

FBN Mutual Funds Factsheet

All data as of 31st January 2025 unless otherwise stated

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Executive Summary

Global inflationary pressures were mixed in December, with inflation remaining sticky in the United States (+20bps to 2.40% YoY) and the Eurozone (+20bps to 2.40% YoY) as base effects from lower energy prices faded. In contrast, consumer prices eased by 10bps in China and the United Kingdom (UK), dropping to 0.10% YoY and 2.50% YoY, respectively, due to waning demand in China and lower prices for restaurants and hotels in the UK. Central banks adopted a less aggressive monetary stance, with the Federal Reserve maintaining rates at 4.25%-4.50%, while the European Central Bank cut rates by 25bps to 2.75%.

In Q4:2024, the U.S. economy grew by 2.30% YoY from 3.10% YoY in Q3:2024 supported by household consumption, net exports, and government spending, bringing full-year growth to 2.80% YoY, from 2023's 2.90% YoY. China's economy grew by 5.40% YoY in Q4:2024, an increase from 4.60% YoY in Q4:2023, driven by government stimulus measures and strong export growth.

Inflationary pressures increased across Africa, especially in Kenya and Ghana, where rising food prices are a major factor. In Kenya, inflation rose to 3.00% YoY in December from 2.80% in November, driven by higher food and beverage costs. In Ghana, food price increases pushed annual inflation to 23.80% YoY in December, up from 23.00% in November.

In its latest economic report, the World Bank forecasts Nigeria's GDP growth at 3.50% in 2025 and 3.70% in 2026. This outlook highlights optimism about Nigeria's economic recovery, driven by policy reforms like the exchange rate unification and removal of the fuel subsidy in addition to an expected decline in inflation, and an increase in oil production.

The National Bureau of Statistics reported that Nigeria's headline inflation increased for the fourth consecutive month, rising by 20bps to 34.80% YoY in December 2024. Core inflation also rose, climbing by 53bps to 29.98% YoY, while month-on-month inflation increased to 2.24%, driven by the continued depreciation of the naira and elevated price of hospitality, transport, and clothing cost. On a positive note, food inflation eased to 39.84% YoY from 39.93% YoY, with a MoM increase of 2.66%, attributed to reduced flooding impacts on agricultural output.

According to the Debt Management Office, Nigeria's total public debt stock rose to NGN142.32trn in Q3:2024, a NGN5.97% QoQ increase from NGN134.30trn in Q2:2024 attributed to a rise in domestic debt (+3.10% QoQ to NGN73.43trn) and external debt (+9.22% QoQ to NGN63.07). The country's total public debt was supported by increased government borrowings especially Federal Government bonds and depreciation of the local currency (NGN1673.95/USD at the end of Q3:2024 from NGN1488.21/USD at the end of Q2:2024).



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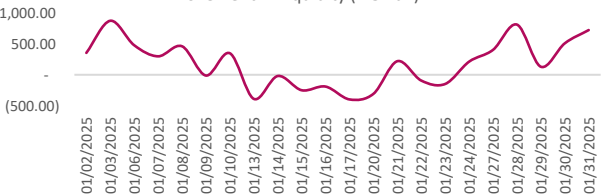
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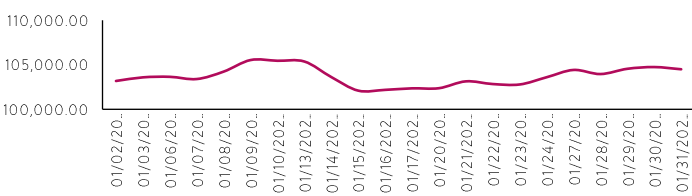
Executive Summary

