





MUTUAL FUND FACTSHEET

All data as of 31st January 2023 unless otherwise stated

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Executive Summary

- The International Monetary Fund (IMF) revised its global growth forecast for 2023 to 2.9% from 2.7% owing to strong demand in the United State (US) and Europe, easing energy prices and the reopening of China's economy. The IMF also expects 1.4% GDP growth in the U.S and 0.7% growth in the Eurozone from previous forecasts of 1.0% and 0.5% respectively. In Q4:2022, US GDP expanded by 2.9% YoY from 3.2% YoY in Q3:2022 driven by a reduction in the growth of consumer spending while the Eurozone slightly missed a recession as it expanded by 0.1% QoQ in Q4:2022 from 0.3% in Q3:2022. Disinflation set in, with inflation in the US (6.50%), United Kingdom (10.5%), and Eurozone (9.20%) (vs. 7.10%, 10.70% and 10.10% apiece in November 2022) slowing.
- Risk assets saw renewed interest in the first month of the year spurred by hopes of an improvement in the energy crisis in Europe as the weather in the zone remains conducive, easing price pressures in the US and Europe, and a recovery in China's economy. Consequently, all major markets recorded renewed buying interest in the month under review to close with a bullish performance. The Dow Jones Industrial Average (2.83%), the NASDAQ (10.69%), and the S&P 500 (6.76%) posted gains at the end of the month. Similar performances were noted with the STOXX 600 (6.76%), Hang Seng Index (11.58%), Shanghai SE Composite (6.35%), and the Nikkei 225 (4.80%) which closed in the green territory.
- Four months after Moody's Investor Service (Moody's) downgraded Nigeria local currency and foreign currency issuer rating to B3, the global credit rating agency further lowered the country's local currency and foreign currency long term ratings and its foreign currency senior unsecured debt ratings into the junk region with a rating of Caa1 and a stable outlook. The ratings downgrade is due to the worsening fiscal and debt position of the country. The lowered ratings imply that the sovereign and corporate debt instruments will be priced higher, foreign investors apathy will worsen, and potential foreign direct investment and foreign portfolio investment will reverse.

Asset Class	Benchmark	1M (January) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	1.15*	1.15*	In the month of January, system liquidity was buoyant as liquidity opening balance stood as high as NGN1.19trn as at 27th of January 2023 compared to NGN654.66bn at the end of January. Inflow from OMO maturity, CBN swap maturity, and coupon payment supported liquidity during the period under review suppressing average interbank rate to 10.75% from 11.33% in December. This filtered into the treasury bills auctions in January where the Central Bank of Nigeria (CBN) took advantage of abundant liquidity to keep rates low. At the last auction held in January, the bid to cover ratio for the 91-Day and 182-Day instruments ticked up to 54.24x (91-Day), and 70.94x (182-Day) from 7.10x (91-Day), and 37.74x (182-Day) at the first auction while the bid to cover ratio for the 364-Day instrument declined to 3.96x (364-Day) from 5.94x. Stop rates across the three instruments continued a downward trend as rates declined to 0.29% (91-Day), 1.80% (182-Day) and 4.78% (364-Day) at the second auction from 2.75%, 7.15% and 8.49% in December. The average benchmark yield closed the month down at 1.56% from 5.58% in December 2022.
	181-day T-bill	3.07*	3.07*	
	364-day T-bill	6.04*	6.04*	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	-2.66	-2.66	The bond market started the year with bullish sentiments given the sour result of the auction held in December as stop rates declined across all the three instruments and total allotment was NGN289.48bn compared to the subscription level of NGN532.21bn. At the auction held in January, participation improved significantly as subscription stood at NGN805.42bn across all instruments and the Debt Management Office (DMO) allotted N662.61bn against the N360.00bn offer amount. Hence bid to cover ratio across the four instruments stood at 1.22x from 1.84x in the last auction held in 2022. The stop rates across the four instruments increased to 14.00% (FGN 2028), 14.90% (FGN 2032), 15.80% (FGN 2037), and 15.90% (FGN 2049) compared to their yield in the secondary market -13.62% (FGN 2028), 14.19% (FGN 2032), 15.30% (FGN 2037), and 15.36% (FGN 2049). The average yield closed the month at 13.35% from 13.04% from December 2022.
	3 Year Federal Government Bond	4.51	9.14	
 Eurobond	3 Year Nigerian Sovereign Eurobond	7.53	7.53	The bears reversed the bullish mood seen towards the end of last month given the weakness of the dollar during the period. The sour mood in the Sub-Saharan African (SSA) Eurobond market lasted in January as investors remained risk averse to Eurobonds of emerging and frontier economies owing to the deteriorating fiscal position of countries within the region. The Fed and other Central Banks of developed economies remained static on their hawkish decision as they continue to tackle rising inflation, supporting the bearish mood in the market. The bears maintained their dominance in the Ghana's Eurobond market as investors continued to weigh the impact of the proposed debt restructure. In the domestic scene, Moody's downgrade of Nigeria's issuer ratings to Caa1 from B3 supported the bearishness in the Eurobond space. The average yield on the Nigerian sovereigns closed at 11.98% up by 8bps.
	5 Year Nigerian Sovereign Eurobond	7.30	7.30	
 Equites	NGXASI	3.88	3.88	In line with our expectations, the Nigerian bourse closed the month on a bullish note as the All-Share index closed the month up at 53,157.83pts, gaining 3.88% while the NGX-30 closed up by 3.80% from 1,842.50pts in December. The buy rally was also seen across all the sectors with the banking sector leading the pack (+7.54%). The consumer goods sector (5.82%), the oil and gas sector (5.41%), the insurance sector (2.31%) and the industrial goods sector (2.11%) followed. Gains were seen on FIDELITY BANK (+25.75%), UNILEVER (+16.81%), BUAFOODS (14.62%), OKOMU (9.76%), GTCO (8.70%), FBNH (+7.34%) and ACCESSCORP (6.47%). The positive mood seen in the market was sustained by optimism of the new year, portfolio rebalancing and positioning in quality stocks ahead of declaration of earnings results.
	NGX30	3.80	3.80	

