

FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

Executive Summary

This month, global investors focused on interest rate decisions, the impact of rising energy and food prices on inflation, and Q3:2024 GDP. Inflationary pressures remained elevated, deviating further from global targets. The US (+10bps), UK (+30bps), and Euro Zone (+30bps) saw inflation rise to 2.70%, 2.60%, and 2.30%, respectively. Despite this, the US Federal Reserve and the ECB eased monetary conditions at their recent meetings by cutting rates by 25bps to 3.00% and 4.25%, respectively, with further cuts dependent on subdued inflation. Conversely, the Bank of England and People's Bank of China kept rates steady at 4.75% and 3.60%, focusing on price and borrowing costs stability.

Meanwhile, the US GDP for Q3:2024 was revised to 3.10% YoY from 2.80% YoY, reflecting higher consumer spending and export growth. On the other hand, Britain's revised Q3:2024 GDP showed no growth, down from a previous 0.10% YoY growth, due to stagnation in the service sector and a decline in production.

Inflation in Sub-Saharan Africa continued its upward trend, with South Africa's headline inflation rising marginally by 10 basis points to 2.90% YoY, due to a slower decline in fuel prices. Meanwhile, food prices drove Ghana's headline inflation to 23.00% YoY, up from 22.10% YoY in October. Similarly, Egypt's inflation increased to 25.50% in November from 24.40% in October 2024, prompting the Central Bank of Egypt to maintain its overnight lending and deposit rates at 28.25% and 27.25%, respectively.

Nigeria's GDP grew by 3.46% YoY in Q3:2024, an increase from 2.54% in Q3:2023 and 3.19% in Q2:2024, driven by growth in both the oil and non-oil sectors. The oil sector expanded by 5.17% YoY, recovering from a 10.15% contraction in Q2:2024, supported by a rise in crude oil production to 1.47 mbpd, up from 1.41 mbpd in Q2:2024. The non-oil sector grew by 3.37% YoY, bolstered by higher investment activity and a growing loan portfolio in the financial services sector.

Inflation in November rose to 34.60% YoY, up from 33.88% YoY in October, driven by significant increases in both food and core inflation. Food inflation surged to 39.93% YoY, while core inflation climbed to 28.75% YoY, compared to 39.16% YoY and 28.37% YoY in October, respectively. The rise in prices was largely attributed to higher demand for food such as pepper, plantain, and rice during the festive season.

Nigeria recorded a trade surplus of NGN5.81trn in Q3:2024, up from NGN4.05trn in Q2:2024 and NGN1.31trn in Q3:2023. Imports rose by 62.30%, reaching NGN14.6trn, while exports, which made up 58.27% of total trade, surged by 98.00%, contributing to the overall trade surplus. The growth in export values was primarily driven by a significant rise in crude oil exports and a recovery in non-oil exports, bolstered by increased agricultural output despite the sector's challenges.

