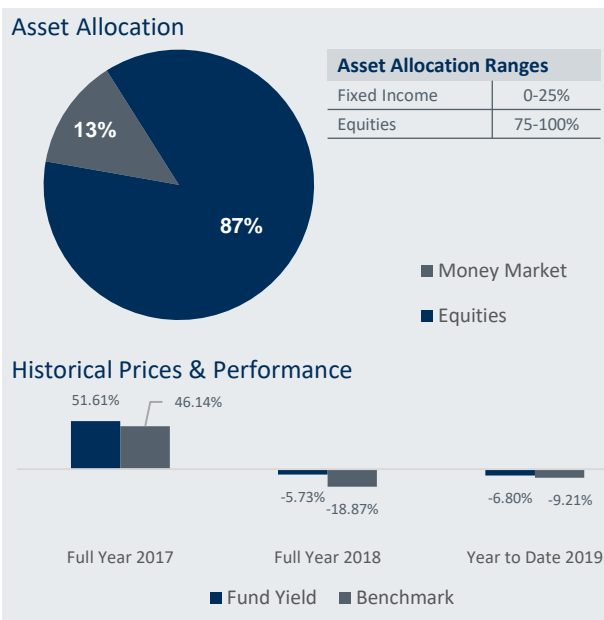
### FBN Nigeria Smart Beta Equity Fund Overview

#### Investment objective

The Fund seeks to provide long-term capital growth by investing primarily in a portfolio of equities listed in Nigeria.

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA, Kike Mesubi, CFA, Harrison Imonikhe
Fund launch date	4th January 2016
Fund size	₦249.20mn
Base currency	(₦)
NAV per share	₦139.80
Total Expenses 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 Financial Sector Exposure	
Financial Services	27%
Oil and Gas	17%
Consumer Goods	14%
Agriculture	10%
Industrial Goods	9%



### Outlook

- The US-China trade war, the threats of tariffs on Mexico and supply cuts by OPEC are all events which have affected oil prices and if the uncertainties persist, oil prices are expected to remain volatile.
- With the reappointment of Godwin Emiefele as the CBN Governor, we expect no change in monetary policies. Monetary policies are expected to be growth focused, the CBN is expected to maintain a strong presence in the market and efforts will be made to ensure the stability of the currency.
- During the last MPC meeting, members of the committee recommended that the CBN put plans in place to limit the amount that banks invest in treasury bills and federal government bonds and this move, if implemented, will have banks rethinking their strategy. Should the policy be implemented, we expect a minimal growth in loans to the private sector initially while banks search for alternative forms of income.
- Over the next half of the year, there is expected to be adequate system liquidity due to the number of maturities happening in the period. We expect the CBN to conduct constant auctions in a bid to mop up the liquidity in accordance with their strategy of market intervention and defence of the currency. We also expect auction stop rates to gradually increase as we approach the end of the year in an effort to keep Foreign Portfolio Investors invested in the country.
- Equity investors are engaged in cautious trading as they await the appointment of cabinet members of President Buhari's administration, although the market remained neutral on the reappointment of Godwin Emiefele. Barring any significant reforms which will spur sustainable macroeconomic growth, we do not expect any increased activity in the equity market.