Asset Class	Benchmark	1M (January)%	Year to Date (%)	Commentary
Money Market 	91-day T-bill	18.00*	18.00*	<p>In January, the improved average liquidity levels impacted the trends in short-term borrowing costs and activities in the primary market. System liquidity, supported by a NGN1.42trn inflow from the Federation Accounts Allocation Committee and NGN1.49trn from bond coupons, OMO and treasury bills maturities, ended the month with a positive average balance of NGN218.32bn, up from an average balance of NGN191.52bn at the close of December. However, due to the CRR debits by the CBN, system liquidity tightened, causing the Overnight and Open Repo rates to rise by 177bps and 184bps, respectively, to 29.57% and 29.14%, compared to the previous month's rates of 27.80% and 27.30%. Notably, investors demand for treasury bills was sustained as the total subscription from January auctions rose to NGN4.10trn, reflecting an increase in the bid-to-offer ratio, which rose to 3.88x from 3.22x in December 2024. The average stop rate, particularly on the 1-year bill, declined to 22.21% from 22.88%, while the rates for the 91-day and 182-day instruments remained unchanged at 18.00% and 18.50%, respectively. Furthermore, the stop rates for the FGN 2029 and FGN 2031 bonds increased by 65bps and 50bps to 21.79% and 22.50%. By the end of the month, the average yields for bonds rose by 94bps to 20.69%, while the average treasury bill yields fell -212bps to 23.43%.</p>
	181-day T-bill	18.50*	18.50*	
	364-day T-bill	22.21*	22.21*	
	S&P/FMDQ Nigeria Sovereign Bond Index	-2.01	-2.01	
	3 Year Federal Government Bond	-0.68	-0.68	
Bonds 				
Eurobond 	3 Year Nigerian Sovereign Eurobond	2.12	2.12	<p>In January, market sentiment improved, buoyed by several key developments. The International Monetary Fund (IMF) Executive Board's disbursement of USD360.00mn to Ghana, alongside a reduction of Egypt's external debt by USD11.80bn to USD152.90bn in July 2024, provided positive momentum. In the month, the IMF completed its third review of Ghana's Extended Credit Facility, noting Ghana's satisfactory performance and the positive impact of reforms. Additionally, Egypt executed its first US dollar issuance in nearly two years with its 5-year and 8-year notes yielding 8.625% and 9.45%, respectively. The market was also supported by expectations of higher inflation after the U.S. proposed tariffs, driving investors toward safer assets. Domestically, average yields on Nigerian sovereign bonds fell to 9.32% from 9.68% in December, owing to higher inflation expectations globally and the Federal Government's success in clearing a USD7.00bn foreign exchange backlog, which boosted confidence in the foreign exchange market. Additionally, the Nigerian government secured a USD70.00mn commitment from the International Finance Corporation (IFC) to support the country's mini-grid energy projects.</p>
	5 Year Nigerian Sovereign Eurobond	2.15	2.15	
Equites 	NGXASI	1.53	1.53	<p>At the end of January, bullish sentiment prevailed in the local bourse, bearish sectorial performance. The ASI gains were driven by renewed investor interests and strategic positioning ahead of the 2024FY earnings results. The NGX BNK and NGXCNSMRG reported MoM gains of +9.76% and +4.47%, while the NGXINDUSTR (-8.52%), NGXOILGAS (-1.51%) and NGXINS (-1.10%), reported MoM losses. The market movers across all sectors include: HONYFLOUR: +39.63%, CAP: +25.66%, MTNN: +23.95%, TRANSCORP: +19.54%, UACN: +14.94%, WEMABANK: +14.29%, FCMB: +14.89% and CUSTODIAN: +11.11%) recorded gains MoM. On corporate news, the International Breweries Plc announced an extension from NGX Regulation Limited (NGX RegCo) to comply with the free float requirements for companies listed on the NGX Main Board. The company confirmed its commitment to providing necessary updates in line with regulatory obligations. Also, Zenith Bank disclosed the results of its Rights Issue of 5.23bn shares at NGN36.00 per share which was oversubscribed by 100.18% subscription, with 39,758 valid applications and 1.43 billion shares fully renounced.</p>
	NGX30	1.62	1.62	

Movement in Liquidity (NGNbn)



Movement in NGX-ASI Index



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*Mean average stop rate at the Nigerian treasury bill auction

