




## MUTUAL FUND FACTSHEET

All data as of 30th April 2023 unless otherwise stated

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### Executive Summary

- In April 2023, the United States (US) and China recorded mixed Q1:2023 GDP figures with the US slowing down while China's economy grew faster than expected. The US GDP eased to 1.1% YoY in Q1:2023 from 2.6% YoY in Q4:2022 owing to the liquidation of inventories by businesses in anticipation of weaker demand later this year amid higher borrowing costs. The economic performance in China (4.50% in Q1:2023 vs. 2.9% in Q4:2022), was driven by the relaxation of strict COVID-19 measures which eased businesses and consumers from crippling pandemic impacts.
- Also in US, the Institute of Supply Management (ISM) reported that the US Manufacturing PMI declined for the fifth consecutive month to 46.3 pts in March, from 47.7pts in February 2023 owing to the impact of monetary tightening. At the same time, the Services PMI slowed to 51.2 points (February: 55.1 points) reflecting the impact of policy actions on demand. Elsewhere, the flash estimates from S&P Global highlighted a slowdown in the UK's Composite PMI (52.2 pts vs 53.1 pts in February) driven by a fall in March's Manufacturing PMI (47.9 points vs February: 49.3 points) owing to weaker demand, low production output, and low factory activities. Similarly, the Services PMI settled lower in March at 52.9 pts from 53.5 pts in February despite growth in business intakes.
- According to the National Bureau of Statistics, Nigeria's headline inflation rose to 22.04% YoY in March 2023 from 21.91% YoY in February 2023. The food and core indices, which increased by 24.45% YoY and 19.86% YoY, respectively, from 24.35% YoY and 18.84% YoY in February 2023, contributed to the increase in overall inflation. Food inflation rate was driven by price increases on food items like Fish, Fruits, Meat, Vegetables, Oil and Fat, Bread and Cereals while the rise in Core inflation was influenced by increases in the costs of gas, air and road transportation fare, fuels and lubricants and auto components.

Asset Class	Benchmark	1M (April)%	Year to Date (%)	Commentary
 Money Market	91-day T-bill	5.65*	3.09*	In the month of April, system liquidity was depressed for most of the month forcing interbank market rates to hover between 15%-19%. For context, the liquidity position stood at a negative of NGN343.06.bn as at 18th of April. Consequently, interbank rates increased to high double-digit levels during the month (18.63% (OBB) and 19.00% (OVN)). However, interbank rates declined in the last week of the month as inflows from the FGN Bond maturity (NGN735.96bn), the FGN coupon payment (NGN273.60bn), and the FAAC allocation improved the liquidity position. Hence, interbank rates closed the month at 12.63% (OBB) and 13.13% (OVN). At the treasury bills market, the high system liquidity at the end of the month crept into the auction and the Central Bank of Nigeria drove stop rates lower at the last auction. Hence, stop rates on the 364-Day instrument and 91-day instrument declined to 5.30% and 10.00% respectively (vs. 6.00% and 14.70% at the previous auction) while the rate on the 182-Day instrument remained unchanged at 8.00%. The bid-cover ratio increased to 6.23x from 1.87x at the previous auction given the sizeable liquidity position (NGN353.92bn as of 26th of April 2023).
	181-day T-bill	8.00*	4.96*	
	364-day T-bill	12.44*	9.26*	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.39	0.61	At the secondary bond market, the liquidity squeeze in the money market ensured that the average yield remained high at c.14%. In the primary bond market, the Debt Management Office (DMO) offered a total of N360n across two existing bond issues (2028s and 2032s) and two new issues (2042s and 2050s). The total subscription stood at NGN444.03bn, with bid-offer ratio of 1.23x from 2.25x in March. Nevertheless, the DMO kept stop rates within the previous auction level as the stop rate on the 2028 issue remained flat at 14.00% while the stop rate for the 2023 issue increased by 5bps to 14.80%. The 2042 and the 2050 stop rates printed at 15.40% and 15.80% respectively.
	3 Year Federal Government Bond	0.13	3.86	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.92	0.92	Fitch downgraded Ghana's long-term local currency rating to restricted default from CCC after the government failed to make coupon payment on some old bonds that were not part of the Domestic Debt Exchange programme. Also, Ghana Ministry of Finance updated investors on the guiding principles and the objectives of the debt restructuring such as its expected GDP growth and inflation level. Elsewhere, Standard and Poor's Global changed Egypt's outlook from Stable to Negative owing to the country's foreign financing requirements. Risk aversion remained dominant in the market given the continues hikes in interest rates, albeit at a slower pace, of the Central Banks of developed economies as they continue to tackle rising inflation and country-specific factors. In Nigeria, the average yields on the Nigerian sovereigns trended lower to 14.49% from 13.49%
	5 Year Nigerian Sovereign Eurobond	-1.18	0.87	
 Equities	NGXASI	-3.37	2.25	In April, the local bourse was characterized by the reduced number of trading days due to series of public holidays, dividend payouts, price adjustment for FY 2022 dividends, corporate earnings releases to mention a few. Nonetheless, the domestic equity market remained bearish, despite the cushion provided by dividend announcement, sustaining a month -on- month decline seen in the previous month. Consequently, the All-share index and the NGX30 lost 2.82% and 3.20% respectively (price return) trimming down the year-to-date returns to 2.25% and 2.62% from 5.82% and 4.93% in March 2023. The market's performance was driven by losses on some heavyweight stocks such as AIRTELAFRI (-15.48%), NB(-13.51%), ZENITHBANK (-11.80%), WAPCO (-7.31%), OKOMUOIL (-6.54%), MTNN(-4.71%), NESTLE (-3.38%), SEPLAT (-3.02%) and GTCO (-2.55%). Sectorial performance was largely negative as all indices recorded losses excluding the Consumer Goods index and Insurance index. The Banking index (-3.29%) led the loser's chart followed by the Oil and Gas Index (-1.68%), and Industrial Index (-0.38%). The Insurance index and Consumer Goods index closed the month with gains of 3.87% and 4.75% respectively.
	NGX30	-2.20	2.62	