www.fbnquest.com/assetmanagement






FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

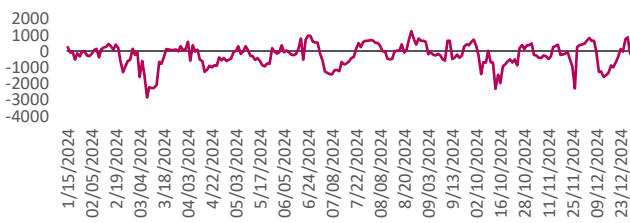
PUBLIC

Executive Summary

Asset Class	Benchmark	1M (December)%	Year to Date (%)	Commentary
Money Market 	91-day T-bill	18.00*	16.14*	In December, the improved liquidity levels impacted the trends in short-term borrowing costs and activities in the primary market. System liquidity, bolstered by a NGN1.73trn inflow from the Federation Accounts Allocation Committee, ended the month with a positive balance of NGN353.26bn, up from a negative balance of NGN237.03bn at the close of November. As a result, the Overnight and Open Repo rates fell by 261bps and 145bps, respectively, dropping to 27.80% and 27.30%, compared to the previous month's rates of 29.91% and 29.25%. Similarly, total subscription at the treasury bills auction for the month surged to 2.23x (NGN4.12trn) the previous month's bid of NGN1.85trn, reflecting an increase in the bid-to-offer ratio, which rose to 3.22x from 1.62x in November. The average stop rate, particularly on the 1-year bill, decreased to 22.88% from 23.25%, while the rates for the 91-day and 182-day instruments remained unchanged at 18.00% and 18.50%, respectively. Meanwhile, the stop rate for the FGN 2029 bond increased by 14bps to 21.14%, due to lower bids, while the stop rate for the FGN 2031 bond remained steady at 22.00%. By the end of the month, the average yields for both bonds and treasury bills rose by 29bps and 39bps, reaching 19.75% and 25.55%, respectively.
	181-day T-bill	18.50*	16.96*	
	364-day T-bill	22.88*	20.20*	
Bonds 	S&P/FMDQ Nigeria Sovereign Bond Index	1.09	4.13	
	3 Year Federal Government Bond	1.45	2.83	
Eurobond 	3 Year Nigerian Sovereign Eurobond	0.47	10.41	In the Sub-Saharan African market, risk aversion remained prevalent, reflecting the hawkish stance of the US Federal Reserve and the European Central Bank on further interest rate hikes, which are contingent on subdued inflation data. During the month, the International Monetary Fund (IMF) approved a USD360mn disbursement to Ghana under its USD3.00bn Extended Credit Facility (ECF), bringing the total disbursements under the program to USD1.92bn. The IMF highlighted Ghana's progress in debt restructuring, which includes domestic debt restructuring, a G20 creditors' agreement in June 2024, completion of the Eurobond exchange, and ongoing discussions with external creditors. This approval follows the successful completion of the third review of the 36-month ECF. Meanwhile, Nigeria re-entered the international debt market by issuing dual-tranche Eurobonds, marking its first issuance since March 2022. The country raised USD700mn in 6.50-year bonds with a 9.63% coupon rate, alongside a benchmark-sized USD1.50bn offering in 10-year bonds at 10.38%. Market subscription for the bonds was strong with total book value exceeding USD9bn, 4.18x the offer amount. By month-end, the average yields on Nigerian sovereign bonds rose slightly to 9.68%, up from 9.66% in November.
	5 Year Nigerian Sovereign Eurobond	0.83	7.46	
Equites 	NGXASI	5.56	37.65	The local bourse closed the year 2024 on a positive note, driven by renewed investor interests in key stocks across all sectors. Stocks such as (CONOIL: +40.29%, INTBREW: +38.75%, OKOMUOIL: +32.10%, WAPCO: +20.60%, NB: +18.52%, MTNN: +17.65%, ETERNA: +16.83% and ARADEL: +15.67%) recorded gains MoM. Sector performance was bullish, with the Insurance index leading with a 47.16% MoM gain, followed by the Oil and Gas Index (+13.89% MoM), the Consumer Goods Index (+8.94% MoM) and the Banking index (+5.99% MoM), with the Industrial Goods index (+1.30% MoM) closing with the smallest gain. On corporate actions, FCMB Group Plc has received shareholder approval to raise 340 billion naira in capital. This move, approved during an extraordinary general meeting, aims to help its banking subsidiary, First City Monument Bank, meet Central Bank of Nigeria's international license requirements. The capital raise, increased from N150 billion to N340 billion, allows the Group to utilize various financial instruments, including shares, securities, bonds, and loans, to achieve its goals.
	NGX30	3.97	36.61	

Movement in System Liquidity (NGNbn)

Movement in NGX-ASI Price Index



www.fbnquest.com/assetmanagement

16 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

FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

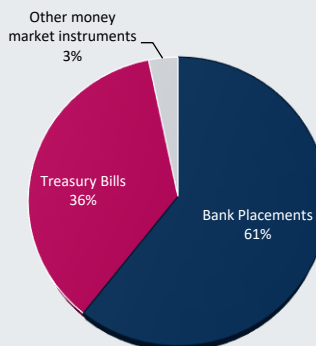
FBN Money Market Fund Overview

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	₦349.03bn
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.
Investment Horizon	90 days