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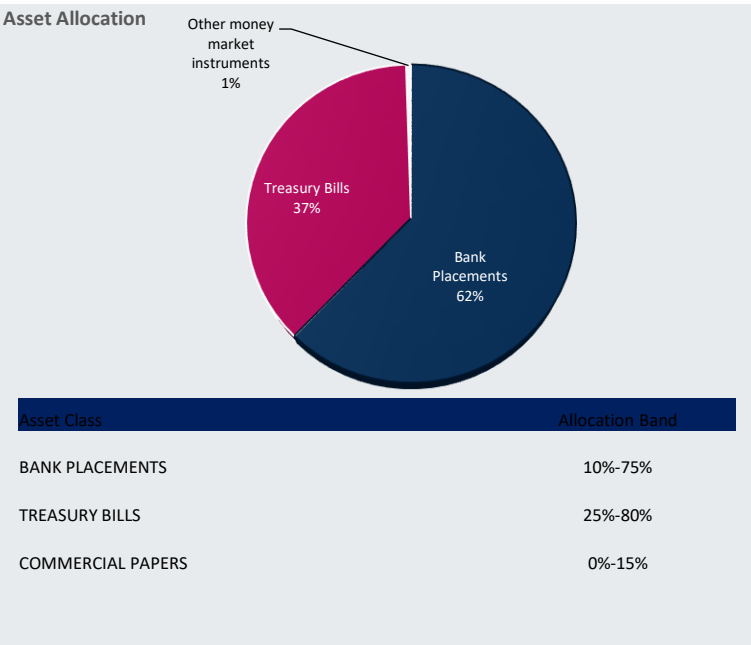
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FBN Money Market Fund Overview

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	₦388.99bn
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



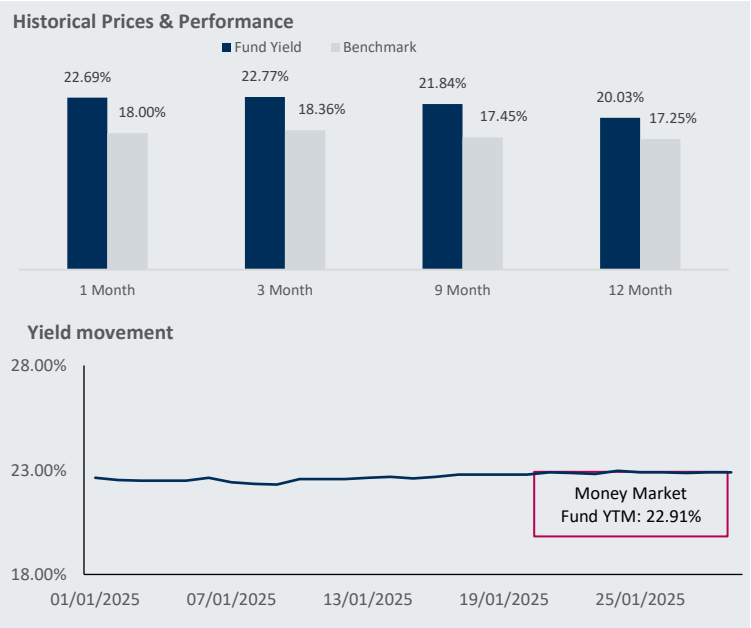
Fund Performance and Outlook

Fund Performance

The FBN Money Market Fund closed the month with a yield of 22.91%, above the benchmark rate of 18.00% and an average yield of 22.68% for the month of January 2025. The return was primarily driven by the Fund Manager’s strategy and effectively manage the fund’s duration and security selection to maximize returns to unitholders.

Fund Outlook

Money market rates are expected to decline slightly in the coming month with the expected improvement in system liquidity. The Fund is however strategically positioned and is expected to maintain the strong performance.



