





MUTUAL FUND FACTSHEET

All data as at 31 December 2021 unless otherwise stated

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Executive Summary

- 2021 was a tumultuous year as the global macroeconomic space was riddled with concerns and uncertainties around the Covid variants and its impacts on economies, surging inflationary pressures and supply chain disruptions, tightening monetary policy prompts from major central banks and its attendant influence on capital markets. The spread of the Omicron variant added a layer of risk in December which prompted some countries to impose travel restrictions. Tensions were, however, a bit eased as scientific evidence showed that although more infectious, there were not as many severe illnesses caused by Omicron as the Delta variant.
- Despite being a volatile year, the U.S stock market delivered a stellar performance in full year 2021, notching consecutive years of positive returns. Major stock indices ended on a bullish note as the S&P 500 advanced by 26.89% (third consecutive double digit growth), Dow Jones (+18.73%), NASDAQ (+26.63%), Russell 2000 (+13.70%). Other global indices performance for the year are as follows: FTSE (+14.30%), CAC 40 (+28.85%), DAX (+6.61%), JPX Nikkei 400 (-1.31%). The search for inflation-beating returns by investors continues, with technology and growth stocks leading the pack in the stock market despite their presumed high valuations. It remains to be seen if their strength could be maintained in the face of rising yields and hawkish Fed stance in the coming year.
- The National Bureau of Statistics (NBS) published the country's Foreign trade statistics for the third quarter of 2021 which highlights that Nigeria trade deficit worsened to NGN3.02 trillion during the period (vs. NGN1.87 trillion in Q2:2021). According to the report, the country's total foreign trade rose to NGN13.28trillion with imports accounting for 61.65% of that at NGN8.15 trillion and exports at NGN5.13 trillion. Cumulatively, Nigeria has recorded a trade deficit of NGN8.83trillion for 9M:2021 surpassing 2020 total figure of NFN7.37 trillion.
- Nigeria's inflation rate attained the lowest yet in the year 2021 at 15.40% in November (vs. 15.99% in October 2021). Food inflation dropped to 17.21% from 18.34% in previous month. Conversely, core component rose to 13.85% in the month 13.24% in October. So far in the year, inflation rate has averaged 17.11%.

