





MUTUAL FUND FACTSHEET

PUBLIC

All data as of 30th June 2023 unless otherwise stated

Executive Summary

- Global headline inflation readings for May 2023 continued decelerating as the United States (U.S) consumer price index fell to 4.00% from 4.9% in April, the Eurozone's headline inflation eased to 6.10% from 7.00%, while the United Kingdom's inflation remained unchanged at 8.70%. The decline in inflationary pressure reflects lower gasoline and electricity prices. In line with reducing inflation, the U.S kept the FED fund rate steady at 5.25% but hinted that it might raise rate at its July meeting. Conversely, the Eurozone and the U.K raised their benchmark rates to 3.50% (+25bps) and 5.00% (+50bps) respectively. On the other hand, China cut its short-term reverse repo rate by 10bps to 1.90% in a bid to increase demand. It also disclosed the injection of USD279.97mn (2 billion Yuan) into the economy.
- Rising inflation in Nigeria continued as headline inflation rose to 22.41% in May from 22.22% in April owing to an uptick in food and core inflation. Inflationary pressure is likely to remain strong, especially with the unification of exchange rates and the removal of the fuel subsidy. For context, the Central Bank of Nigeria (CBN) collapsed all FX markets into the Investors and Exporters (I&E Window) and re-introduced a willing buyer and willing seller market model which forced the value of the Naira to depreciate to NGN663.04/USD as of June 16 and to NGN769.25/USD at the end of June. Furthermore, the restrictions on dollar deposits and withdrawals (now USD 10,000) on domiciliary accounts at local banks, the RT200 rebate scheme, and the Naira4Dollar remittance were removed. While the new dollar reforms might support the growth USD balances into the system, the unification of the FX market will affect importers that were covered by the subsidized rate from the CBN.
- Elsewhere, the removal of the petrol subsidy prompted the Nigerian National Petroleum Company Limited to change its prices across outlets and petrol prices rose from an average of NGN191.84/litre to NGN526.70/litre. High fueling costs in addition to inflation and foreign exchange pressures, supported the Nigeria Electricity Regulatory Commission's decision to increase its electricity tariff across the country.

Asset Class	Benchmark	1M (June)%	Year to Date (%)	Commentary
 Money Market	91-day T-bill	3.81*	3.27*	In June, the collapse of the asymmetric corridor in addition to inflows from OMO maturities, CRR refunds, Federal Account Allocation disbursement, foreign exchange intervention, and matured swaps crashed money market rates to a single level as the Open Buyback rate and the Overnight Lending rate declined to 1.36% and 2.00% (vs. 11.75% and 12.25% in May). In the treasury bills market, the movement in average yields was mixed as the market began on a bullish note then switched to a bearish mood by mid-month owing to sells offs in the market in a bid to earn attractive rates in the bond market. Thus, the market closed on a bearish note (6.35% in June vs. 6.18% in May) despite strong liquidity in the market. During the month, the CBN held three treasury auctions with stop rates for the 182-Day and 364-Day instruments declining at each auction as the apex bank sought to borrow at low rates. In line with liquidity, average bid-cover ratio increased during the month to 5.62x from 5.10x in the previous month.
	181-day T-bill	5.38*	5.11*	
	364-day T-bill	8.18*	8.87*	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	5.36%	7.01	In the month of June, the buoyant system liquidity and the removal of the asymmetric corridor drove the performance in the secondary bond market as the average yield in the secondary market declined to 12.98% at the end of the month from 13.96% in May. During the month, the Debt Management Office (DMO) offered NGN360bn and allocated N427.157bn across the FGN-2029 bond and three new bonds (2033, 2038, and 2053). The auction was oversubscribed across all instruments for the month of June save for the FGN 2033 which closed with a NGN34.45bn subscription vs a NGN90.00bn offer. The bid cover ratio also increased to 1.76x from 1.33x at the previous auction owing to the strong liquidity position in the market.
	3 Year Federal Government Bond	11.37	16.93	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.60	7.41	The market in the month of June was positive as investors digested the impact of various credit facilities disbursed by the International Monetary Fund to countries such as Kenya, Rwanda, and Ghana and the various strategies on the use of the loans. Hence, the market in Egypt, Angola, Kenya, and Ghana closed on a bullish note in the month. On the domestic front, the new government and the various economic reforms enacted by the CBN this month such as the harmonization of the of exchange rates, removal of the fuel and electricity subsidies drove positive sentiments among investors and improved the performance of the market. As a result, average yields of the Nigerian sovereigns trended lower to 10.25% in June from 10.98% in the previous month.
	5 Year Nigerian Sovereign Eurobond	3.96	10.81	
 Equities	NGXASI	9.32	18.96	The bulls extended last month's dominance of the local bourse as the positive sentiments surrounding the new economic reforms and the new government spurred buying interest in the market. For context, there was a rally in the market on the back the unification of the foreign exchange market, removal of the restriction on dollar deposits and withdrawal, and removal of fuel subsidies by the new government. Buying activities were seen on stocks such as STANBIC (+35.00%), ACCESSCORP (+34.96%), WEMABANK (+32.25%), TOTAL (+28.68%), OKOMUOIL (25.00%), DANGSUGAR (+21.95%), GTCO (+21.95%), FBNH (+18.40%), ZENITHBANK (+18.10%), WAPCO (+13.46%), AIRTELAFRI (12.33%), MTNN (8.92%), UNILEVER (+8.67%), and BUACEMENT (+0.27%). Sectorial performance was majorly broadly bullish as all indices: the insurance Index (+32.5%), Oil and Gas Index (+30.18%), Banking Index (+25.02%), Consumer Goods Index (5.51%), and Industrial Goods Index (0.31%) closed in the green zone. Overall, the NGX-ASI index gained 9.32% MoM and 18.96% YtD (60,968.27 pts vs. 51,251.06pts in January) implying that the local bourse closed the first half of the year with the best performance seen in the last 15 years. We note that the net flow of foreign investors increased to NGN 17.86bn in May 2023 from a negative figure of NGN1.13bn in April. This represents the highest level since December 2017, underpinning a renewal of confidence.
	NGX30	8.92	19.47	