FBN Mutual Funds Factsheet

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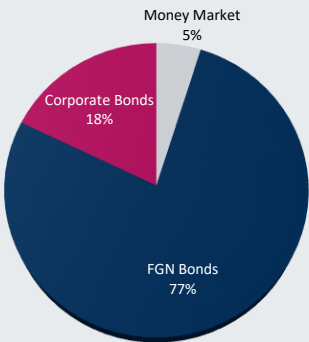
FBN Bond Fund Overview

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	₦13.21bn
Base currency	(₦)
NAV per share	₦1,697.27
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

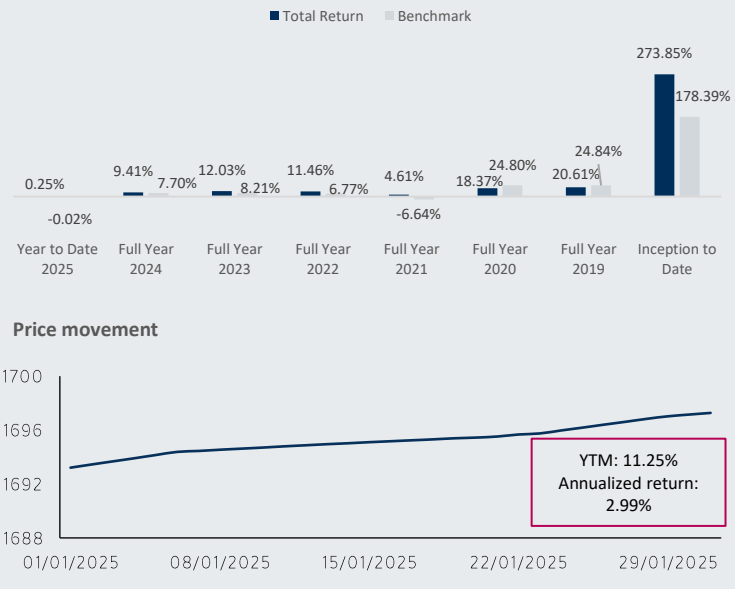
Fund Performance

The FBN Bond Fund ended the month with a Yield to Maturity of 11.25%. This performance is largely attributed to accrued income from various instruments, bolstered by marginal decline in rate at 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



FBN Mutual Funds Factsheet

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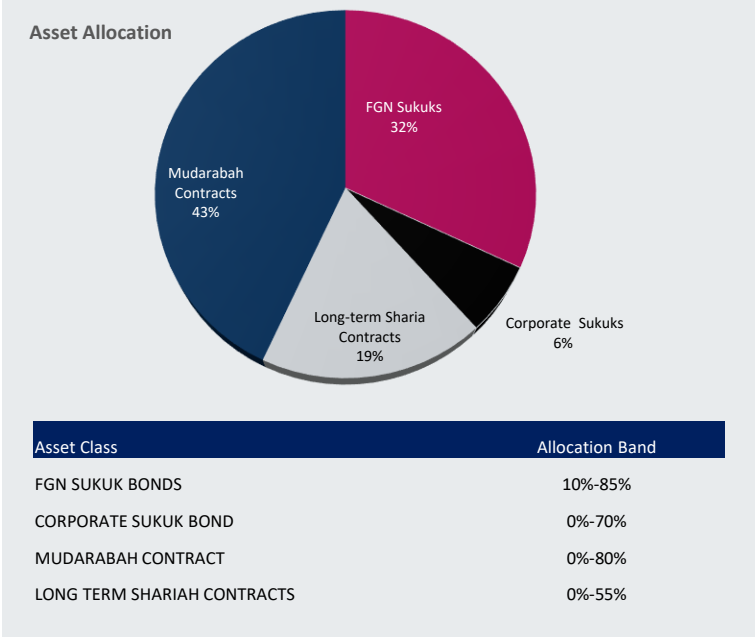
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FBN Halal Fund Overview

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	₦7.74bn
Base currency	(₦)
NAV per share	₦145.35
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



