





MUTUAL FUND FACTSHEET

All data as at 30 September 2021 unless otherwise stated

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Executive Summary

- Global oil prices have been on an uptrend with Brent crude crossing USD80 per barrel, the highest level seen since October 2018 before pulling back in subsequent trading sessions. Industry participants estimate global demand to outpace supply, potentially driving oil prices higher in the near to mid-term. This expectation is hinged on the continued improvement in vaccination rates and easing of restrictions, coupled with OPEC's slow pace in easing output restrictions which contributes to the tightened supply.
- The United States is currently faced with a default risk that could jeopardize government benefits, and cause damage to the economy and overall financial markets if the Congress fails to suspend or raise the debt limit before October 18. A bill to suspend the debt ceiling was passed by the House but was majorly opposed by the Republicans which has impeded the progress to seek a way out of the looming catastrophe. While we opine that a last-minute resolve will be reached, the Senate could move to vote on a short-term appropriation plan which would fund the government until early December.
- In its two-day policy meeting held in the month, the Nigerian Monetary Policy Committee voted to retain all policy parameters at current levels (MPR at 11.50%, CRR at 27.50%, liquidity ratio at 30.00% and the asymmetric corridor at +100bps/-700bps around the MPR). One of the implications of the Central Bank of Nigeria's halt in Foreign Exchange (FX) sales to the Bureau De Change (BDCs), the CBN Governor reiterated that the only recognised exchange rate is the Investors & Exporters (I&E) window (hovering around NGN410-NGN411/USD).
- The Federal Government of Nigeria (FGN) issued the much anticipated Eurobond aimed to support the funding of critical infrastructural projects in the country. According to the Debt Management Office (DMO), investors' subscription peaked at USD12.2billion which enabled the FGN to increase its allotment by USD1 billion to USD4 billion from USD3 billion that was initially proposed. The Eurobonds were issued in three tranches – 7 years USD1.25bn at 6.125%; 12 years USD1.5bn at 7.375%; 30 years USD1.25bn at 8.25%.

Asset Class	Benchmark	1M (September) %	Year to Date %	Commentary
 Money Market	91-day T-bill	2.50*	2.06**	The Debt Management Office (DMO) conducted three primary market auctions for Nigerian treasury bills (NTB) in the month of September, edging the rate on the 365-day paper higher than previous month. As in past auctions, the stop rates on the 91-day and 182-day NTB bills were unchanged at 2.50% and 3.50% respectively, while the rate on the 365-day bill increased from 6.80% in August to 7.20% at the first and second auction then to 7.50% at the last auction. Following the uptick in the PMA primary market rate, rates in the secondary market also inched up albeit marginally, as average treasury bills yield increased 65bps to close at 5.43% from 4.79% in the previous month.
	181-day T-bill	3.50*	3.16**	
	364-day T-bill	7.30*	7.24**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.24	-15.81	The bond market witnessed mixed activities in September, as yields decline from last month were sustained at beginning of the month before edging higher (due to investors' reaction to the slight upticks in treasury bills rates). Nonetheless, the influx of bond coupons of about NGN237.94bn kept investors' patronage in the bond market steady during the month. Consequently, the average bond yield in the secondary market closed at 11.56% at the end of the month. At the primary market auction in the month, the DMO offered N150bn but allocated about N277.05bn across these maturities. Stop rates were also maintained at 11.60% and 12.75% for the 2028 and 2036 instruments, while rate was pegged higher at 13.00% (vs. 12.80% in previous auction) for the 2050 bond. The DMO under-allotted the 2028 bond (NGN42.37bn vs. NGN50.00bn offer) but over-allotted the 2036s and 2050s (NGN115.85bn and NGN118.83bn respectively vs. NGN50bn offered on each maturity).
	3 Year Federal Government Bond	5.89	-5.14	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-0.01	1.99	The Eurobond market was active in September with both buy and sell side activities across the Sovereigns. The rise in oil prices to above USD80 per barrel and the newly issued FGN Eurobonds gave a boost to the market but regardless, the bears outweighed the bulls with average FGN Sovereign yields rising to 6.24%. On the corporate side, Access bank issued new Eurobonds into the market as part of its Global Medium term note Programme - a 2026 USD500mn senior unsecured Eurobond at coupon of 6.125% and an additional USD500m tier-1 Eurobond at 9.125%. Both of which received were issued two weeks apart and strongly received investors' patronage with order book peaking beyond proposed offer.
	5 Year Nigerian Sovereign Eurobond	-0.42	1.20	
 Equities	NSEASI	2.55	-0.12	The Nigerian bourse closed positive in the month as bargain hunters took advantage of the cheap valuations across counters, spurring buy side activities. The All Share Index printed at 40,221.17pts, gaining 2.55% in the month and 6.10% in the third quarter, moderating the year-to-date return to -0.12%. The top gainers for the month were MANSARD (+164.77%), PHARMDEKO (+45.06) while other notable gains were on the heavyweights such as DANGCEM (+15.23%), CONOIL (+14.09%), NESTLE (+5.71%). The Industrial Goods sector was the outperformer inching up by 7.23% month on month, followed by the consumer goods (+2.71%). Conversely, the Banking index shed the most, by 1.62% in the month.
	NSE30	3.57	2.10	