Asset Class	Benchmark	1M (December) %	2021 Full Year (%)	Commentary
 Money Market	91-day T-bill	2.50*	2.17**	Money market rates were lower in December compared to previous months on the back of lesser funding obligations by the banks during the period. Consequently, average money market rates printed at 9.17% with the Open Buy Back (OBB) and Overnight (OVN) rates closing the year at 10.00% and 10.50% respectively. In the primary market auction for treasury bills in the month, the Debt Management Office slightly dropped rates at 2.49%, 3.45% and 4.90% (from 2.50%, 3.50% and 5.89% in prior month) for the 91-day, 182-day and 364-day papers. The 91-day bill was undersubscribed at NGN2.79bn (vs. NGN4.16bn offered), while the 182-day and 364-day bills were oversubscribed at NGN3.47bn and NGN75.99bn (vs. NGN3.31bn and NGN44.84bn offered) respectively. Consequently, investors went scrambling for yields in the secondary market with average NTB yields trending lower at 4.30% in the month- a 60bps drop from previous month.
	181-day T-bill	3.45*	3.24**	
	364-day T-bill	4.95*	6.96**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.73	-14.99	The bonds market remained quiet as witnessed in the previous month with few activities in that space during the month. Buy interests were seen at the long end of the curve as investors cherry-picked instruments to close out the year. Regardless, average bond yields inched marginally by 14bps to close at 11.54%, on the back of the yield increases seen at the mid end especially the 2029, 2030 and 2034. At the last auction in the year, the DMO offered NGN50bn each for the 2026 and 2037 instruments while allotting NGN14.18bn for the 2026 and NGN84.62bn for the 2037. Subscriptions were low on the 2026 at NGN25.75bn, while the 2037 was oversubscribed at NGN106.62bn. Stop rate was unchanged at 11.65% for the 2026 while the 2037 instrument edged higher to 13.10% from 12.95% in the previous month.
	3 Year Federal Government Bond	1.21	-0.86	
 Eurobond	3 Year Nigerian Sovereign Eurobond	1.19	1.80	Following months of downbeat sentiment in the Sub Saharan African (SSA) Eurobond market, positive sentiment returned in the month with demand for instruments across the curve. Yield declines were prevalent with average FGN Sovereign Eurobond yields closing at 6.87% - a 55bps decline from 7.42% recorded in the previous month. Similarly, across the other SSA Eurobonds, prices improved with yields declining after a momentary downbeat session that plagued previous months. Investors took bargain opportunities on relatively cheap instruments and more importantly, the positive news around the Omicron variant having 80% lower risk of hospitalization aided and improved market sentiment.
	5 Year Nigerian Sovereign Eurobond	1.89	-0.09	
 Equities	NSEASI	-1.23	6.07	The equities market for the first time since June closed the month negative as the All Share Index (ASI) lost 1.23% to close at 42,716.44pts. Nonetheless, the Nigerian bourse ended the year in the green as the All share index advanced by 6.07% YoY. The negative performance in December could be alluded to the losses seen on large cap stocks such as DANGCEM (-8.21%), BUACEMENT (-10.00%), SEPLAT (-6.47%), FBNH (-4.60%) amongst others. In terms of sectorial performance, the consumer goods index led the pack in the month, advancing by 7.70%, followed by the insurance sector (+5.59%) and the banking sector (+3.91%). The biggest laggard, however, was the industrial sector which lost 8.43% in December. Overall, the best performing tickers for the year are MORISON (+306.12%), ROYALEX (+238.46%), LASACO (+200.00%) while the least performers include SCOA (-64.51%), CWG (-55.91%), SUNUASSUR (-55.00%)..
	NSE30	-1.37	5.01	

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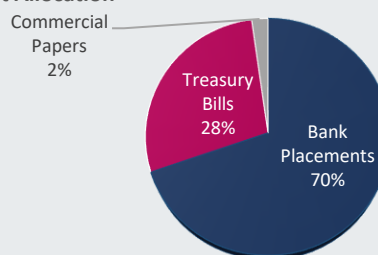
FBN Money Market Fund Overview

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.

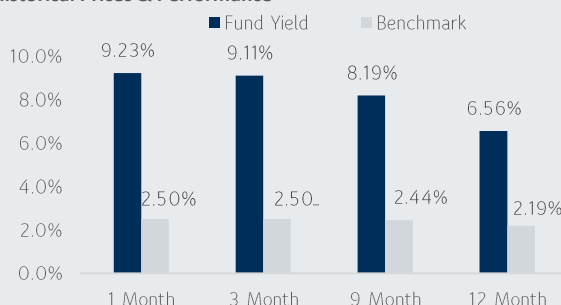
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦155.64bn
Base currency	(₦)
NAV per share	₦100
Minimum investment	₦5,000
Minimum holding period	30 days
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	1.25%
Total Expense Ratio	1.36%
Risk profile	Low
Custodian	Citibank
Benchmark	Average 91-day Treasury Bill (NTB) primary auction stop rates.

Asset Allocation



Money Market Fund Yield: 9.20%

Historical Prices & Performance



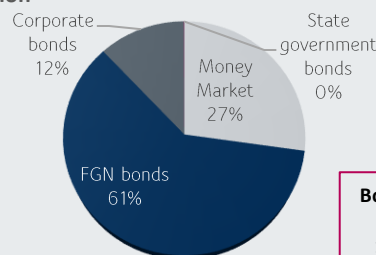
FBN Bond Fund Overview

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.