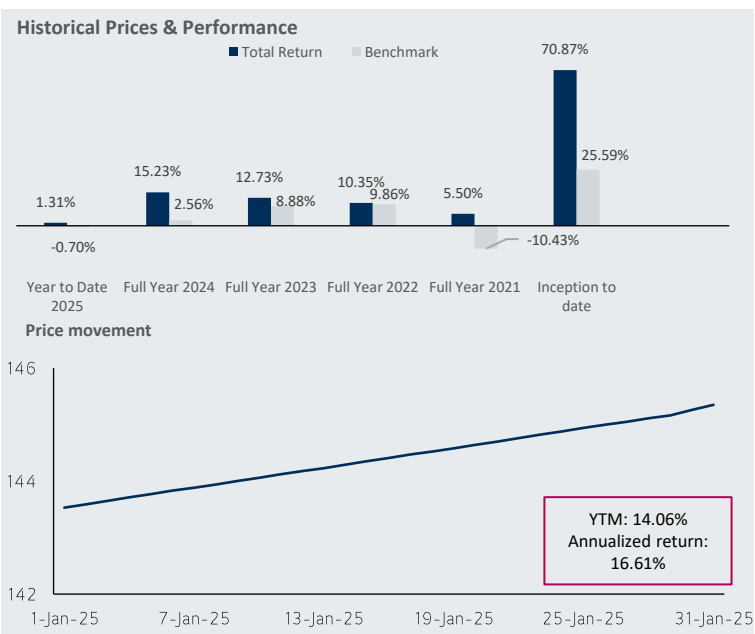
Fund Performance and Outlook

Fund Performance

The FBN Halal Fund concluded the month with a Yield to Maturity of 14.06% and an annualized return of 16.61%. This performance is attributed to accrued rental income from the Sharia-compliant assets in the portfolio. The rebalancing of the portfolio has contributed to increased return from the Sharia-compliant fixed-income instruments, 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.



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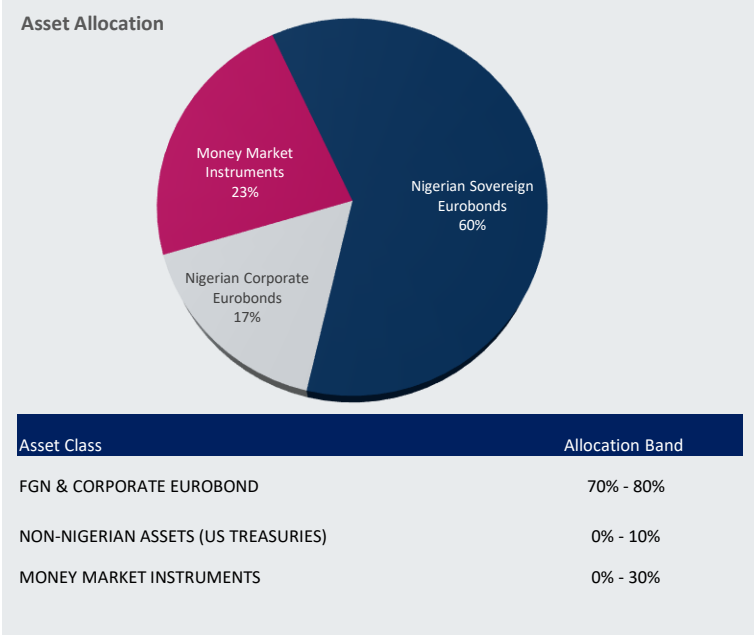
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FBN Dollar Fund Overview

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 institution

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$33.24mn
Base currency	US Dollars (\$)
NAV per share	\$127.23
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



