





MUTUAL FUND FACTSHEET

All data as at 31 January 2022 unless otherwise stated

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Executive Summary

- The International Monetary Fund downgraded its global growth forecast for 2022 and cautioned that a rise in inflation, Covid-19 cases, supply chain disruptions and a widening divergence in growth rates between advanced economies and emerging and developing economies will slow down global output growth. The IMF now expects global growth to decelerate markedly from 5.50% in 2021 to 4.10% in 2022 and 3.20% in 2023 as pent-up demand dissipates and fiscal and monetary support is unwound across the world. Growth in advanced economies is expected to decline from 5.00% in 2021 to 3.80% in 2022 and 2.30% in 2023. In emerging and developing economies, however, growth is expected to drop from 6.30% in 2021 to 4.60% in 2022 and 4.40% in 2023. The Fund projects that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4.00% below its pre-pandemic trend.
- It was a downbeat month for global equities as investors continued to react to the impending interest rate hikes by the Fed. Major stock indices recorded consecutive weekly declines to close the month lower {e.g., S&P 500 (-5.26%), Dow Jones (-3.32%), NASDAQ (-8.52%), Russell 2000 (-9.66%)}. Bouts of fourth quarter 2021 earnings were released but did little to steer the course of the market. Meanwhile, at the Fed's meeting in the month, they signalled that they were still on course to tighten monetary policy as policymakers have expressed willingness to hike rates. We expect 4-5 hikes in 2022.
- The Monetary Policy Committee (MPC) held the first meeting of the year during the month and left all policy parameters unchanged. They acknowledged the potential impact of rate hikes by monetary authorities in advanced economies on capital flows to emerging markets, however, they consider the risk of capital flight from Nigeria minimal. Also, the need to continue to support the fragile economy is an overriding factor for maintaining an accommodative stance.
- Headline inflation edged higher in December 2021 at 15.63% (vs. 15.40% in November 2021), a 23bps increase after eight consecutive months of decline. Food inflation increased to 17.37% from 17.21% in previous month. Similarly, core inflation rose to 13.87% in the month from 13.85% in November. Overall, in 2021, inflation rate averaged 16.98%.

