





## MUTUAL FUND FACTSHEET

All data as at 30 April 2021 unless otherwise stated

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### Executive Summary

- Global Gross Domestic Product (GDP) reports for the first quarter of 2021 show that output growth has generally been positive, supported by the low base 2020 figures. The US economy edged closer to a full recovery in Q1:2021, highlighted by an annualized GDP growth of 6.4% year-on-year as vaccine distribution and stimulus packages reinvigorated the economy. This 6.4% growth ranks as the second strongest quarterly growth since 2003, dwarfed only by a record-breaking rebound in the Q3:2020. In the Eurozone, France's GDP expanded by 0.4% while Spain's GDP contracted by 0.5% year-on-year in Q1:2021. China's output growth has been the most robust at 18.3% in Q1:2021, driven by increases in retail sales, industrial production, and investment in fixed assets.
- At the OPEC+ meeting held in the month, the phased easing of oil production restrictions was approved for May, June, and July 2021, despite concerns about the surge in COVID cases in India (the world's third biggest crude importer). The increase in output is an optimistic decision based on the premise that demand recovery will continue with more progress on vaccine rollouts, and as more economies open up to travels in the summer. Ultimately, the group agreed to bring 2.15 million barrels per day back to the market from May to July, easing cuts to 5.8 million barrels per day.
- During the month, the Central Bank of Nigeria (CBN) announced a move to include sugar and wheat to the foreign exchange restriction list. This is in addition to the 41 items that were restricted from accessing the official foreign exchange market in 2015. According to the CBN, the cost of importation (USD600 million to USD1 billion annual sugar imports) of these items have become too costly thus, more local production should be encouraged.
- The National Bureau of Statistics (NBS) published the Consumer Price Index (CPI) report for March 2021, which reveals that headline inflation increased by 18.17% YoY in the month of March 2021 (vs 17.33% YoY in February 2021). Food inflation surged by 22.95% YoY (vs 21.79% YoY in the previous month), while core inflation rose by 12.67% YoY (from 12.38% YoY in February).

Asset Class	Benchmark	1M (April) %	Year to Date %	Commentary
	91-day T-bill	2.00*	1.51**	At the first primary market auction of the month, the Debt management Office (DMO) maintained stop rates on the 91-day and 182-day instruments from previous levels, while stop rate on the 364-day bill was raised by 100bps to 9.00%. This is reflective of the Federal Government's preference for the long tenure bill with NGN49.14bn being offered but about NGN132.12bn being allotted - which is 2.69x of the initial offer amount. Similarly, at the second auction, stop rates of the 91-day and 182-day were maintained at 2.00% and 3.50%, while the 364-day edged marginally to 9.75%, with the DMO allotting NGN116.27bn from NGN71.07bn offer amount. Market sentiment has remained largely unchanged in the secondary market for treasury bills as transactions have been largely retail-sized with muted activities on some trading days.
	181-day T-bill	3.50*	2.73**	
	364-day T-bill	9.63*	5.82**	
	BNGRI***	-9.78	-24.86	Bearish sentiment continued to dominate the bonds market as average bond yields in the secondary market have risen by about 234bps since the beginning of the month. The increase in yields have been mainly seen at the short end of the curve with an average bid to ask spread of 146bps. Investors continue to price in the persistent uptick in inflation, uncertain and unpredictable yield environment as well as the low system liquidity challenges. In the primary market auction held in April, the Debt Management Office (DMO) allotted NGN180.90bn across the 2027, 2035 and 2045 instruments, having initially offered NGN150bn. As expected, the auction was oversubscribed with bid-to-cover ratios of 1.51x, 1.45x and 1.82x on the 2027, 2035 and 2045 instruments, respectively. The DMO also raised rates to 12.25%, 13.34% and 13.85% (vs. 10.50%, 11.50% and 12.00% in previous month).
	3 Year Federal Government Bond	-7.15	-13.06	
	3 Year Nigerian Sovereign Eurobond	-7.12	-0.91	The Eurobond market was quite active in the month of April as there was buying pressure across the Sovereign instruments. Average FGN Eurobond yields dropped by about 42bps at the end of the month with more buying interest witnessed at mid end of the curve. On the Nigerian corporate Eurobonds scene, there were four (4) coupon payments in the month - ACCESS BANK OCT 2021, ECOBANK TRANSNATIONAL APR 2024, FIRST BANK OF NIGERIA OCT 2025 and FIDELITY BANK OCT 2022. The total coupon payments amounted to USD75.59mn with some investors re-investing their coupons in the Eurobond market. Also, the other Sub-Saharan Africa (SSA) instruments gained traction in the month especially the Ghana and Angola Eurobonds with average yield declines of 46bps and 109bps, respectively.
	5 Year Nigerian Sovereign Eurobond	-7.88	-17.77	
	NSEASI	2.02	-1.08	Slight positive sentiment returned to the Nigerian equities market in April as the All-Share Index gained 2.02% to close at 39,834.42pts, moderating the Year-to-Date (YtD) return to -1.08%. Market performance was spurred by the gains on the heavyweight stocks during the month such as MTNN (9.18%), NB (7.45%), GUARANTY (3.97%), NESTLE (3.27%), DANGCEM (0.98%). The top gainer for the month was however, ROYALEX (+47.22%), while NCR was the biggest laggard (-18.64%). The industrial goods sector had the best performance for the month, gaining 3.06%, while the banking index shed the most (-4.76%). On the corporate actions front, Q1:2021 earnings releases came in the month with lukewarm performance across the banking sector while the Industrial and consumer goods sectors have had a positive run so far.
	NSE30	2.73	-2.54	