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** Average of Nigerian treasury bill auction from the beginning of the year
 * Mean stop rate at the Monthly Nigerian treasury bill auction

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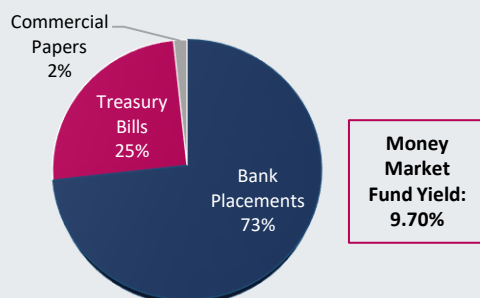
FBN Money Market Fund Overview

Investment Objective

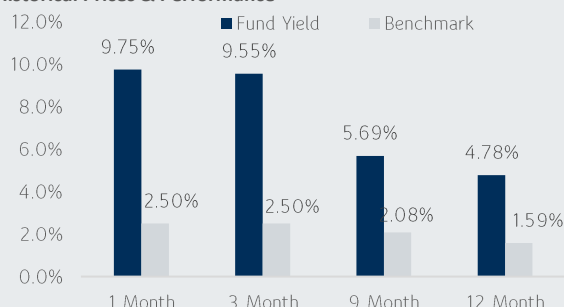
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦148.53bn
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



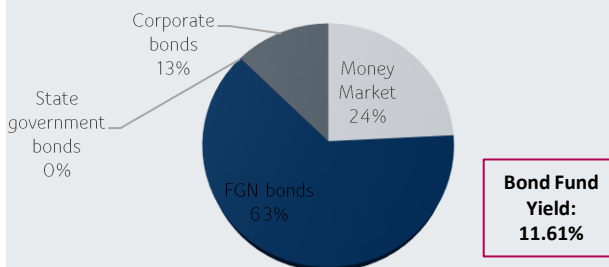
FBN Bond Fund Overview

Investment objective

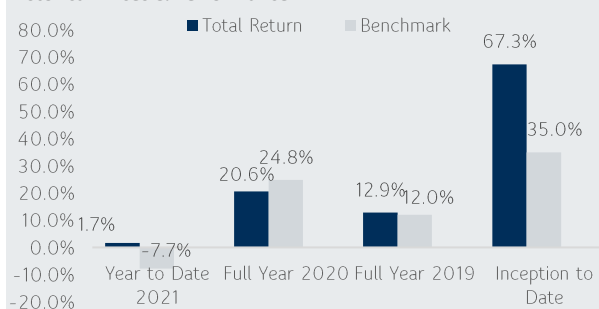
The Fund is designed to provide income generation by investing in long tenured debt instruments and short-term high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦37.00bn
Base currency	(₦)
NAV per share	₦1,423.15
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