Asset Class	Benchmark	1M (January) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	2.49*	2.49**	System was awash with liquidity in the month of January as a number of inflows such as OMO maturities, coupon payments, Treasury bills and Bond maturities hit the market. Consequently, money market rates plummeted, with the Overnight and Open repo rates hitting lows of 1% in the month amid lower funding obligations by the banks. The Debt Management Office (DMO) conducted two primary market auctions for treasury bills in the month, with mixed participation. Rates closed lower at 2.50%, 3.30% and 5.40% at the second auction of the month for the 91-day, 182-day and 364-day bills (vs. 2.50%, 3.45% and 5.50% at the first auction). At the first auction, market participation was tepid as the 91-day and 182-day bills were undersubscribed compared to the intended offers, while the 364-day paper was oversubscribed and over allotted. At the second auction, however, participation was strong with bid to cover ratios of 4.72x, 3.79x and 2.06x. The DMO allotted the exact offered amount of NGN2.68bn and NGN3.54bn for the 91-day and 182-day bills, but over allotted the 364-day bill (NGN217.53bn vs. NGN123.11bn offered). Consequently, investors sought to book their unfilled bids at the secondary market, with average yields declining by 20bps in the month.
	181-day T-bill	3.37*	3.37**	
	364-day T-bill	5.45*	5.45**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	2.63	2.63	Buy-side activities permeated the bonds market in the month on the back of significant inflows into the system – coupon payments of NGN218.29bn and a bond maturity of NGN605.31bn. This led to increased demand for treasuries as investors looked to reinvest their idle funds. Consequently, average bond yields closed at 11.60%, a 36bps decline from year end 2021. At the first bond auction of the year, the DMO offered NGN75bn each for the 2026 and 2042 (new issue) instruments but allotted NGN81.72bn and NGN88.92bn respectively. Subscriptions were high with bid to cover ratios of 1.36x and 2.41x for the 2026 and 2042 bond instruments. Stop rate was pegged lower at 11.50% for the 2026 (vs. 11.65% in December auction) while the 2042 stop rate was marked at 13.00%.
	3 Year Federal Government Bond	2.27	2.27	
 Eurobond	3 Year Nigerian Sovereign Eurobond	2.02	2.02	Risk-off sentiment from global markets impacted the performance of the Sub-Saharan African Eurobonds as markets continue to price in the impending global rate hikes. Investors have continued to look away despite the oil price hitting record highs of USD90 per barrel in the month, which is a positive driver for the Eurobonds market. For the Nigerian Sovereigns, we saw a few buy activities at the short end of the curve, especially the 2023, 2025 and 2027 instruments which are currently trading at a premium. The mid and long end of the curve, however, were least favoured with instruments trading at discounts and yields ranging from 7%-9%. Ultimately, average yields printed higher at 6.93% from 6.86% at the end of 2021.
	5 Year Nigerian Sovereign Eurobond	1.05	1.05	
 Equities	NSEASI	9.15	9.15	The Nigerian Equities market started the year on a positive note as the All-share index gained 9.15% closing at 46,624.67pts. Market performance was driven majorly by gains in heavyweights like AIRTELAFRI (+33.09%), SEPLAT (+21.54%) and BUAFODDS (+61.00%) amongst others. BUAFODDS, a fast moving consumer goods company and a part of the BUA Group, was listed by introduction on the exchange during the month at NGN40 per share. This drove investor interest on the stock as its share price has since appreciated to NGN64.40 with a market capitalisation of NGN1.16trillion. On sectorial performance, the Oil and gas sector led the gainers' chart (+14.14%), followed by the banking sector (+8.69%), while the Insurance sector had the worst performance (-5.95%). In comparison with its peers, the bourse is valued at a midpoint - price to earnings ratio of 10.30x (vs. Ghana 5.20x, Egypt – 8.7x).
	NSE30	3.04	3.04	

*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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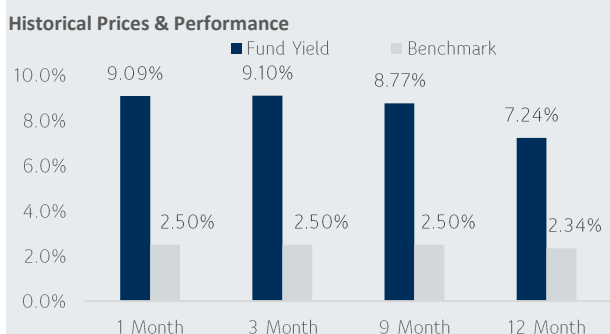
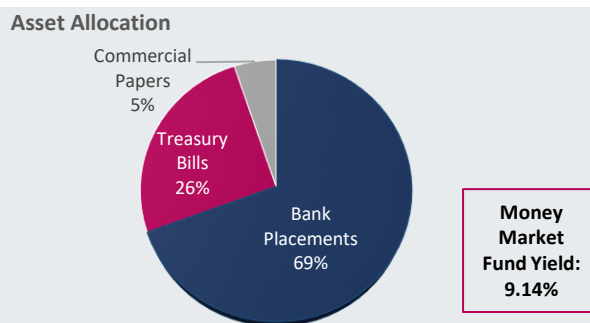
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FBN Money Market Fund Overview

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	₦161.23bn
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.