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16-18, Keffi Street, Off Awolowo Road, S.W. Ikoyi, Lagos, Nigeria
 Tel: Tel: +234 (1) 2702290-4, +234 (0) 708 065 3100 Email invest@fbnquest.com
 An FBN Holdings Company

*Mean average stop rate at the Nigerian treasury bill auction

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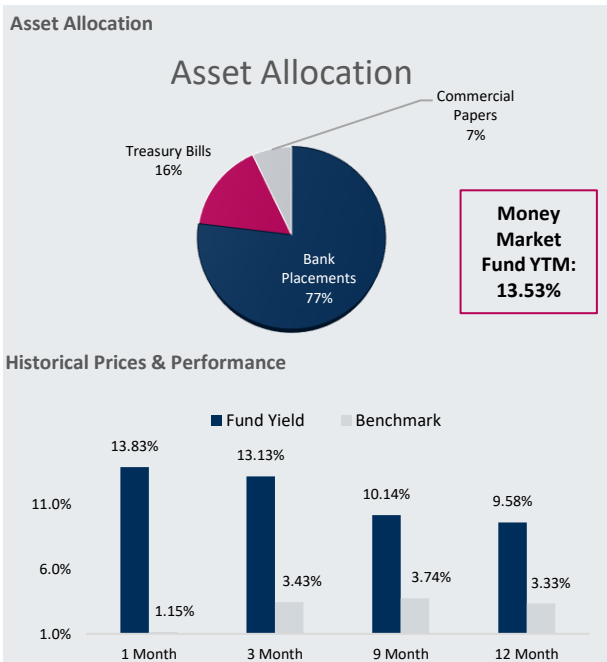
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FBN Money Market Fund Overview

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	₦164.18bn
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.