Asset Allocation



Historical Prices & Performance



Annualized return of 2.27%

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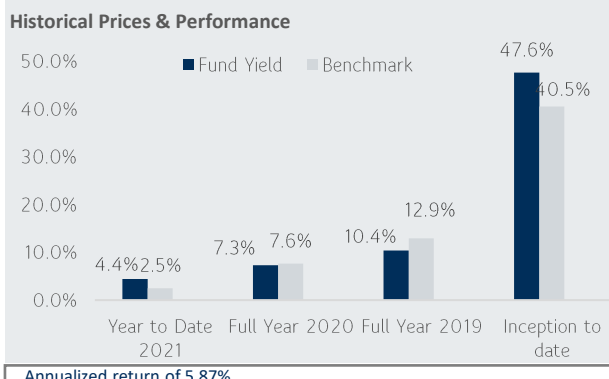
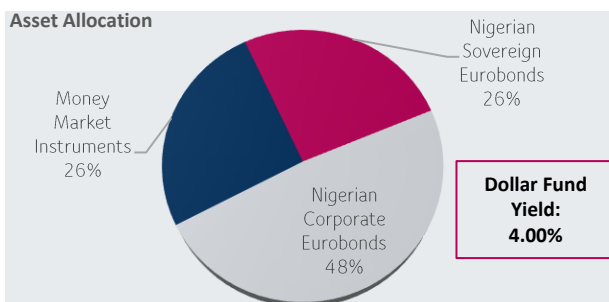
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FBN Dollar Fund Overview

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
Fund launch date	4 January 2016
Fund size	\$18.73mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$126.93
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

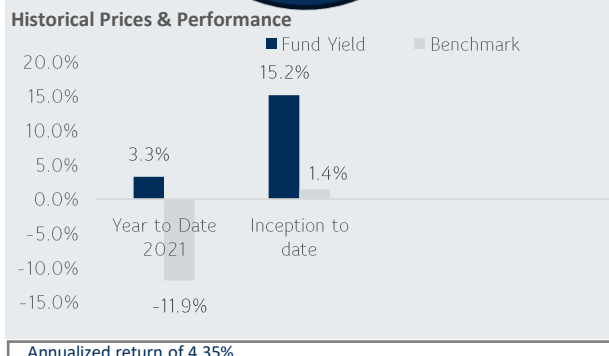
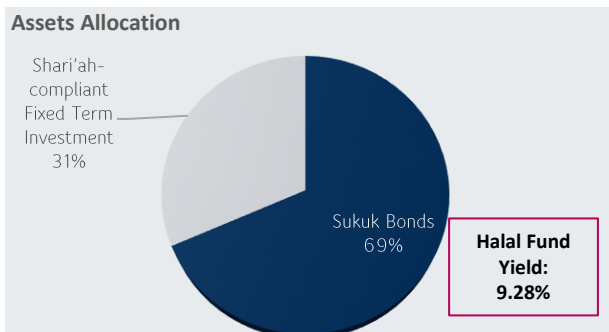


FBN Halal Fund Overview

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.
Fund launch date	4 May 2020
Fund size	₦5.19bn
Base currency	(₦)
NAV per share	₦113.12
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



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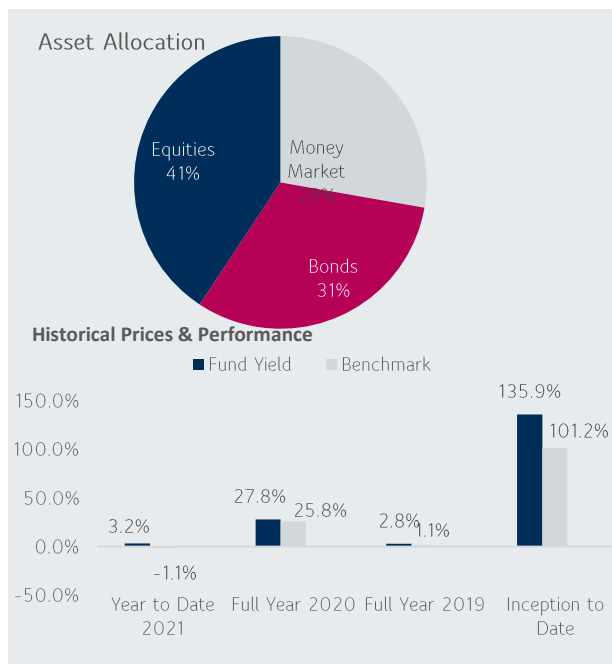
FBN Balanced Fund Overview