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\*Mean stop rate at the Monthly Nigerian treasury bill auction

\*\* Average of Nigerian treasury bill auction from the beginning of the year

\*\*\*BNGRI - Bloomberg Nigeria Local Sovereign Bond Index

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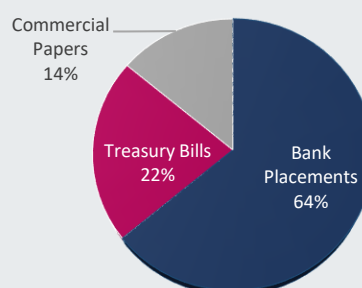
### FBN Money Market Fund Overview

#### Investment Objective

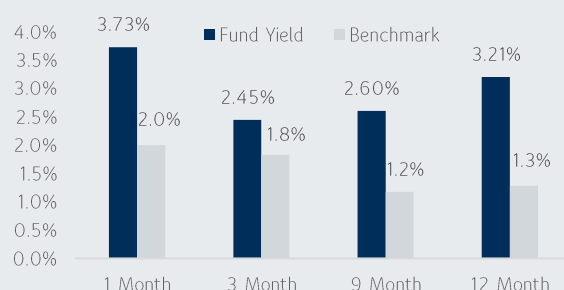
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦149.06bn
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.

#### Asset Allocation



#### Historical Prices & Performance



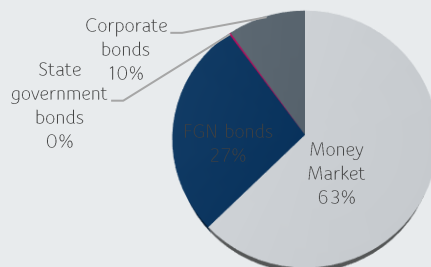
### FBN Bond Fund Overview

#### Investment objective

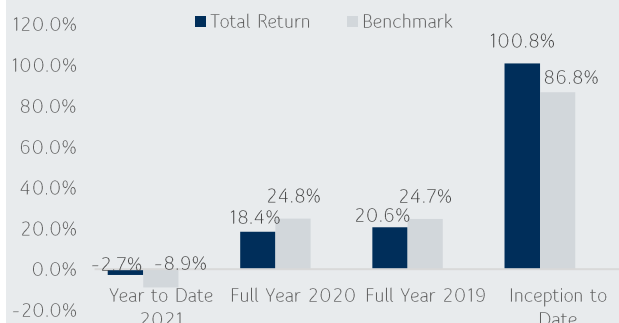
The Fund is designed to provide income generation by investing in long tenured debt instruments and short term, high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦37.00bn
Base currency	(₦)
NAV per share	₦1,361.24
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.23%
Annual management fee	1.50%
Risk profile	Low-Medium
Custodian	Citibank
Benchmark	70% 3Year FGN Bond 30% Average 91-day Tbill rate
Weighted portfolio duration	2-3 years

