





MUTUAL FUND FACTSHEET

All data as at 31 July 2021 unless otherwise stated

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Executive Summary

- Surging consumer prices which has had investors contemplating if it is transitory or here to stay, has remained the theme in the global space. The International Monetary Fund (IMF) during the month, warned that there's a risk that inflation will prove to be more than just transitory, which could push central banks to take pre-emptive measures such as tapering their asset purchases. They also posit that while inflation is likely to return to its pre-pandemic ranges in most countries in 2022, uncertainty remains high especially in some emerging and developing economies.
- According to the National Bureau of Statistics, the total value of capital importation into Nigeria declined to USD875.62m in the second quarter of 2021 from USD1.91bn in the first quarter of 2021. This represents a year-on-year decline of 32.38% and quarter on quarter (QoQ) decline of 54.06%. All components declined QoQ; Foreign Portfolio Investment which is the largest component declined by 43.40%, Foreign Direct Investment (-49.62%), Other Investments (-68.30%).
- At the last Monetary Policy Committee (MPC) meeting held in June, the committee resolved to hold the benchmark interest rate and all other key policy parameters constant. At the meeting, the CBN Governor announced a decision to stop the sales of foreign exchange as well as halt the issue of fresh licenses to the Bureau De Change operators (BDCs). This is coupled with a directive prompting banks to make adequate efforts to meet genuine demands of people who patronize the BDCs. This news sparked speculations in the FX parallel market with the naira weakening to NGN523/USD in the following trading session.
- Headline inflation rate declined year-on-year for the third consecutive month in June 2021 to 17.75% (18 basis points lower than 17.93% recorded in May 2021) - impact of the high base 2020. On a month-on-month basis, however, inflation rate has not moderated as the headline index increased by 1.06% in June (0.05% points higher than the 1.01% recorded in May 2021). Similarly, food inflation slowed to 21.83% from 22.82% in previous month but increased 1.11% MoM. Core inflation also eased to 13.09% in June, down 6bps from 13.15% in May.

Asset Class	Benchmark	1M (July) %	Year to Date %	Commentary
 Money Market	91-day T-bill	2.50*	1.93**	The bi-weekly primary market auctions were conducted during the month and like past auctions, the 91-day and 182-day stop rates were unchanged at 2.50% and 3.50% respectively. The Debt Management Office (DMO) has continued to under-allot across the 91-day and 182-day bills, while the 364-day instrument remains the most sought after with the DMO allotting NGN137.30bn (vs. NGN71.59bn) at the first auction of the month. Consequently, stop rate for the 364-day instrument declined further to 8.67% at the first auction and 8.20% at the second auction. Similarly, rates have declined in the secondary market with average treasury bills yields printing at an average of 6.26% at the end of the month.
	181-day T-bill	3.50*	3.06**	
	364-day T-bill	8.44*	7.26**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.80	-19.85	The secondary market for fixed income started out on a bullish note with strong investors' demand for bond instruments, causing average bond yields to settle below 12% at the earlier part of the month. The decline in yields however eased as the month progressed due to profit taking activities, as some investors took advantage of the lower yields. Nonetheless, the influx of bond maturity worth NGN561.05bn and coupon payments of about NGN235.12bn, ensured to keep system liquidity high in the month. Investors' participation at the primary auction remained strong with bid to cover ratio of 1.78x, 1.44x and 2.83x for the 2028, 2036 and 2050 bond instruments, while stop yields printed at 12.35%, 13.15% and 13.25% respectively.
	3 Year Federal Government Bond	1.78	-10.45	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.00	1.99	The bearish sentiment in the Sub-Saharan African (SSA) Eurobond market last month, persisted at the beginning of July with yields upticks across Sovereigns. However, yields on the FGN Sovereigns moderated mid- month to an average of 5.55% from 5.58% at the start of the month as investors' patronage improved. Other SSA Eurobonds especially Ghana witnessed sell-side activities with average yields edging higher to 7.74% from 7.45% at the start of the month.
	5 Year Nigerian Sovereign Eurobond	0.14	1.61	
 Equities	NSEASI	1.69	-4.28	For the first time since April, the Nigerian bourse ended the month on a positive note as the All Share Index gained 1.69% in July to record 38,667.90pts. This moderated the year to date return to -4.28%. Market activities was spurred by the notable gains on counters like TOTAL (+40.14%), OANDO (+48.63%), DANGCEM (+12.26%), SEPLAT (+11.59%), ACCESS (+8.88%), ZENITHBANK (+3.37%). All but the Insurance sector closed positive in the month. The oil and gas sector being the outperformer, advanced by 20.40%, followed by the industrial sector (+4.64%) and banking sector (+4.06%). CUTIX emerged the top gainer for the month (+71.07%), while LINKASSURE was the biggest laggard (-28.57%). Earnings season has fully kicked in, and with the exception of the banks whose results have barely come in, performances have been broadly positive across sectors.
	NSE30	2.78	-0.05	