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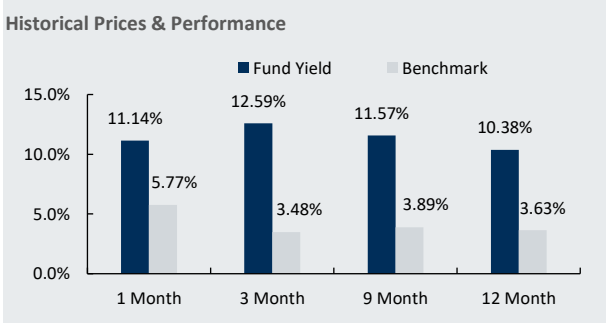
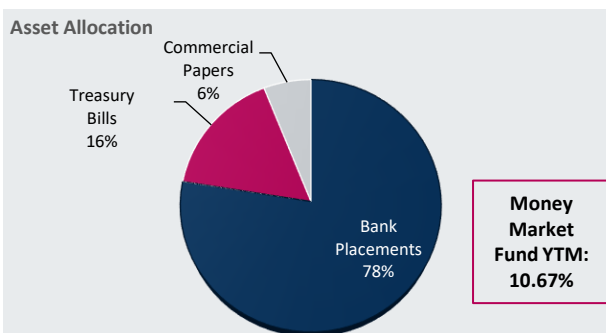
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### FBN Money Market Fund Overview

#### 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	₦187.25bn
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.

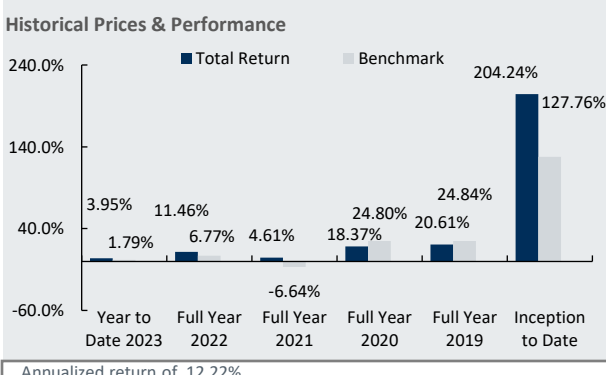
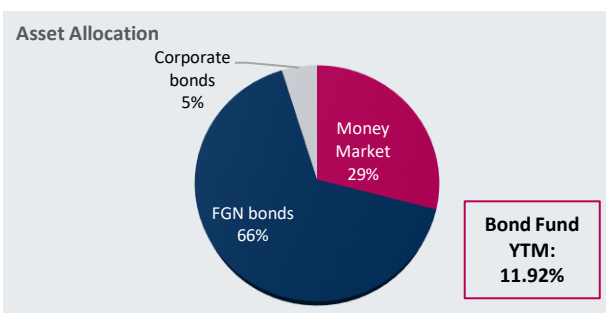