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 An FBN Holdings Company

*Mean average stop rate at the Nigerian treasury bill auction

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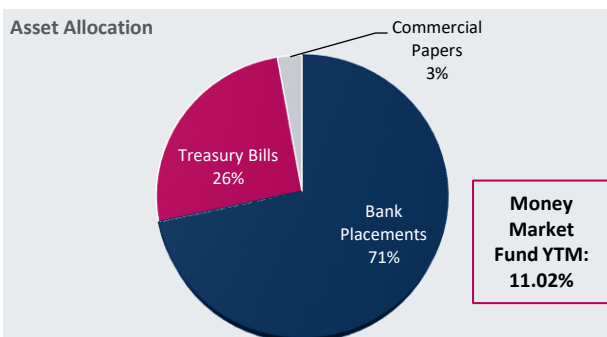
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FBN Money Market Fund Overview

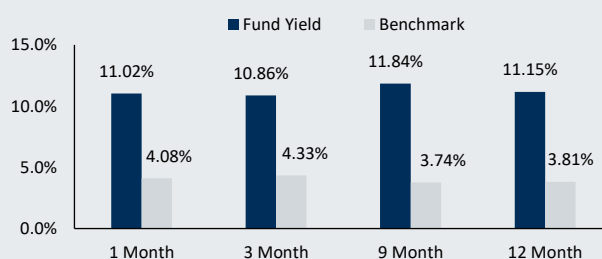
Investment Objective

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	₦194.92bn
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.



Historical Prices & Performance

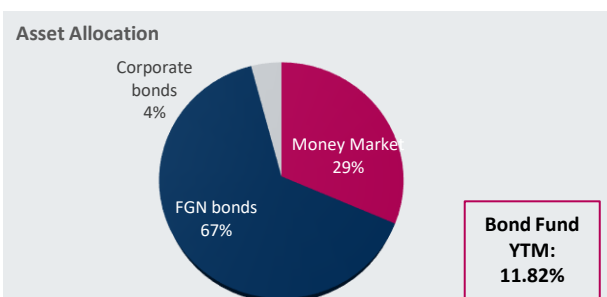


FBN Bond Fund Overview

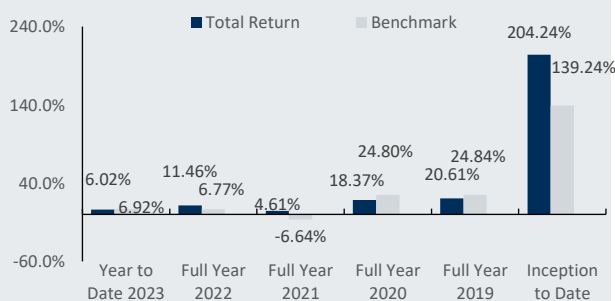
Investment objective

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	₦67.39bn
Base currency	(₦)
NAV per share	₦1,557.09
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



Historical Prices & Performance



Annualized return of 12.14%

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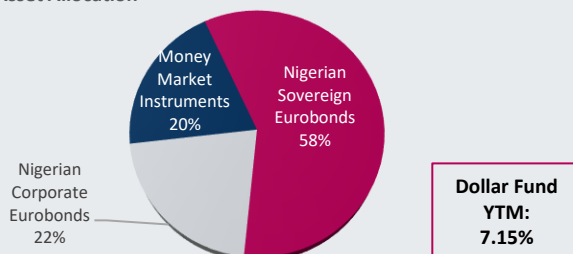
FBN Dollar Fund Overview