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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

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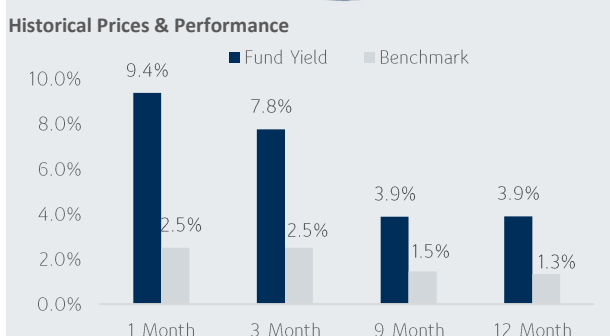
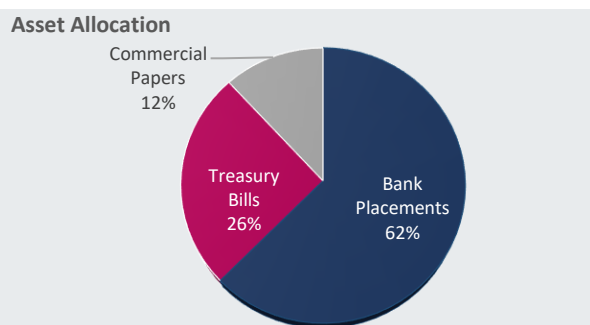
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FBN Money Market Fund Overview

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	₦133.04bn
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.

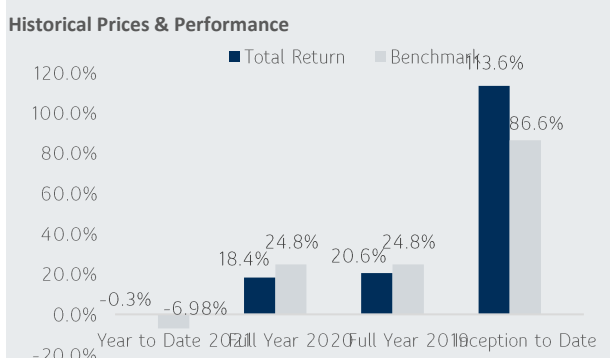
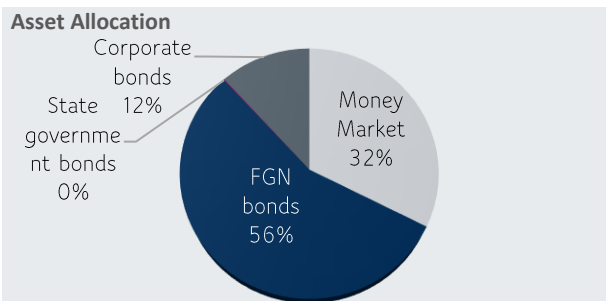


FBN Bond Fund Overview

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	₦43.27bn
Base currency	(₦)
NAV per share	₦1,395.48
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.23%
Annual management fee	1.50%
Risk profile	Low-Medium
Custodian	Citibank
Benchmark	70% 3Year FGN Bond 30% Average 91-day Tbill rate
Weighted portfolio duration	2-3 years