Asset Allocation



Asset Class	Allocation Band
BANK PLACEMENTS	10%-75%
TREASURY BILLS	25%-80%
COMMERCIAL PAPERS	0%-15%

Fund Performance and Outlook

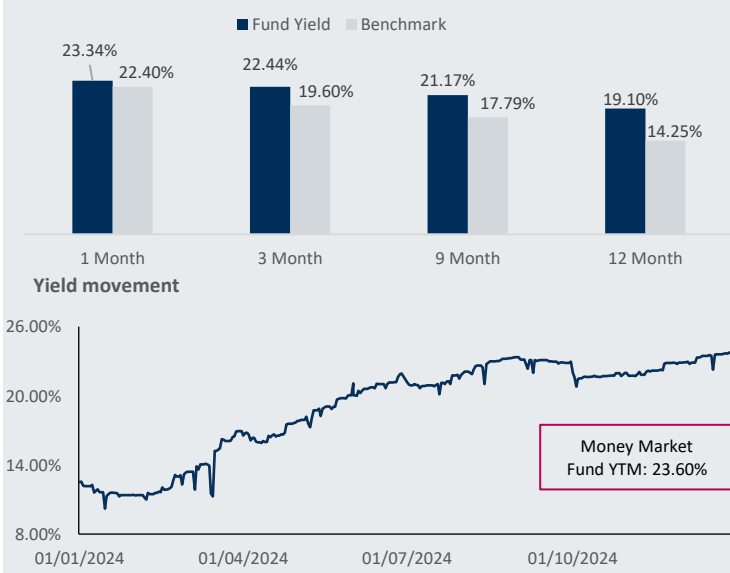
Fund Performance

The FBN Money Market Fund closed the month with a yield of 23.60%, 560bps above the benchmark rate of 18.00% and an average yield of 23.34% for the month of December 2024. The return was primarily driven by the Fund Manager's strategy to effectively manage and position the portfolio ahead of 2025.

Fund Outlook

Money market rates are expected to remain high at the start of the year due to the projected net liquidity deficit for the month, despite anticipated inflows of approximately N2.5 trillion.

Historical Prices & Performance



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

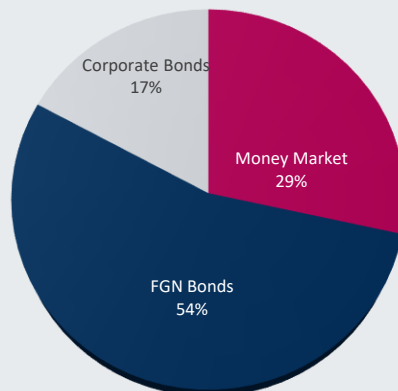
FBN Bond Fund Overview

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	₦13.77bn
Base currency	(₦)
NAV per share	₦1,692.98
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 T-bill rate
Investment Horizon	2-3 years

Asset Allocation



Asset Class	Allocation Band
FGN BONDS	15% - 75%
STATE GOVERNMENT BONDS	0% - 30%
CORPORATE BONDS	0% - 30%
MONEY MARKET INSTRUMENTS	25% - 75%

Fund Performance and Outlook

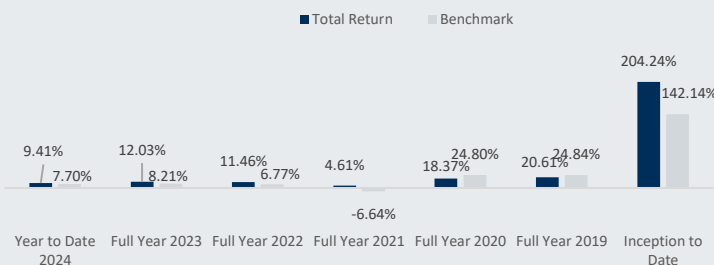
Fund Performance

The FBN Bond Fund ended the month with a Yield to Maturity of 14.39% and an annualized return of 9.41%. This performance is largely attributed to accrued income from various instruments, bolstered by persistent monetary tightening and the DMO's sustained focus on the short- to medium-term segment of the yield curve.