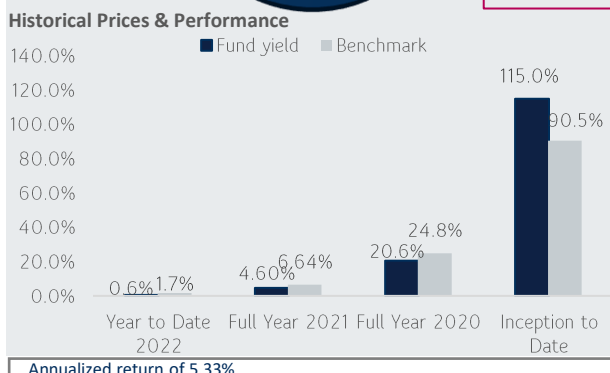
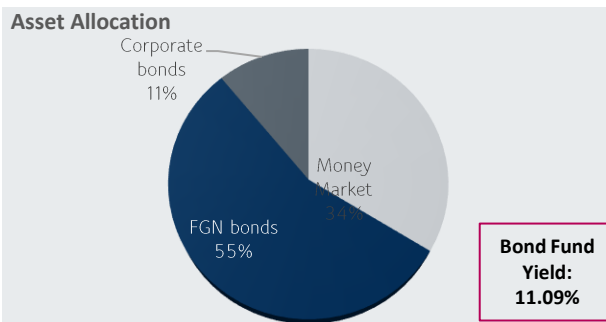


FBN Bond Fund Overview

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	₦41.97bn
Base currency	(₦)
NAV per share	₦1,408.19
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



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FBN Dollar Fund Overview

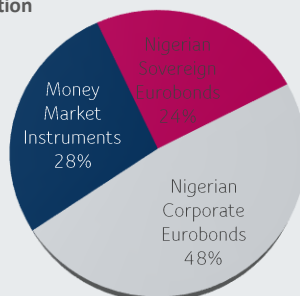
Investment objective

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

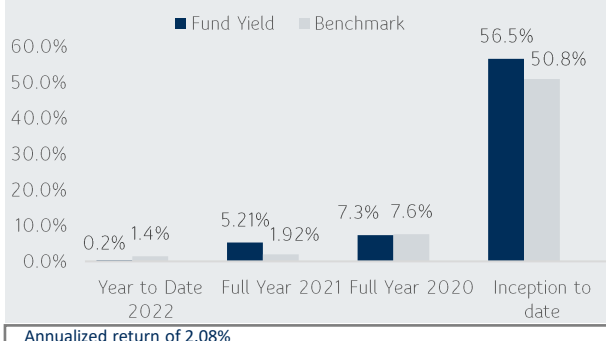
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$20.83mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$122.60
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
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: 3.85%

Historical Prices & Performance



FBN Halal Fund Overview

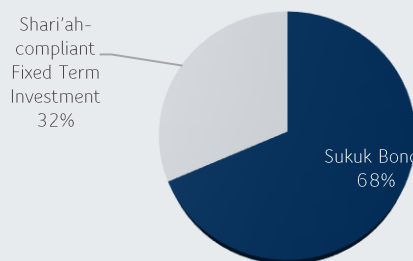
Investment objective

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

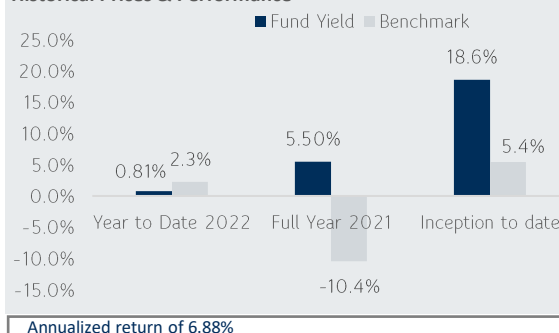
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦5.18bn
Base currency	(₦)
NAV per share	₦115.63
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%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