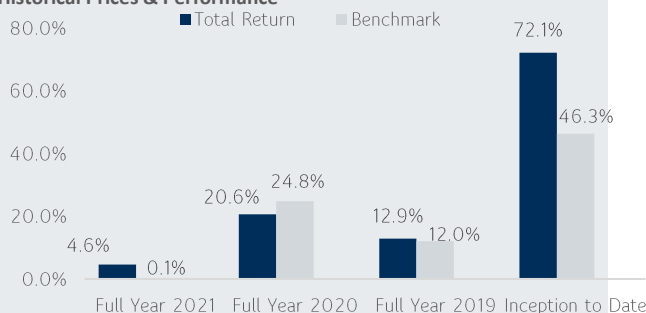
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦38.07bn
Base currency	(₦)
NAV per share	₦1,392.86
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.23%
Annual management fee	1.00%
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



Bond Fund Yield: 11.33%

Historical Prices & Performance



Annualized return of 4.61%

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FBN Dollar Fund Overview

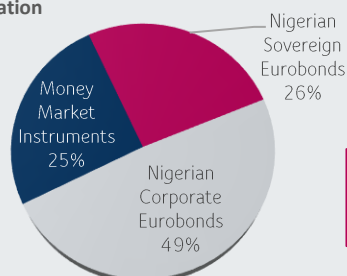
Investment objective

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

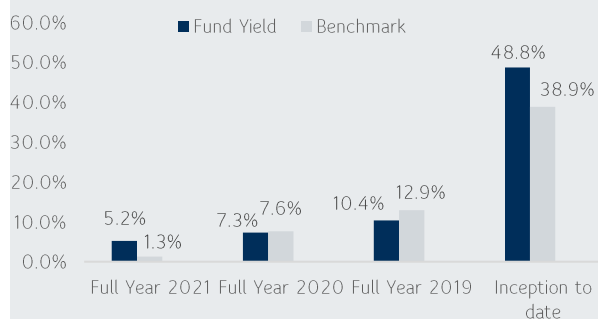
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$19.87mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$122.10
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
Management fees	1.50%
Income distribution	Annually
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Weighted portfolio duration	1-2 years

Asset Allocation



Dollar Fund Yield: 3.95%

Historical Prices & Performance



Annualized return of 5.21%

FBN Halal Fund Overview

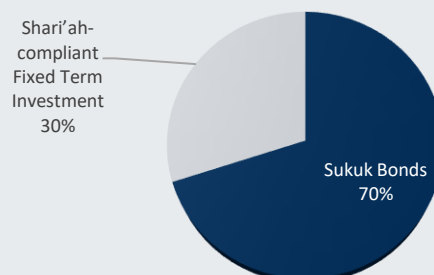
Investment objective

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

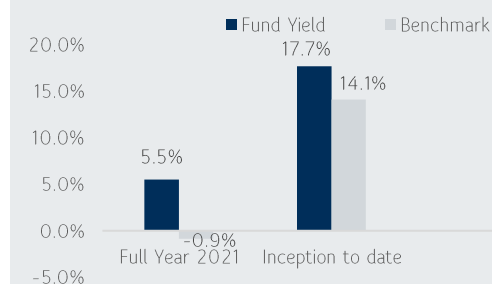
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦5.18bn
Base currency	(₦)
NAV per share	₦115.63
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

Assets Allocation



Halal Fund Yield: 9.35%

Historical Prices & Performance



Annualized return of 5.51%

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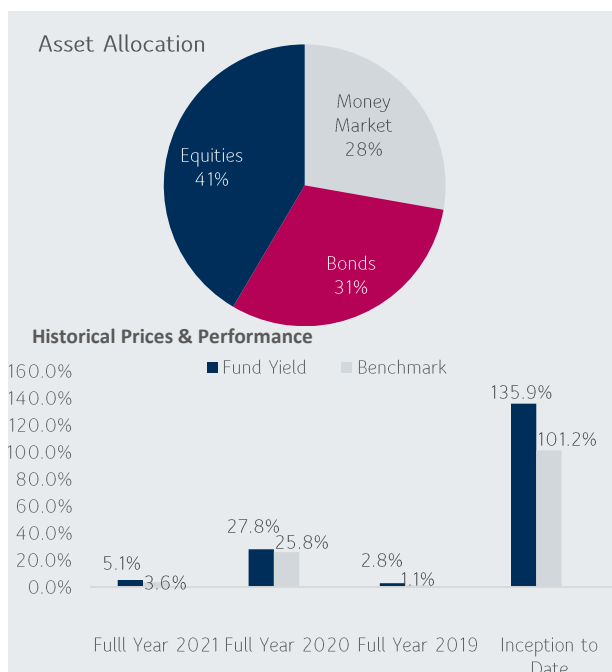
FBN Balanced Fund Overview