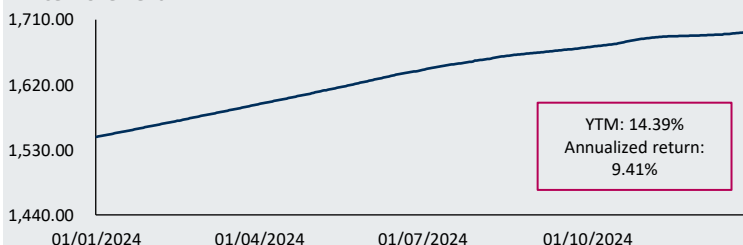
Fund Outlook

The fund manager will actively monitor changes in interest rate trends and strategically allocate investments to attractive instruments across the yield curve, seeking to maximize returns while accounting for the anticipated impact of evolving CBN and DMO policies.

Historical Prices & Performance



Price movement



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

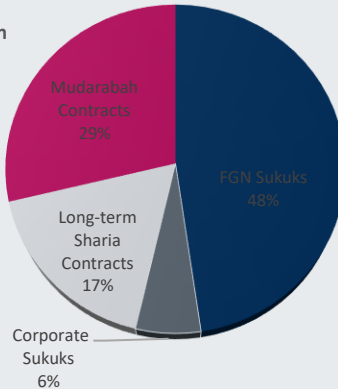
FBN Halal Fund Overview

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	₦8.01bn
Base currency	(₦)
NAV per share	₦143.47
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	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



Asset Class

Allocation Band

Asset Class	Allocation Band
FGN SUKUK BONDS	10%-85%
CORPORATE SUKUK BOND	0%-70%
MUDARABAH CONTRACT	0%-80%
LONG TERM SHARIAH CONTRACTS	0%-55%

Fund Performance and Outlook

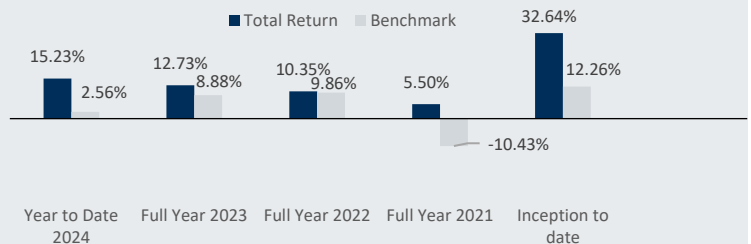
Fund Performance

The FBN Halal Fund concluded the month with a Yield to Maturity of 14.89% and an annualized return of 15.52%. This performance is attributed to accrued rental income from the Sharia-compliant assets in the portfolio. The ongoing monetary tightening, which has driven up conventional fixed-income yields, also impacted Sharia-compliant fixed-income instruments positively, thereby bolstering the Fund's returns.

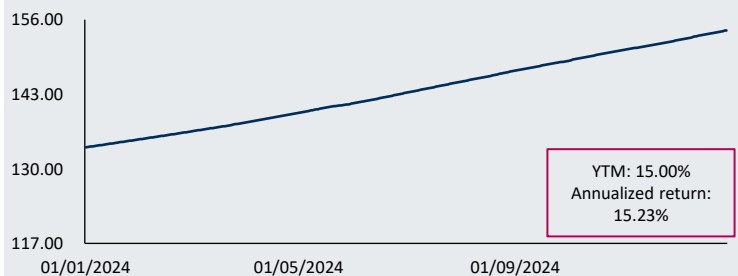
Fund Outlook

The fund manager will actively monitor trends in the non-interest capital market to efficiently manage the Fund's duration. Additionally, the Fund will adhere to Sharia-compliant investment principles while maintaining an attractive return profile.