Assets Allocation



Halal Fund Yield: 8.86%

Historical Prices & Performance



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FBN Balanced Fund Overview

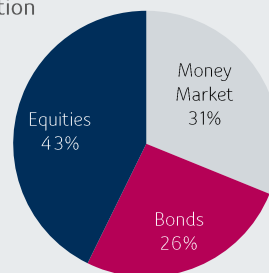
Investment objective

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

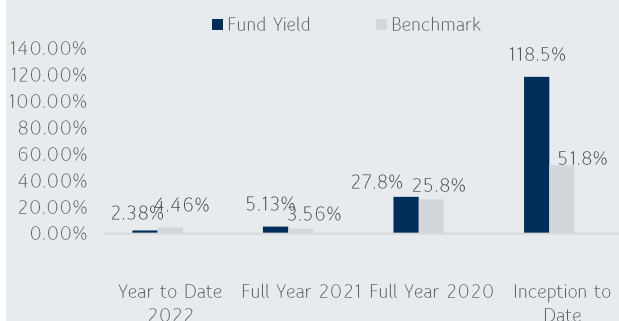
Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA, Harrison Imonikhe
Fund launch date	1 April 2008
Fund size	₦4.21bn
Base currency	(₦)
NAV per share	₦179.43
Minimum investment	₦50,000
Minimum holding period	180 days
Income accrual	Daily
Annual management fee	1.50%
Total Expense Ratio	1.69%
Risk profile	Medium
Benchmark	40% NSE30 40% 5 year FGN bond 20% 90day average Tbill rate
Custodian	Citibank

Top 5 equity holdings	
Financial Services	18.27%
Consumer Goods	5.48%
Telecommunications	5.24%
Industrial Goods	3.19%
Agriculture	5.70%

Asset Allocation



Historical Prices & Performance



FBN Smart Beta Equity Fund Overview

Investment objective

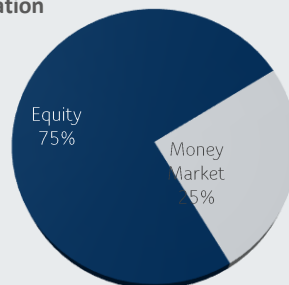
The Fund seeks to provide capital growth by selecting the best twenty (20) out of the forty (40) most capitalised stocks listed on the Nigerian Stock Exchange. The Fund is appropriate for investors who want equities with the aim of outperforming the NSE 30 index.

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA, Oyelekan Olorunkosebi CFA
Fund launch date	4 January 2016
Fund size	₦350.55mn
Base currency	(₦)
NAV per share	₦151.64
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

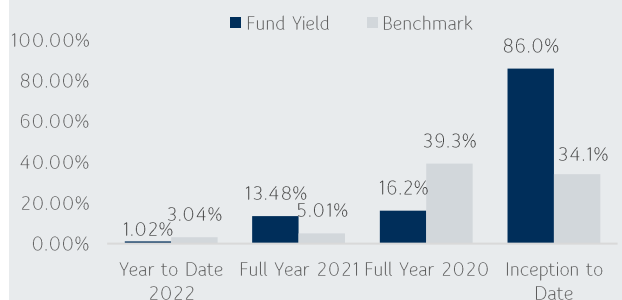
Top 5 equity holdings

Financial Services	38.83%
Consumer Goods	11.06%
Agriculture	8.35%
Telecommunications	3.44%
IOil & Gas	12.55%

Assets Allocation



Historical Prices & Performance



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Outlook

- The rise in geopolitical tensions over the past few weeks in eastern Europe related to Russia and the Ukraine has fuelled an oil price rally with Brent crude rising above USD90 per barrel for the first time since 2014. Threats to the UAE from Yemen's Houthi movement has furthered exacerbated supply concerns. The jostling and possible escalation could disrupt the global flow of energy supplies as Russia is a major exporter of oil and petroleum products and should this standoff persist, near term price spikes are inevitable.
- Equities (NGN) - With the bourse going into full earnings season, we expect the current positive mood to be sustained as more companies report their financial scorecards. Thus, we expect the anticipation of strong corporate earnings to have a significant bearing on equities market performance.
- Fixed Income (NGN) - We expect system liquidity to slightly moderate in February on the back of lower inflows into the market. This should cause money market rates to stabilize, recovering from the low single digits seen in January. Likewise in the bonds market, we expect moderate demand for instruments due to lower liquidity.
- Eurobonds - The Sub Saharan African Eurobond market could continue to witness bearish sentiment in the period leading to the Fed rate hikes. Thus, yields are poised to sustain an upward trajectory in Q1 2022.

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 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