Investment objective

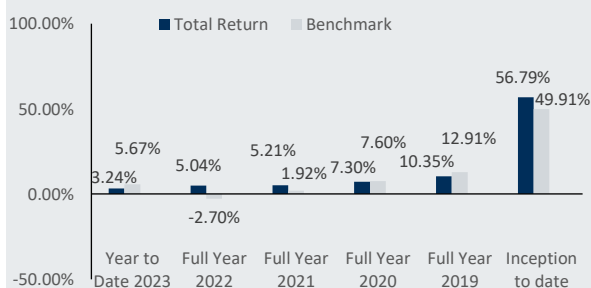
The Fund provides an opportunity to diversify across currencies and serve as a hedge through its exposure to USD denominated assets. It provides income generation by investing in debt instruments issued by the Nigerian government, corporates and financial institutions

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$28.60mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$123.57
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



Historical Prices & Performance



Annualized return of 6.53%

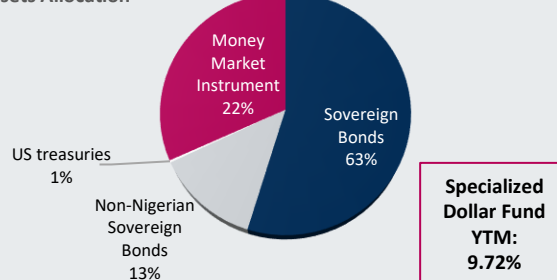
FBN Specialized Dollar Fund Overview

Investment objective

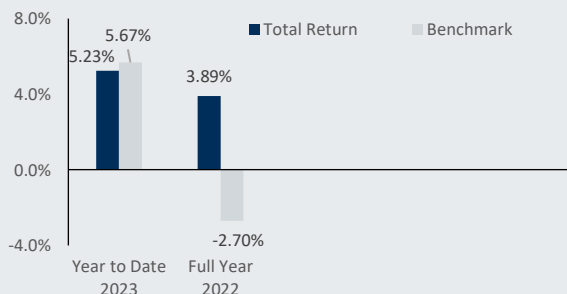
The investment objective of the Fund is to generate stable income, attractive returns, reduce Nigerian-specific risk and provide a potential currency hedge for investors.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	12 August 2022
Fund size	\$17.94mn
Base currency	US Dollars (\$)
NAV per share	₦109.32
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



Historical Prices & Performance



Annualized return of 10.49%

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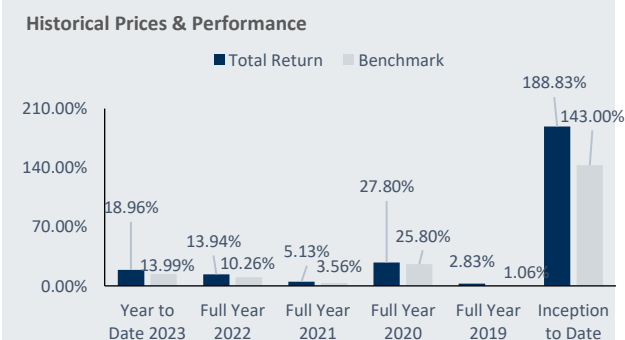
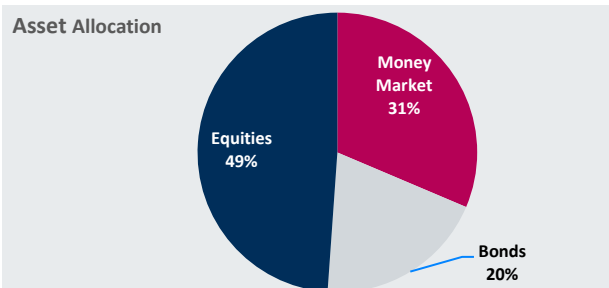
FBN Balanced Fund Overview

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	₦5.85bn
Base currency	(₦)
NAV per share	₦239.72
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	16.92%
Telecommunications	9.48%
Industrial Goods	6.21%
Consumer Goods	5.67%
Agriculture	2.91%