Historical Prices & Performance



Price movement



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

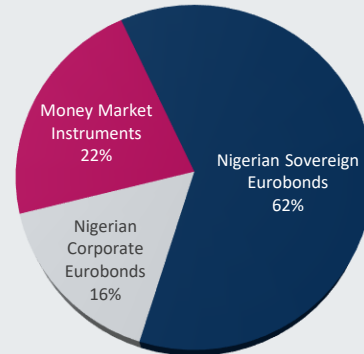
FBN Dollar Fund Overview

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 institution

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$34.01mn
Base currency	US Dollars (\$)
NAV per share	\$126.39
Minimum investment	\$100
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 T-bill rate
Custodian	Standard Chartered Bank
Investment Horizon	1-2 years

Asset Allocation



Asset Class	Allocation Band
FGN & CORPORATE EUROBOND	70% - 80%
NON-NIGERIAN ASSETS (US TREASURIES)	0% - 10%
MONEY MARKET INSTRUMENTS	0% - 30%

Fund Performance and Outlook

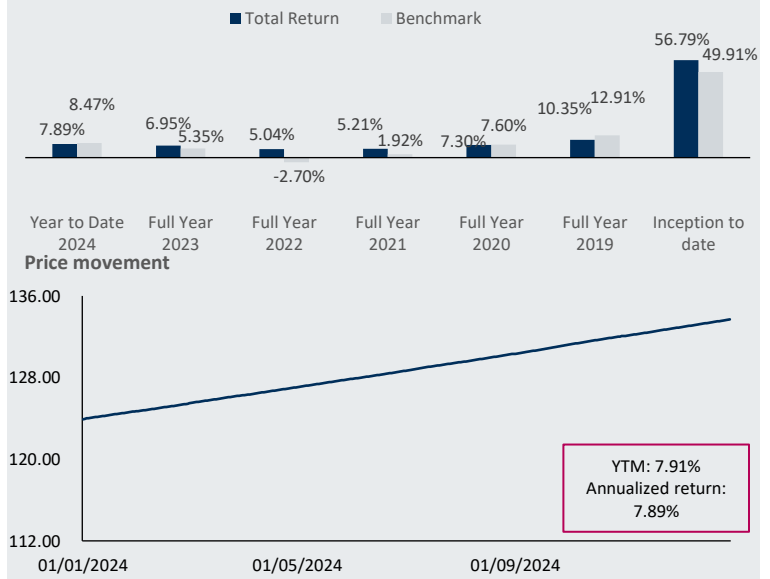
Fund Performance

The FBN Dollar Fund closed the year with a Yield to Maturity and an annualized return of 7.89%. This performance is driven by the strong yield profile of the portfolio's instruments, supported by the US Federal Reserve's decision to implement its third consecutive rate cut this year, reducing borrowing costs to the 4.25%-4.5% range.

Fund Outlook

The fund manager will actively track key economic indicators to assess the market impact of the recent rate cut. These insights will inform our asset selection strategy within the Fund, ensuring optimal returns for unitholders.

Historical Prices & Performance



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

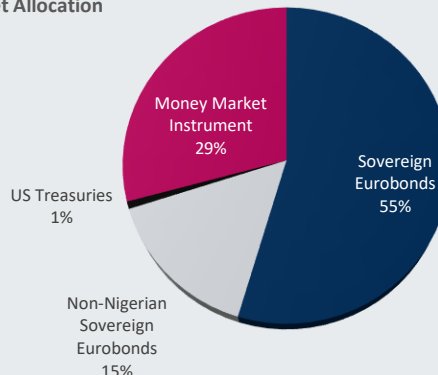
FBN Specialized Dollar Fund Overview

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	\$68.77mn
Base currency	US Dollars (\$)
NAV per share	\$118.73
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 T-bill rate
Investment Horizon	1-2 years

Asset Allocation



Asset Class	Allocation Band
FGN SOVEREIGN & CORPORATE EUROBOND	50% - 80%
NON-NIGERIAN EURO BONDS	0% - 20%
MONEY MARKET	5% - 50%
US -TBILLS	0% - 5%