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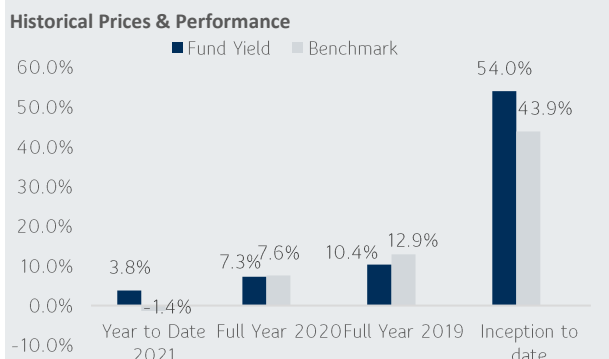
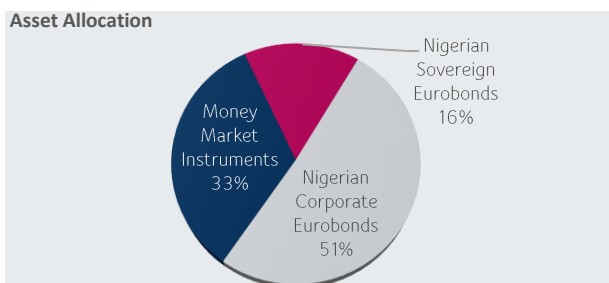
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FBN Eurobond Fund Overview

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	\$16.57mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$126.38
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Income distribution	Annually
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Total Expense Ratio	1.68%
Weighted portfolio duration	1-2 years



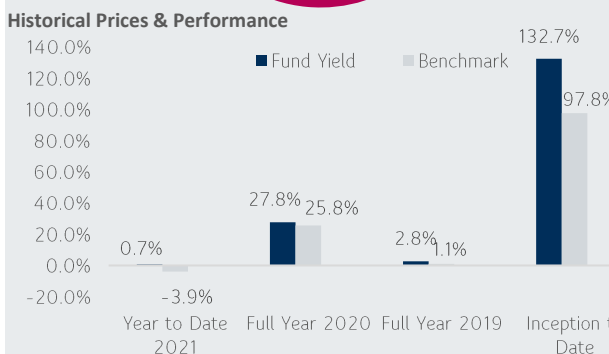
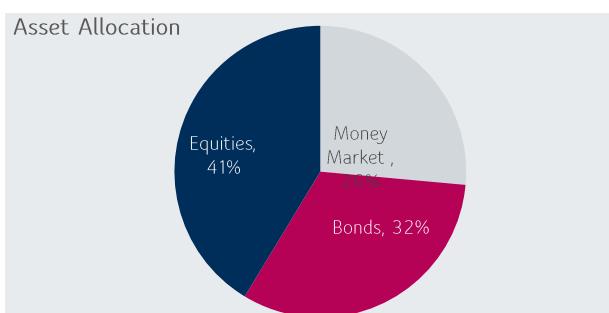
FBN Balanced Fund Overview

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, Harrison Imonikhe
Fund launch date	1 April 2008
Fund size	₦4.19bn
Base currency	(₦)
NAV per share	₦191.94
Minimum investment	₦50,000
Minimum holding period	180 days
Income accrual	Daily
Annual management fee	1.50%
Total Expense Ratio	1.69%
Risk profile	Medium
Benchmark	40% NSE30 40% 5 year FGN bond 20% 90day average Tbill rate
Custodian	Citibank

Top 5 equity holdings	
Financial Services	15.7%
Industrial Goods	4.6%
Telecommunications	3.8%
Consumer Goods	13.8%
Agriculture	4.2%



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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.