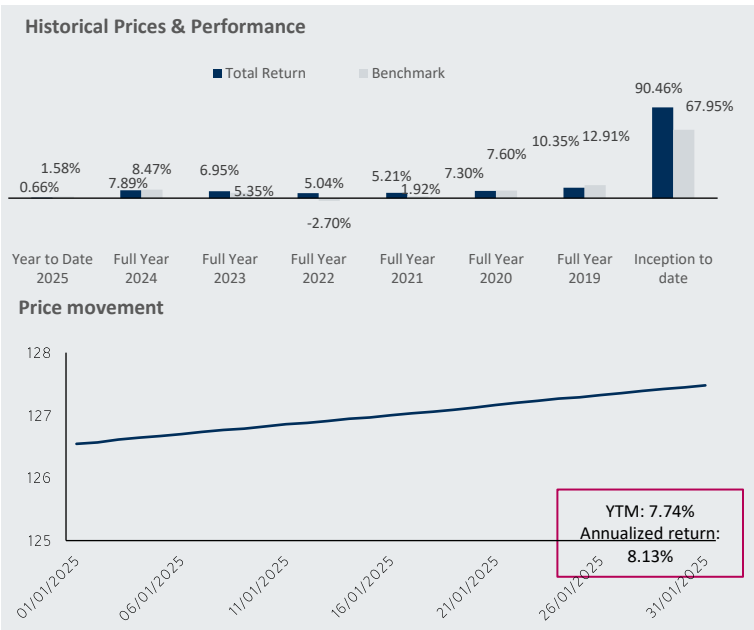
Fund Performance and Outlook

Fund Performance

The FBN Dollar Fund closed the month with a Yield to Maturity of 7.74% and an annualized return of 8.13%. This performance is driven by the strong yield profile of the portfolio's instruments, supported by the US Federal Reserve's decision to hold the current rate at 4.25%-4.5% range and keep a close watch on inflation movement..

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.



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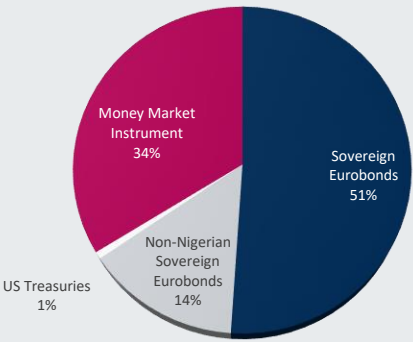
FBN Specialized Dollar Fund Overview

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	\$74.15mn
Base currency	US Dollars (\$)
NAV per share	\$119.59
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

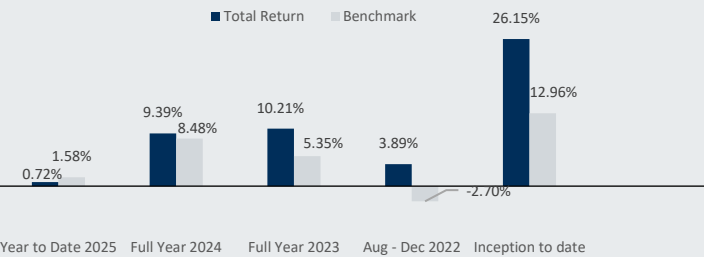
Fund Performance

The FBN Specialized Dollar Fund ended the month with a Yield to Maturity of 8.56% and an annualized return of 8.84%. 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 inflation risk with the commencement of Trump's new policies.

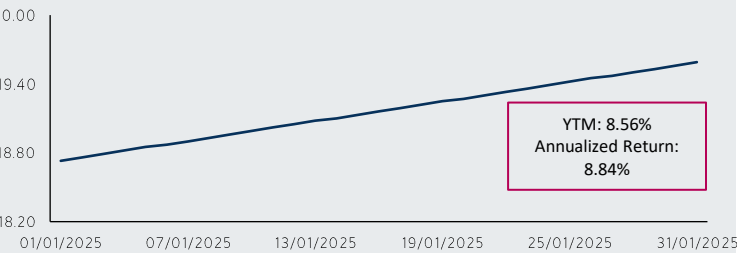
Fund Outlook

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



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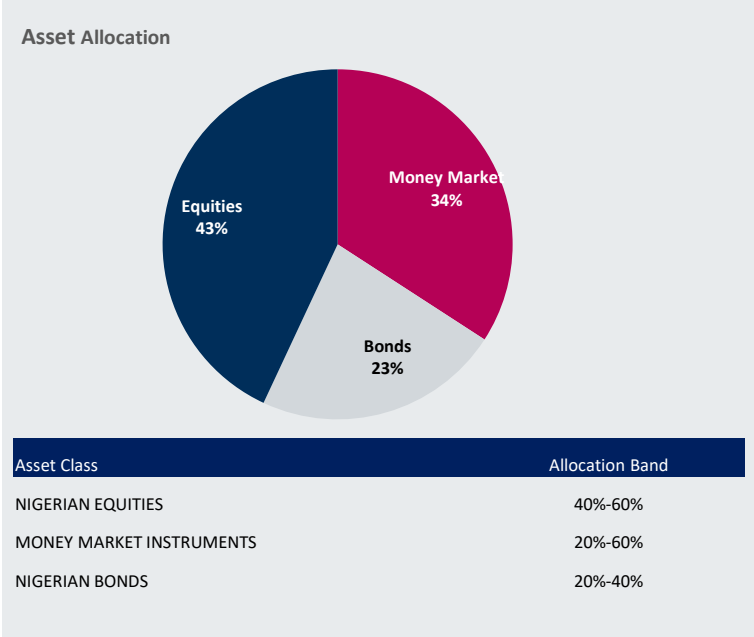
FBN Balanced Fund Overview