### FBN Bond Fund Overview

#### 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	₦65.14bn
Base currency	(₦)
NAV per share	₦1,526.63
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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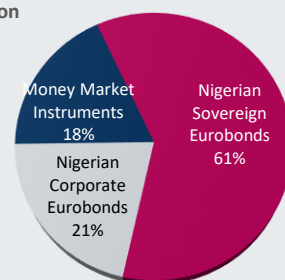
### FBN Dollar Fund Overview

#### 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

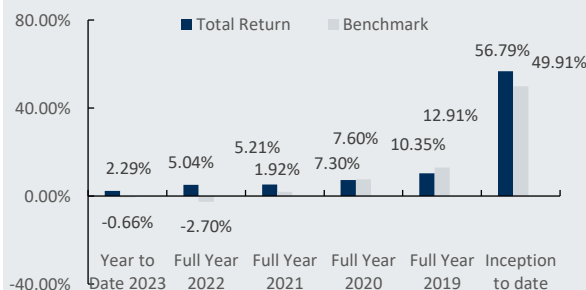
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$28.69mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$122.97
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense 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:  
6.99%

#### Historical Prices & Performance



Annualized return of 7.08%

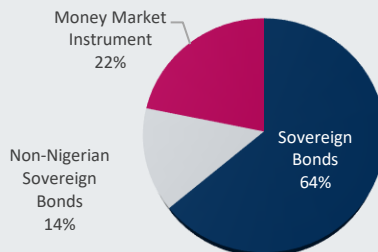
### FBN Specialized Dollar Fund Overview

#### 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.

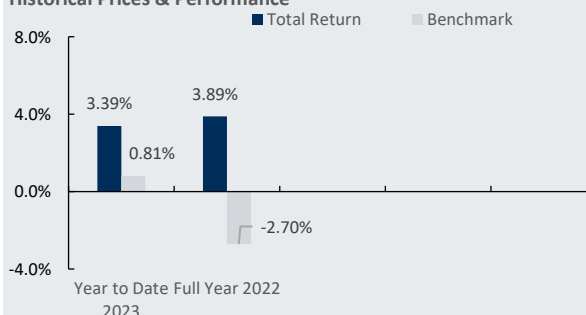
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	12 August 2022
Fund size	\$15.51mn
Base currency	US Dollars (\$)
NAV per share	₦107.41
Minimum investment	\$10,000
Minimum holding period	180 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	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:  
9.67%

#### Historical Prices & Performance



Annualized return of 10.40%

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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	₦5.14bn
Base currency	(₦)
NAV per share	₦211.63
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	12.60%
Telecommunications	9.35%
Consumer Goods	5.57%
Industrial Goods	4.71%
Agriculture	2.31%

### FBN Smart Beta Equity Fund Overview

#### Investment objective

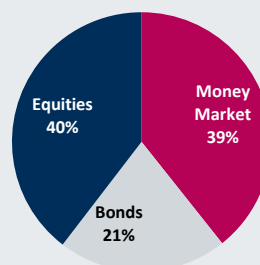
The Fund seeks to provide capital growth by selecting the best twenty (20) out of the forty (40) most capitalised stocks listed on the Nigerian Stock Exchange. The Fund is appropriate for investors who want equities with the aim of outperforming the NSE 30 index.

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	4 January 2016
Fund size	₦388.20mn
Base currency	(₦)
NAV per share	₦180.05
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

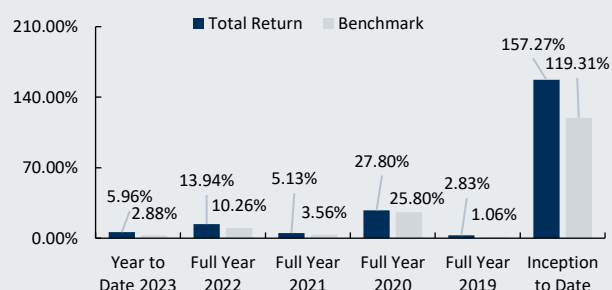
Top 5 Equity Sector Exposure	
Financial Services	37.97%
Consumer Goods	16.10%
Industrial Goods	9.59%
Agriculture	5.85%
Beverages	3.73%

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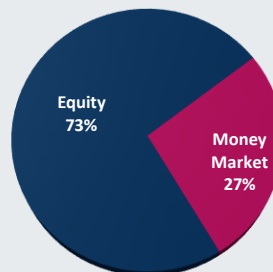
#### Asset Allocation