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	₦4.15bn
Base currency	(₦)
NAV per share	₦193.60
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	12.27%
Consumer Goods	11.86%
Telecommunications	4.05%
Industrial Goods	5.33%
Agriculture	4.80%



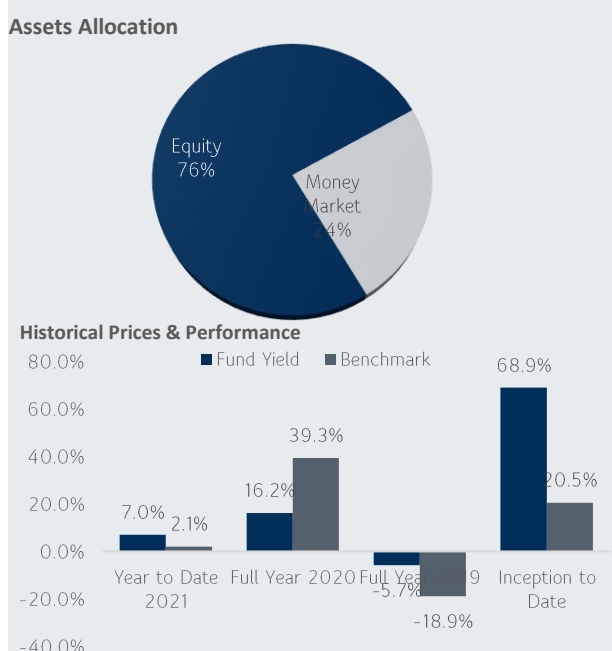
FBN Smart Beta Equity Fund Overview

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	₦354.98mn
Base currency	(₦)
NAV per share	₦161.71
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	30.94%
Consumer Goods	15.62%
Agriculture	15.10%
Telecommunications	7.76%
Industrials	6.09%



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Outlook

- Heading into the final quarter of the year, concerns over stagflation and hyper-inflation continues to dominate the global scene. Surging energy prices which has also exacerbated inflationary pressures, has got central banks and governments seeking ways to stem price pressures. The Federal Reserve has prepared the markets for the potential tapering of its massive stimulus programme before the end of this year, sending bond yields and the US dollar higher against the likes of the euro and yen, where the central banks have remained dovish. Ultimately, the actions of the US Fed and government remains the key determinant as we posit that the bigger risk to near-term growth comes from their policies in the coming period.
- The Nigerian equities market witnessed bullish sentiment in the month spurred by the gains on the heavyweights which were trading at relatively cheap valuations. With the All Share Index slightly above the 40,000pts resistance level, we opine that the scope for upsides is limited thus, we do not expect significant gains in the period to come.
- The slight uptick in treasury bills rates caused investors to reprice their assets in the bonds market in response, which caused yields to rise slightly in the month. With less maturities expected for the rest of the year and with the FGN's new external borrowings (which limits the need for domestic borrowings), we expect rates to trend downwards in the coming period.
- Activities in the Eurobond market for both the sovereigns and corporates picked up in the month especially as new issues came on board. The market is expected to stay active given that oil prices are hovering above record highs, with a likelihood of further upsurge given supply constraints. A downside, however, remains the looming hawkish stance by the Fed regarding interest rate hikes which could inadvertently make the SSA Eurobond unattractive to investors.

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