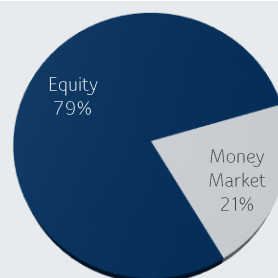
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Oyelekan Olorunkosebi CFA
Fund launch date	4 January 2016
Fund size	₦317.67mn
Base currency	(₦)
NAV per share	₦158.13
Total Expense Ratio	1.63%
Minimum investment	₦50,000
Annual management fee	1.50%
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

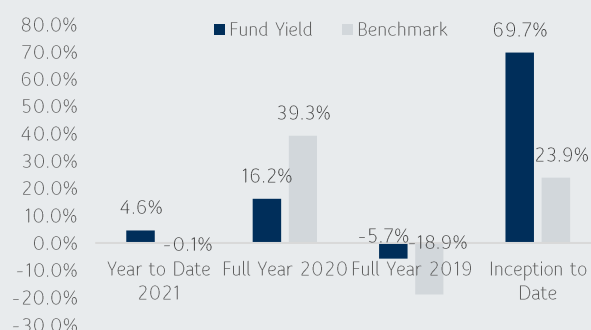
Top 5 equity holdings

Financial Services	32.9%
Consumer Goods	16.9%
Agriculture	13.3%
Telecommunications	8.6%
Industrials	4.2%

Assets Allocation



Historical Prices & Performance



FBN Halal Fund Overview

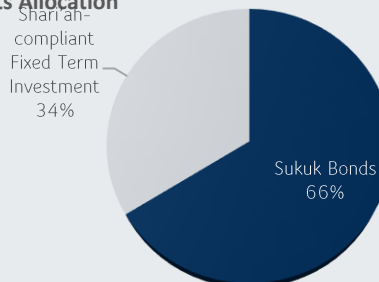
Investment objective

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

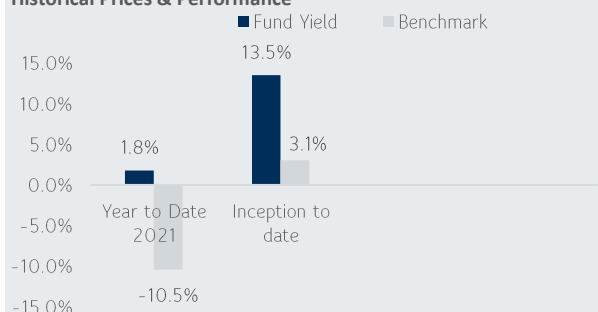
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦4.86bn
Base currency	(₦)
NAV per share	₦111.51
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

Assets Allocation



Historical Prices & Performance



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Outlook

- As developed and emerging economies continue to ease restrictions and drive vaccination exercises, the emergence of other Covid variants especially in Europe remains a threat. Elsewhere, the Chinese economy has been flashing some headwinds in recent months as high commodity prices weigh heavily on industrial firms' margins, driving factory inflation to the highest level in over a decade. This is further exacerbated by supply chain crunches caused by shipping backlogs. In response, Chinese policymakers have stepped up efforts to curb surging commodity prices to prevent manufacturers from passing on the cost to consumers. While this is good news, concerns about higher prices remain, with projections that factory gate inflation will remain elevated in the second half of this year.
- Bullish sentiment returned to the Nigerian equities market in July, buoyed by price appreciation on some of the heavy-weights stocks during the period. While this inspires some hope of recovery, we are rather cautious about the momentum being sustained as we expect profit takers to take advantage of the price increases so far. Also, while earnings releases have been predominantly positive which typically should spur activities especially on tickers that have not advanced significantly, we are not overly optimistic about this sentiment being long-lived if we take a cue from past performance.
- The fixed income market witnessed buying activities in July as system liquidity hit high levels, sending prices higher and yields lower in the month. However, this downtrend eased into the month as some investors sought to take profit amid price increases. In August, we expect less system liquidity compared to July, due to lack of bond maturities and lesser coupon inflow. This should keep rates steady even as investors continue to cherry-pick while monitoring the yield environment.
- Sentiments in the SSA Eurobond market has remained mixed as buying activities in some Sovereign Eurobonds have been met with sell pressure on others. Inflation concerns in the global space continues to dampen investor sentiment regardless of oil price increases. We expect the market to maintain the current trend in the coming month.

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