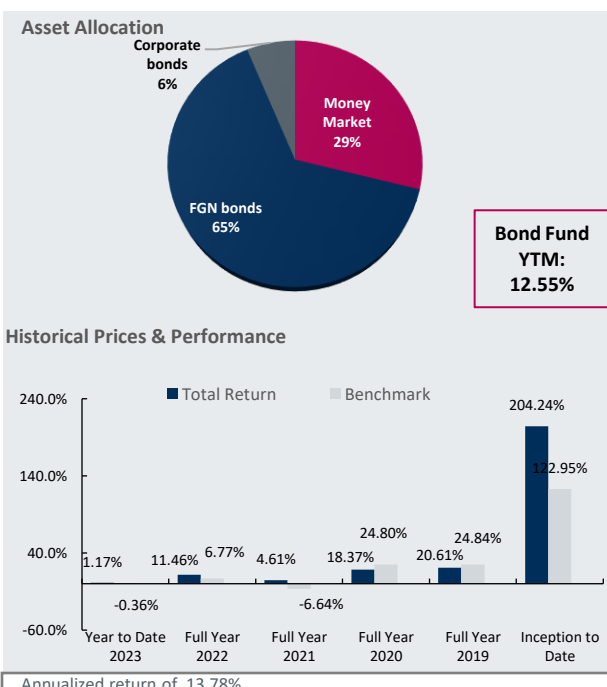


FBN Bond Fund Overview

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	₦65.84bn
Base currency	(₦)
NAV per share	₦1,485.77
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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MUTUAL FUND FACTSHEET

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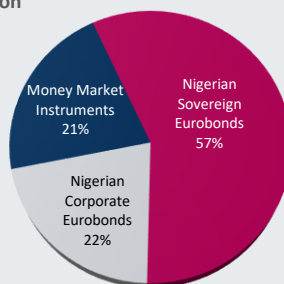
FBN Dollar Fund Overview

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

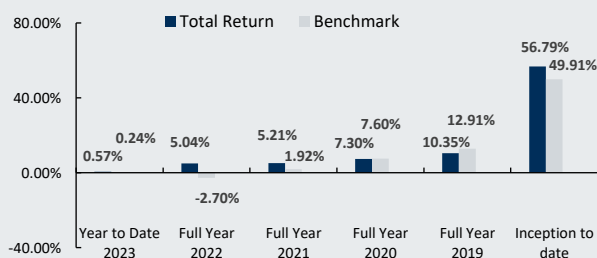
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$28.34mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$120.90
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
Management fees	1.50%
Income distribution	Annually
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Custodian	Standard Chartered Bank
Weighted portfolio duration	1-2 years

Asset Allocation



Dollar Fund
YTM:
6.72%

Historical Prices & Performance



Annualized return of 6.50%

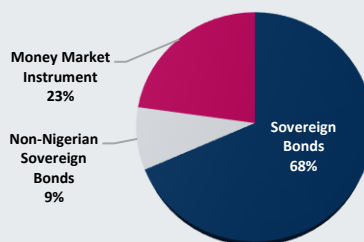
FBN Specialized Dollar Fund Overview

Investment objective

The investment objective of the Fund is to generate stable income, attractive returns, reduce Nigerian-specific risk and provide a potential currency hedge for investors.

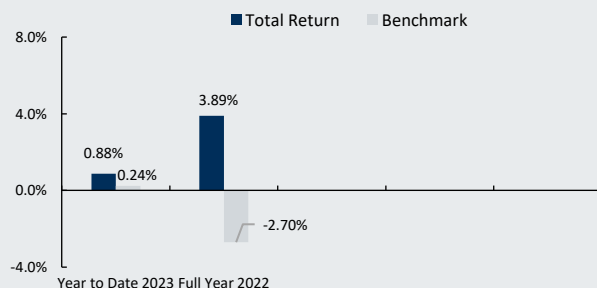
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	12 August 2022
Fund size	\$12.30mn
Base currency	US Dollars (\$)
NAV per share	₦104.80
Minimum investment	\$10,000
Minimum holding period	180 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Medium
Custodian	Standard Chartered Bank
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate

Assets Allocation



Specialized Dollar Fund
YTM:
9.53%

Historical Prices & Performance



Annualized return of 9.99%

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MUTUAL FUND FACTSHEET

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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

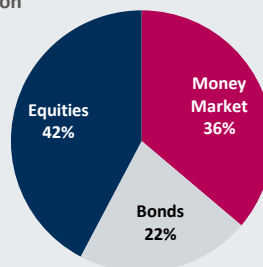
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	1 April 2008
Fund size	₦5.06bn
Base currency	(₦)
NAV per share	₦206.49
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

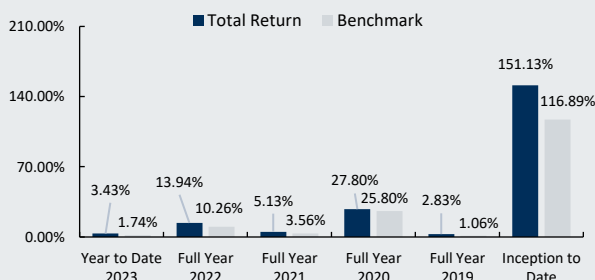
Top 5 Equity Sector Exposure

Financial Services	18.26%
Telecommunications	8.30%
Agriculture	3.72%
Consumer Goods	3.26%
Industrial Goods	2.90%

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.