Fund Performance and Outlook

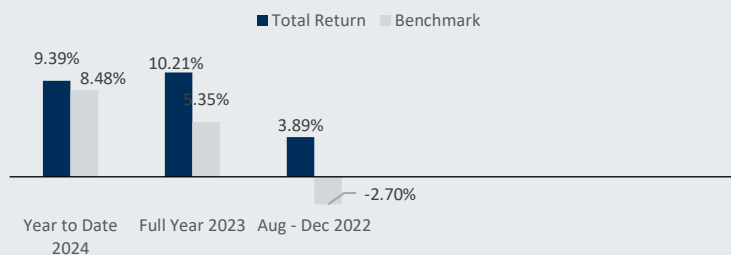
Fund Performance

The FBN Specialized Dollar Fund ended the month with a Yield to Maturity of 8.67% and an annualized return of 9.45%. The Fund's global fixed-income portfolio, delivering a competitive yield, has driven this performance. Additionally, the return has been bolstered by the cautious monetary policies of global central banks, aimed at balancing recession risks and inflation control.

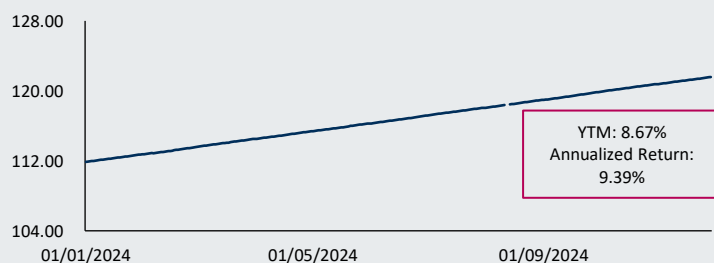
Fund Outlook

The fund manager will monitor global central banks' interest rate policies and the recovery of the African Eurobond market, focusing on new issuances and debt restructuring progress. Additionally, the manager will actively manage the Fund's duration to optimize performance.

Historical Prices & Performance



Price movement



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

FBN Balanced Fund Overview

Investment Objective

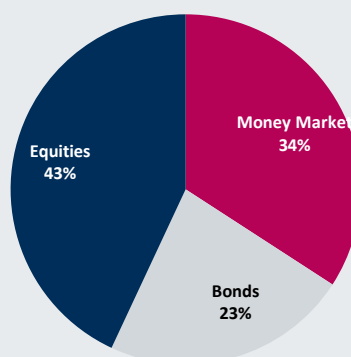
The Fund provides capital growth and downside protection to investors seeking exposure to equity. The downside is achieved through investments in less risky assets such as money market instrument and bonds

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA Gbolahan Ologunro, ACCA
Fund launch date	1 April 2008
Fund size	₦9.76bn
Base currency	(₦)
NAV per share	₦324.32
Minimum investment	₦50,000
Minimum holding period	90 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 T-bill rate
Custodian	Citibank

Top 5 Equity Sector Exposure

Financial Services	27.11%
Industrial Goods	18.90%
Agriculture	15.49%
Oil and Gas	15.20%
Consumer Goods	13.77%

Asset Allocation



Asset Class	Allocation Band
NIGERIAN EQUITIES	40%-60%
MONEY MARKET INSTRUMENTS	20%-60%
NIGERIAN BONDS	20%-40%

Fund Performance and Outlook

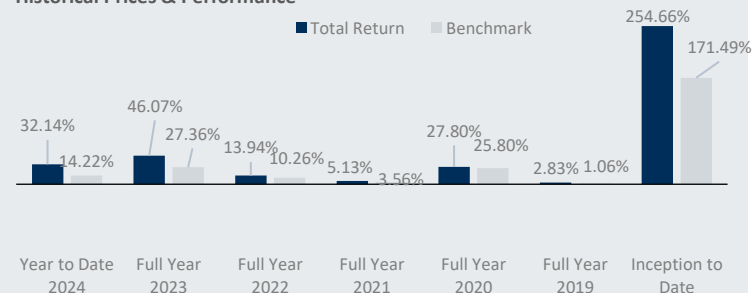
Fund Performance

The FBN Balanced Fund closed the month with a year-to-date return of 32.14% (November: 26.71%). The m/m improvement in the Fund's performance was buoyed the fund's exposure to the agriculture sector and non-financial services sector, the positive sentiment on those sector led to gains in the fund. In addition, the performance of the Fund was further bolstered by the Fund manager's proactive stance in rotating funds to the fixed income market to take advantage of attractive yields within the space.