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	₦4.14bn
Base currency	(₦)
NAV per share	₦175.26
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	17.86%
Consumer Goods	5.65%
Telecommunications	5.31%
Industrial Goods	3.18%
Agriculture	5.27%



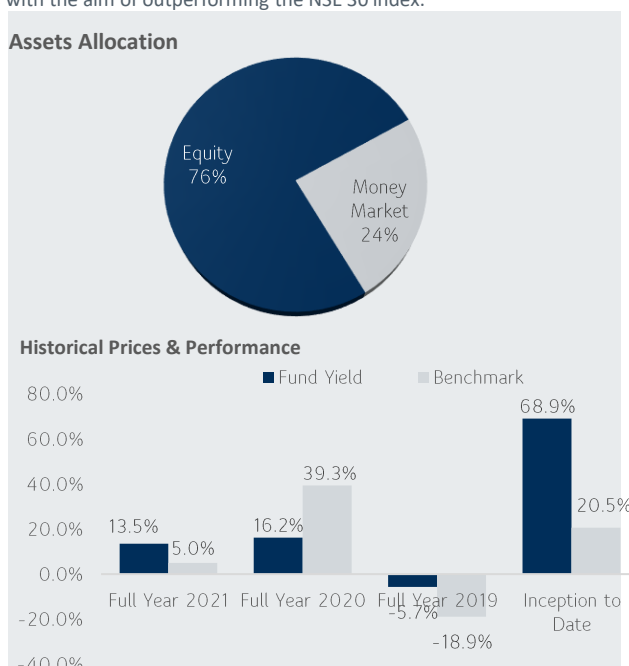
FBN Smart Beta Equity Fund Overview

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	₦354.52mn
Base currency	(₦)
NAV per share	₦150.11
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

Top 5 equity holdings	
Financial Services	32.46%
Consumer Goods	15.32%
Agriculture	14.24%
Telecommunications	8.75%
Industrials	5.60%



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Outlook

- Heading into the year 2022, concerns over the economic impact of the coronavirus and high levels of inflation will continue to dictate market and policy direction alike. Investors will want to know what steps governments and central banks might take to stem price pressures, and at the same time, keep their respective economies from ticking over. Already in the U.S, investors have begun pricing in the likelihood of three hikes in 2022 with a fourth hike in the beginning of 2023 also on the cards. The shorter-term movements of risk assets remain largely dependent on the changes in monetary and fiscal policies especially and as the Fed begins to taper its bond purchase program.
- While we note the declining momentum in equities in December, we see scope for gains in the first quarter of the year which is typical of a year start. This is as investors position in equities ahead of full year results (amid unattractive yield environment), as well as expectation of good dividend yields from the dividend aristocrats.
- In the near term, we expect yields to hover around current levels and gradually edge up thereafter. This is based on the premise that 2022 budget deficit of NGN6trillion is expected to be financed through borrowings (more of domestic debts given that USD4billion in Eurobonds were issued in 2021), thus, heightening Government debt needs.
- The Eurobonds market regained some steam at the end of the year however, headwinds remain in that space. The most immediate being the impending rate increases by advanced economies which could trigger capital flows out of emerging and frontier markets, thus, prompting yield increases. Should this crystalize, we speculate that this could also dissuade the FGN from seeking external funds as cost of funding increases.

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