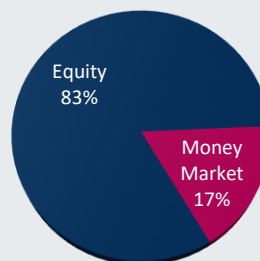
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	4 January 2016
Fund size	₦384.79mn
Base currency	(₦)
NAV per share	₦175.65
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

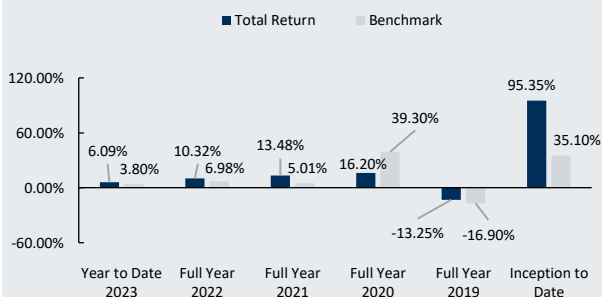
Top 5 Equity Sector Exposure

Financial Services	51.41%
Agriculture	11.79%
Consumer Goods	9.25%
Oil & Gas	6.08%
Industrial Goods	3.38%

Assets Allocation



Historical Prices & Performance



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MUTUAL FUND FACTSHEET

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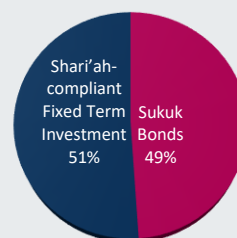
FBN Halal Fund Overview

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.

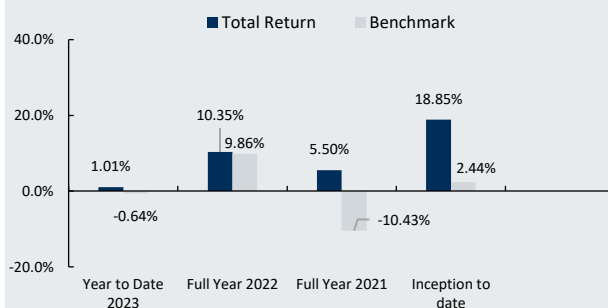
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦7.59bn
Base currency	(₦)
NAV per share	₦124.17
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered Bank
Benchmark	FGN 3 Year Benchmark Bond

Asset Allocation



**Halal Fund
YTM:
13.15%**

Historical Prices & Performance



Annualized return of 11.89%

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Outlook

- Going forward, we are optimistic that prices will continue to trend downwards especially in advanced economy and emerging markets as monetary authorities retain their hawkish monetary policy decision. This will also be supported by reduction in energy prices, reversion in the base effects of high energy and food prices, and relaxed labor market in US.
- Equities (NGN) – Going forward, we expect sentiments in the equity market to remain bullish with focus on fundamentally sound stocks. This is hinged on investors positioning in dividend paying stocks ahead of 2022FY dividend corporate disclosures. In addition, the decline in fixed income yields will improve risk appetite of domestic investors given the compelling need to improve risk adjusted returns in a high inflationary environment. Valuations remain neutral with the market trading at a PE of 12.60x, with peer markets like Kenya and Egypt trading at 6.30x and 10.00x.
- Fixed Income: In the coming month, we expect buoyant system liquidity from inflows to direct the movement of yields in the market rather than the Monetary Policy Rate. Hence, we expect yield to trend lower especially for short dated instruments as investors clamor for investments with higher yields to compensate for the inflationary pressure and political risk as electioneering activities intensify.
- Eurobond: The Eurobond market continues to be sour, influenced by worsening fiscal positions, and depreciating currencies, and elevated price. Asides country specific challenges, static opinions concerning hawkish monetary policy by global central banks remain a headwind for the performance of the market. We expect risk off sentiment to continue to drive activities of the SSA Eurobond market in the near term.

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