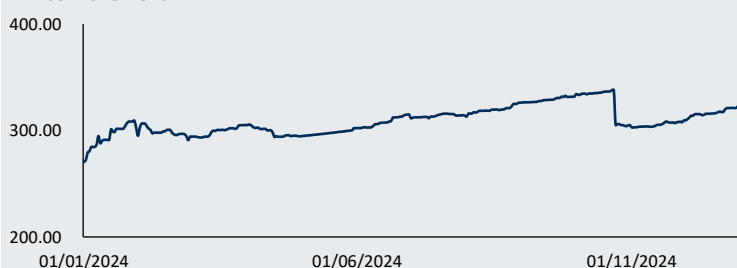
Fund Outlook

The fund manager will continue to capitalize on the high-yield environment to optimize returns in the fixed-income segment of the Fund, complemented by strategic cherry-picking of defensive stocks to enhance portfolio resilience.

Historical Prices & Performance



Price movement



FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

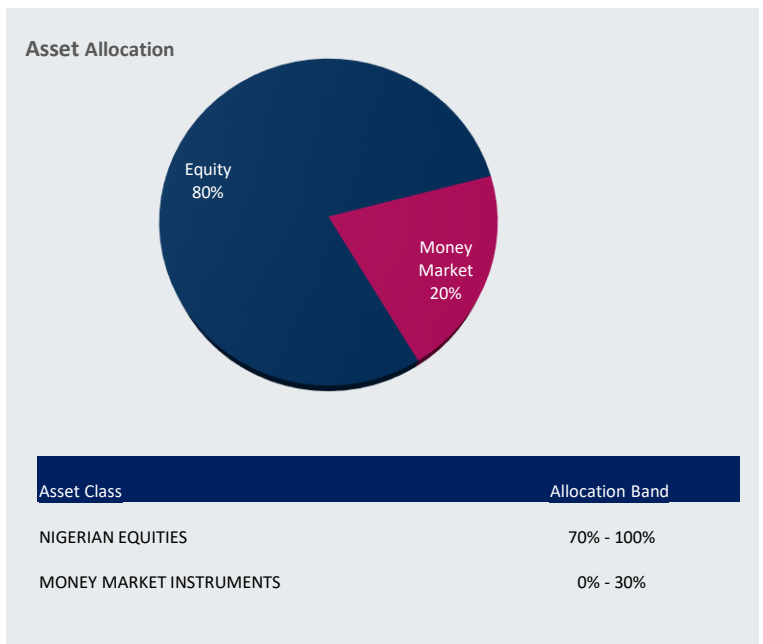
PUBLIC

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 capitalized stocks listed on the Nigerian Stock Exchange. The fund is appropriate for investors who want equities with the aim of outperforming the NGX 30.

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA Gbolahan Ologunro, ACCA
Fund launch date	4 January 2016
Fund size	₦1.17bn
Base currency	(₦)
NAV per share	₦323.81
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Minimum Holding Period	90 days
Benchmark	NSE 30
Custodian	Standard Chartered Bank



Top 5 Equity Sector Exposure

Financial Services	59.11%
Agriculture	20.26%
Industrial Goods	10.59%
Oil and Gas	10.04%