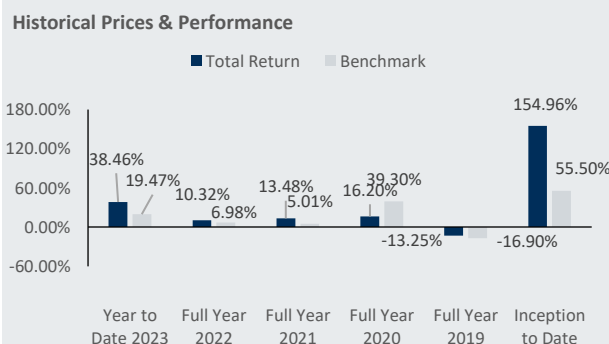
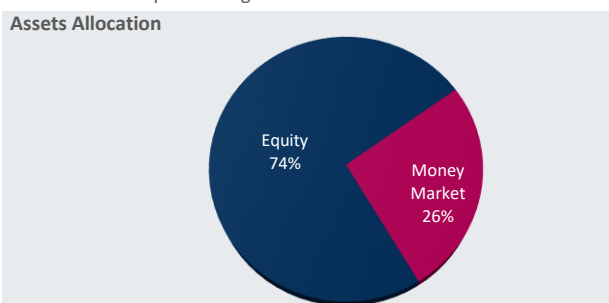
FBN Smart Beta Equity Fund Overview

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	₦443.60mn
Base currency	(₦)
NAV per share	₦201.40
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	40.86%
Consumer Goods	15.65%
Industrial Goods	7.93%
Agriculture	5.95%
Beverages	3.16%



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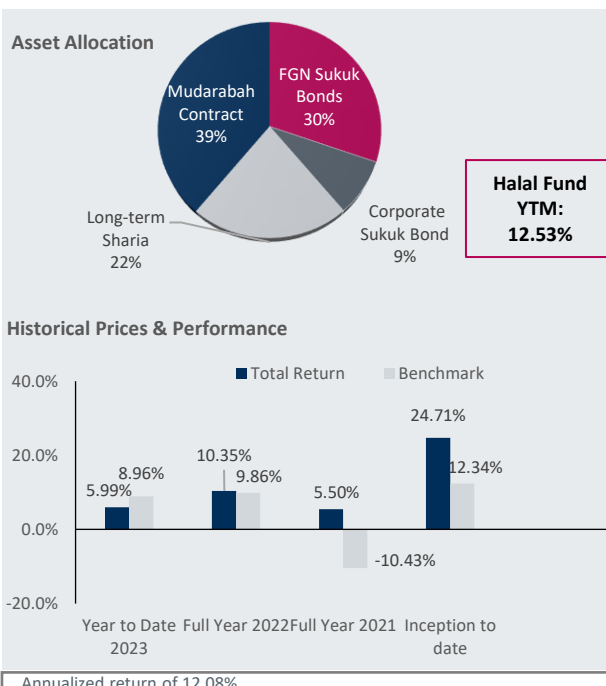
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FBN Halal Fund Overview

Investment objective

The Fund is designed to provide long-term income generation by investing in Shari'ah compliant instruments such as 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	₦9.39bn
Base currency	(₦)
NAV per share	₦129.03
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



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Outlook

- In the coming month, the Organization of the Petroleum Exporting Countries (OPEC) will host its eighth International Seminar where it will discuss issues such as sustainable development, technological innovation, environmental matters, sustainable development, energy policies energy security, technological innovation and the global economy. Elsewhere, we see scope for further rate hikes globally, especially by the Federal Reserve, European Central Bank, and Bank of England, in a bid to ease inflation figures to their set benchmarks.
- On the other hand, countries in Asia such as Japan and China are likely to maintain their loose monetary policy, a strategy to improve slow economic growth. In China, the government is likely to take other policies as suggested by S&P Global such as expanding credit and infrastructure financing and easing housing purchasing restrictions and mortgage down-payment requirements to bolster the shaking economic recovery.
- Equity: In July 2023, we expect sentiments in the local bourse to remain positive, underpinned by the sweeping reforms implemented by the new administration which are expected to improve macro-outcomes in the medium to long term. Specifically, we believe the elimination of multiple foreign exchange windows and removal of fuel subsidies are long-awaited reforms that will improve foreign portfolio investors' participation in the local bourse given that FPIs appetite for Nigerian equities has been weak since the pandemic year. In the near term, we think expectations that earnings from banking stocks will benefit from substantial revaluation gains will continue to support expansion in valuation multiples. Farther out, we see scope for companies in growth-sensitive sectors to enjoy re-rating as the macroeconomic narrative improves.
- Fixed Income: Going into the month of July, the performance of the fixed income will be largely dependent on liquidity in the financial system, which we expect to thin compared to levels seen in the first half of the year. On the other hand, the removal of the asymmetric corridor is likely to keep rates at the interbank market at a single-digit level. Hence, the interbank market rates are likely to remain suppressed during the month while the average yields in the secondary fixed-income market should close higher.
- Eurobond: In the Eurobond market, we envisage the loan facilities granted to African countries and strategies towards the utilization of the fund will stir positive sentiments in the market. Nonetheless, the market is likely to price in an expected rate hike in the United States and the Euro Zone. On the other hand, country-specific factors such as high debt levels in certain African countries will drive risk aversion in the market.

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