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 Gbolahan Ologunro, ACCA
Fund launch date	1 April 2008
Fund size	₦9.99bn
Base currency	(₦)
NAV per share	₦333.64
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	29.13%
Agriculture	17.17%
Industrial Goods	16.64%
Oil and Gas	14.12%
Consumer Goods	13.78%



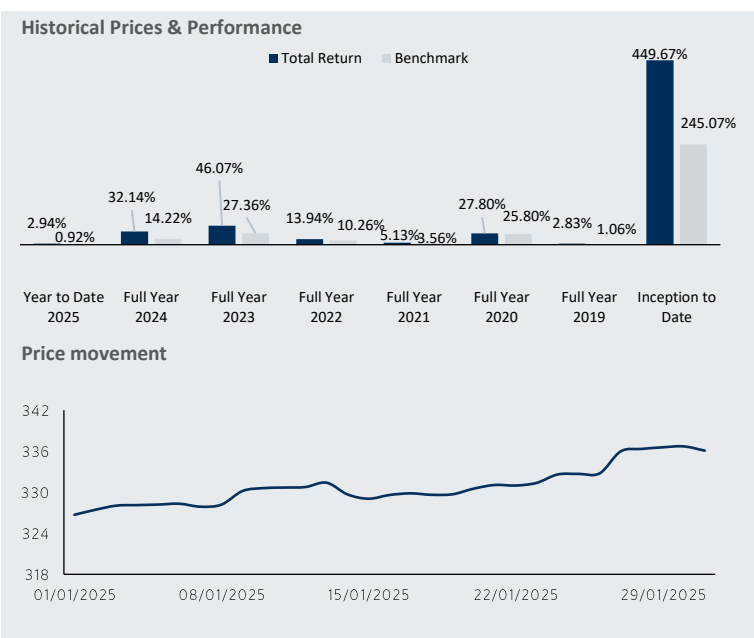
Fund Performance and Outlook

Fund Performance

The FBN Balanced Fund wrapped up the month with a year-to-date return of 2.94%. The Fund's performance benefited from its exposure to the agriculture and financial services sectors, where positive sentiment contributed to gains. Furthermore, the Fund's results were strengthened by the Fund manager's proactive approach in shifting assets into the fixed income market to capitalize on appealing yields in that area.

Fund Outlook

The fund manager will extend maturities in the fixed-income segment of the Fund to optimize returns, while also selectively choosing defensive stocks to strengthen the portfolio's resilience



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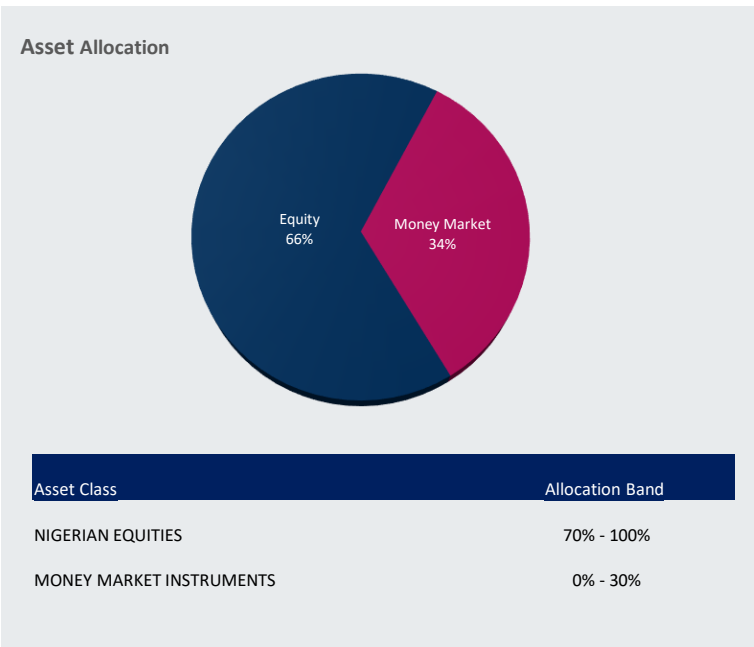
FBN Smart Beta Equity Fund Overview