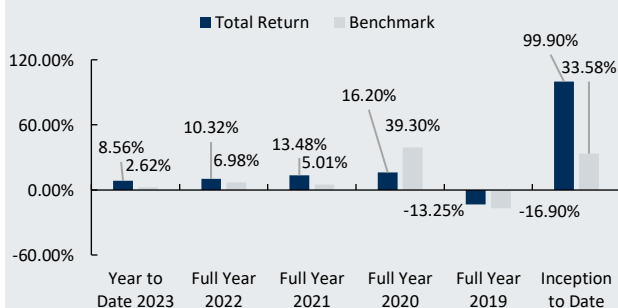
#### Historical Prices & Performance



#### Assets Allocation



#### Historical Prices & Performance



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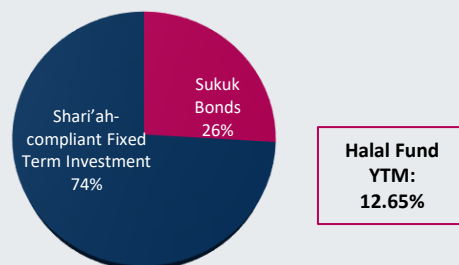
### FBN Halal Fund Overview

#### Investment objective

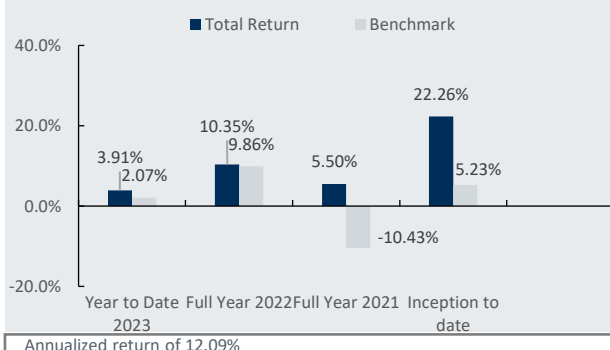
The Fund is designed to provide long-term income generation by investing in Shari'ah compliant instruments such as Sukuku, Ijarah (Lease), Murabaha (Cost plus mark-up) and Mudarabah (Working Partner) contracts.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦9.48bn
Base currency	(₦)
NAV per share	₦127.70
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



#### Historical Prices & Performance



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### Outlook

- In March, inflation in the global economy continued its downward trend driven by a slower increase in prices of food, housing and domestic services, transportation, furniture and household items, and clothes. The US (5.0%), the UK (10.10%), the Euro area (6.90%), and China (0.7%) recorded declines in headline inflation in March 2023 from 6.0%, 10.4%, 8.5%, and 1.0% in February 2023. Nevertheless, inflation remains above the target rate of these advanced economies. Hence, we expect that interest rate will continue to rise to curb inflation.
- Equity: This month, we expect a reversal of the negative sentiments seen in April, as investors are likely to pause profit-taking activities, and the bulls to regain dominance of the domestic equity market. This expectation is hinged on Q1:2023 earnings releases of stocks and the decline in prices seen on some heavy-weight tickers in April 2023. On the latter we note that the decline in prices of heavyweight names has provided room for entry at attractive levels. That said, we note that equity investors will be paying close direction to the direction of FI yields given that system liquidity is expected to thin out from May onwards. In addition, developments in the macroeconomic space considering the swearing-in of the new administration come May 29th. Barring any negative surprises in large-cap heavyweight companies like DANGCEM, AIRTELAFRICA, BUACEMENT and BUAFOODS, we see scope for the market to close on a mild bullish note.
- Fixed Income: System liquidity in May 2023 is expected to thin out as inflows from FGN Bond instruments and OMO maturity this month will be low compared to April. Hence, liquidity pressure will ensure that yields in the fixed-income market attain high double-digit levels throughout the month. Furthermore, we expect investors' sentiments to be bearish in the treasury bills secondary market and the bond secondary given our expectation of depressed system liquidity. Thus, we envisage a sharp uptick in yields from current levels in both the bond market and treasury bills market.
- Eurobond: In April, country specific risks such as increase in inflation, debt issues and default in bond coupon payment, drove sell-offs in the market. This is likely to persist in May as macro-economic conditions deteriorate and global Central Banks continue their steady but hawkish monetary policy in a bid to reduce inflation.

### 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