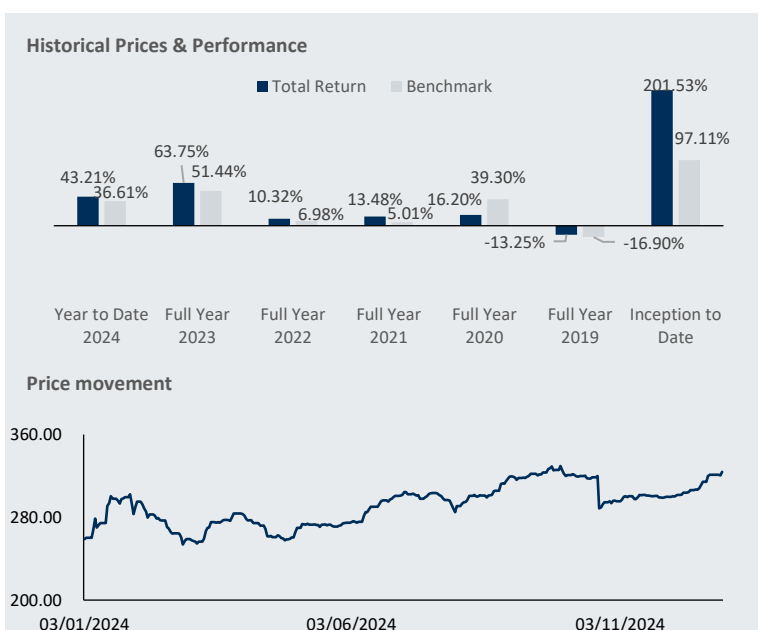
Fund Performance and Outlook

Fund Performance

The FBN Smart Beta Equity Fund closed the month with a year-to-date return of 43.21% (November: 33.51%). The m/m fund's performance is primarily due to the gains from its strategic overweight position in banking stocks and some exposure to Agro-names. Aftermath effect of strong Q3:2024 earnings result, coupled with corporate actions during the period continued to strengthen the fund's outperformance.

Fund Outlook

The fund manager will maintain a rigorous assessment of the fundamental factors underpinning stock selection, ensuring effective management of long-term equity volatility within the passive strategy. In addition, continued trading activities in the money market portfolio are expected to support the overall performance of the fund.



www.fbnquest.com/assetmanagement

16 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

FBN Mutual Funds Factsheet

All data as of 31st December 2024 unless otherwise stated

PUBLIC

Outlook

- **Global economy** – In the month ahead, investors will closely watch the inauguration and comments of President-elect Donald Trump, set for January 20, 2025. His incoming administration is expected to influence the global economic and financial landscape, though the precise impact will depend on the nature, timing, and sequence of any policy changes, as well as the responses from other governments. Inflation is likely to stay above central bank targets, driven by persistent supply chain disruptions and wage pressures from a tight labor market, which will prompt central banks to adopt a cautious approach toward adjusting interest rates.
- **Equity**: In line with the trend observed over the past five years, we expect activities in the local bourse to be characterized by bargain hunting activities in dividend-paying stocks as investors take positions ahead of FY 2024 earnings releases to be accompanied by corporate actions. Thus, we expect the Santa Claus rally that ensued in the last month of the prior year will likely be sustained in January. However, unlike historical trends, we think the magnitude of gains will be marginal given high yield fixed-income environment.
- **Fixed Income**: We anticipate that fixed income yields will stay elevated in the coming month, as we expect the monetary policy committee to maintain a hawkish stance in response to inflationary pressures and substantial domestic borrowing requirements in 2025. However, we note that the potential shift in liquidity due to inflows from maturing treasury bills (NGN5.19trn in Q1:2025) could alter the direction of yields. Nevertheless, we believe the Central Bank of Nigeria will continue to use its tools to manage liquidity as inflation remains persistently high.
- **Eurobonds**: In the SSA sovereign and corporate Eurobond markets, we anticipate that the interest rate policies of major global central banks will primarily influence yield movements. Given the ongoing inflationary pressures, mainly fueled by the gradual increase in energy and food prices, the current stance of central bank authorities worldwide is expected to remain cautious. Consequently, yield in the Eurobond space should remain volatile at the start of the year.

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 risk profile of the Funds range from 'Low-High' 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.

www.fbnquest.com/assetmanagement

16 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