#### Asset Allocation



#### Historical Prices & Performance



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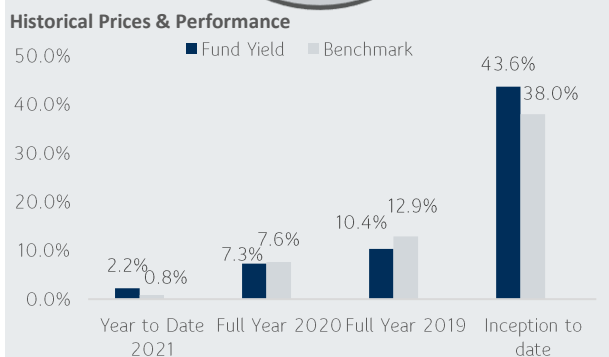
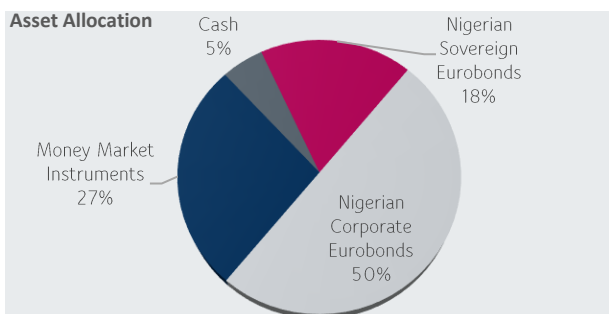
### FBN Eurobond Fund Overview

#### 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, Adeyemi Roberts CFA
Fund launch date	4 January 2016
Fund size	\$14.31mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$124.47
Minimum investment	\$1,000
Minimum holding period	180 days*
Risk profile	Medium**
Income distribution	Annually
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Total Expense Ratio	1.68%
Weighted portfolio duration	1-2 years



### 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

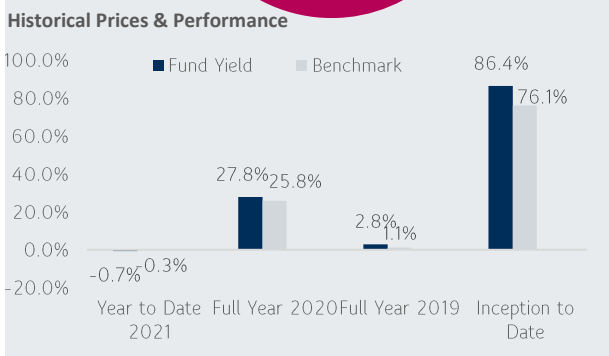
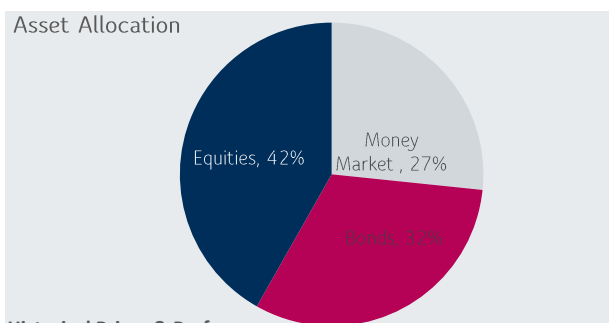
Fund Manager	Laura Fisayo-Kolawole, CFA, Oluwaseun Magreola
Fund launch date	1 April 2008
Fund size	₦4.19bn
Base currency	(₦)
NAV per share	₦186.43
Minimum investment	₦50,000
Minimum holding period	180 days
Income accrual	Daily
Annual management fee	1.50%
Total Expense Ratio	1.69%
Risk profile	Medium
Benchmark	50% NSEASI 50% 90day average Tbill rate
Custodian	Citibank

#### Top 5 equity holdings

Financial Services	16.2%
Industrial Goods	10.9%
Telecommunications	8.2%
Consumer Goods	4.6%
Oil and Gas	1.4%

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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 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.