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 Ogunro, ACCA
Fund launch date	4 January 2016
Fund size	₦1.26bn
Base currency	(₦)
NAV per share	₦343.37
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	59.97%
Agriculture	19.94%
Industrial Goods	14.09%
Oil and Gas	6.00%



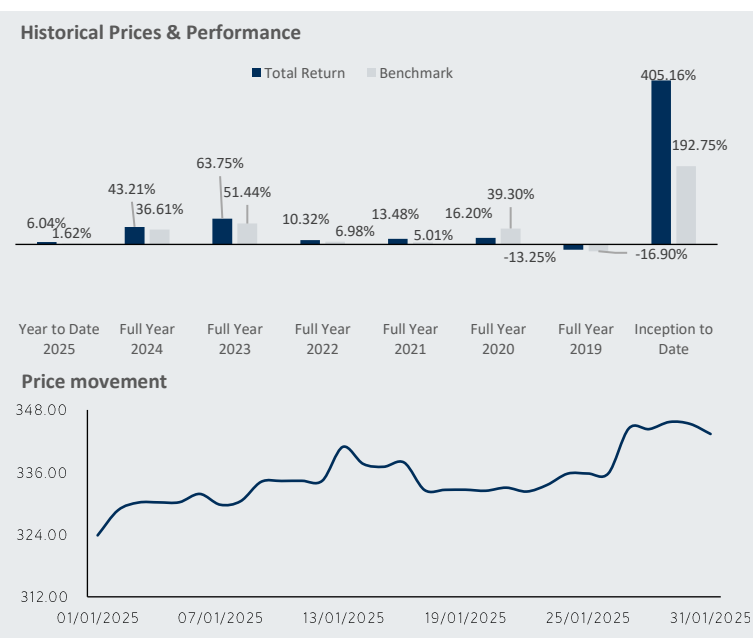
Fund Performance and Outlook

Fund Performance

The FBN Smart Beta Equity Fund started the year on a strong note with a year-to-date return of 6.04% (NSE 30: 1.62%). The fund also outperformed the NSE ASI (1.53%) by 4.51% primarily due to the gains from its strategic overweight position in banking stocks as well as an exposure to Agro-names. Several investors and portfolio managers positioned ahead of expected earnings releases and the rallies that comes with it.

Fund Outlook

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



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Outlook

- Global economy –The IMF and World Bank project global growth at 3.3% and 2.7%, respectively, for 2025-26. While monetary easing will have a limited impact, fiscal expansion, sectoral improvements, and China's property recovery are expected to drive global growth. However, Trump's Protectionist policies are potential downsides to a favorable outlook.
- Equity: With fewer exchange rate shocks, the undervalued Nigerian equities market P/E ratio: 9.53x vs. 5-year average of 11.62x), presents opportunities for investors to target strong fundamental stocks in growth sectors. We expect that the renewed interest in undervalued equities should drive market activity and support a positive outlook.
- Fixed Income: We anticipate that fixed-income yields will moderate in the coming month. Our outlook is hinged on the mismatch between maturing instruments and new issuances in the Treasury bills market. We expect buying interest on the belly of the curve for the bond market. Also, the monetary policy committee is expected to meet in February. With the CPI and GDP rebasing, the MPC may adopt a hold stance in February to assess the impact of previous rate hikes.
- Eurobonds: In the SSA region, we anticipate steady demand for fixed income instruments offering strong yields, driven by the ongoing trade conflict between the United States and China. This is following the US's imposition of tariffs and China's retaliatory measures. Specifically, China plans to introduce a 15% tariff on US oil and liquefied natural gas imports, set to take effect on February 10, 2025.

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.