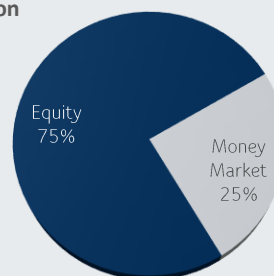
#### Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Harrison Imonikhe
Fund launch date	4 January 2016
Fund size	₦331.78mn
Base currency	(₦)
NAV per share	₦148.15
Total Expense Ratio	1.63%
Minimum investment	₦50,000
Annual management fee	1.50%
Risk profile	High*
Benchmark	NSE 30
Custodian	Standard Chartered Bank

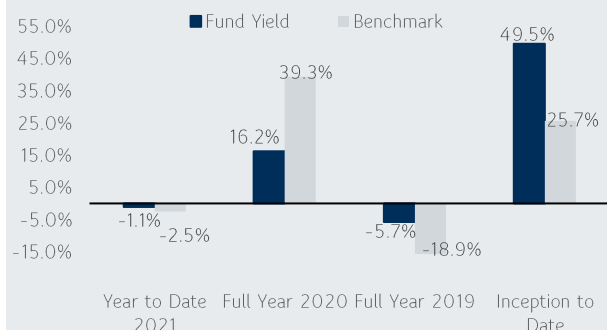
#### Top 5 equity holdings

Financial Services	34.3%
Consumer Goods	15.7%
Agriculture	15.0%
Telecommunications	8.1%
Industrials	4.7%

#### Assets Allocation



#### Historical Prices & Performance



### FBN Halal Fund Overview

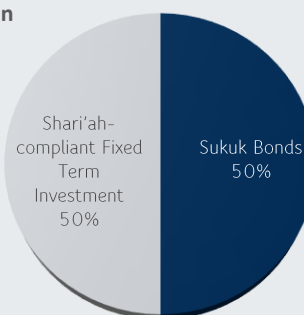
#### Investment objective

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.

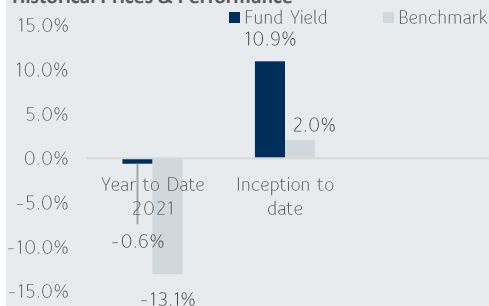
#### Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦8.24bn
Base currency	(₦)
NAV per share	₦108.85
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

#### Assets Allocation



#### Historical Prices & Performance



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### Outlook

- The gloomy news about India's continuing surge in Covid-19 cases (close to 20million cases) that has crippled its health-care system, continues to make waves in the global scene. Health ministry data showed that there were over 350,000 cases reported daily in recent times— the highest daily increase globally with about 3,400 deaths in that time. This resurgence has not been lost on investors as markets have reacted negatively to the news, given that India is the third largest crude oil importer in the world. This has raised concerns about demand recovery. To assist, there have been concerted efforts to help facilitate inoculation exercises with the US redirecting its own order of AstraZeneca manufacturing supplies to India, which will allow it to make over 20 million doses of vaccine.
- The equities market continues to see topsy-turvy movements with overriding sentiment being negative. Our view of the Nigerian bourse is not overly optimistic given that unfavourable conditions still exist i.e., tight system liquidity, improvement in fixed income yields and weak macroeconomic environment. Nonetheless, we expect investors to continually seek bargain hunting opportunities amid any dips.
- Yields in the fixed income market have so far advanced in the year, however, the extent of continued upticks is still yet to be known as the Debt Management Office (DMO) has continued to peg stop yields higher at primary auctions, especially at the longer end of the curve. Activities in the secondary markets have been muted to bearish with limited and retail sized transactions even as yields continue to tick up. The liquidity squeeze has not provided any respite with lower Open Market Operations (OMO) maturities and bond coupons hitting the system from Q2:2021. Thus, funding activities have been limited. We however expect yields to find their level in the second quarter of the year which may pave way for better market performance.
- The Eurobond market gained traction in April as yields declined across board on the SSA instruments. Investors' appetite was steady despite the resurgence in India which casts a cloud on the demand for crude oil and prices. With oil prices still resilient and hovering above USD60 per barrel, we expect investors sentiment to be predominantly positive.

### 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