





MUTUAL FUND FACTSHEET

All data as at 31 January 2021 unless otherwise stated

PUBLIC

Executive Summary

- News about the Coronavirus continued to dominate the global scene as the number of infections cases topped 100million worldwide in just about 13 months, with mutations adding to its spread. Concerns stay mounting especially in Europe where the slow start of the vaccination campaigns and industrial bottlenecks continue to threaten the pace of the inoculation exercises. Thus, dampening governments' confidence and possibility of taming the COVID-19 pandemic before summer.
- President Joe Biden was officially inaugurated as the 46th President of the United States following his victory at the presidential election. The President had begun implementing notable policy actions, some of which involve reversing policies from previous administration such as ending travel restrictions on Muslim majority countries, re-joining the World Health Organisation and the Paris Climate Accord via executive order, creating a new Presidential appointee role for Covid-19 response, halting the construction of new border security installations along the US-Mexico border, amongst others.
- The International Monetary Fund (IMF) slightly revised Nigeria's output growth projection downwards to 1.5% from 1.7% initially projected. This revision was on the back of sustained concerns about the Coronavirus and more recently the emergence of new variants. The IMF further urged low income and emerging economies to hasten the procurement and deployment of the Covid Vaccines to their nationals.
- The Monetary Policy Committee (MPC) held its first meeting of the year where the Committee voted to leave all parameters unchanged. In reaching its decision, the Committee acknowledged the policy dilemma of aggressively combating inflationary pressures or supporting measures aimed at stimulating growth and reversing the current recession. The MPC however, maintained the need to pursue the current stance of systematic synchronization of monetary and fiscal policy accommodation, through sustained and targeted spending aimed at mitigating the impact of the pandemic.

Asset Class	Benchmark	1M (January) %	Year to Date %	Commentary
 Money Market	91-day T-bill	0.53*	0.53**	In the money market, there was a flurry of OMO maturities in the month of January amounting to NGN1.04trn, and this magnitude is expected to persist through the next two months. The DMO conducted the usual biweekly treasury bills primary market auctions, offering a total of NGN232.36bn but allotted only NGN107.22bn across the 91-day, 182-day and 364-day tenors in the first auction of the year. Despite significant oversubscriptions across tenors, the DMO pegged stop rates higher at 0.50%, 1.00% and 1.50% for the 91-day, 182-day and 364-day instruments (vs. 0.04%, 0.50% and 1.21% in the previous auction). Similar pattern also occurred in the auction held on 27th of January where stop rates inched up to 0.55%, 1.30% and 2.00%. Average yields in the secondary market for Treasury Bills have also advanced by 21bps to 0.61% at the end of January from 0.40% recorded end of last year.
	181-day T-bill	1.15*	1.15**	
	364-day T-bill	1.75*	1.75**	
 Fixed Income	BNGRI***	-11.18	-11.18	Yields in the secondary market for bonds ticked up in January, with average bond yields up by 191bps to 7.97% from 6.06% as at end of December 2020. Across the curve nonetheless, the mid and long tenured instruments were more favoured as investors grabbed the double digit offers especially on the long-dated bonds. Like the treasury bills market, the DMO also capped stop yields higher at the primary market auction held in the month. With a total offer of NGN150bn and allotments of NGN122.36bn, stop yields were 7.98%, 8.74% (+180bps) and 8.95% (+195bps) for the 2027, 2035 and 2045 bonds respectively.
	3 Year Federal Government Bond	-5.51	-5.51	
 Eurobond	3 Year Nigerian Sovereign Eurobond	2.12	2.12	Eurobond yields had begun cycling down to Pre-Covid levels with buying interests seen particularly on the short and mid-tenured instruments, although, broad-based sentiments were mixed in the month. While yields across the short end registered declines, yields were up on the longer end of the curve. During the month, there was an FGN Eurobond maturity of USD500mn which hit the system. Other Sub-Saharan Sovereign Eurobonds especially Angola witnessed bullish sentiment in the month, while investors traded cautiously on Kenya Eurobonds over possible defaults or repayment deferment, even as IMF warns that the country may lose access to cheap Eurobonds due to its rising debts.
	5 Year Nigerian Sovereign Eurobond	2.34	2.34	
 Equities	NSEASI	5.32	5.32	The Nigerian bourse began the year on a positive note returning 5.32% in January. Market turnover and value traded surged to NGN5.69bn and NGN6.59bn respectively at the end of the month. All the sectorial indices closed in the green for the month with the Insurance sector leading the pack (29.77% YtD), while the Industrial sector was the least performer with a YtD return of 1.41%. CHAMPION stock gained the most in the month (261.63%) while the biggest laggard was DEAPCAP whose share price shed 20.00%. On the corporate scene, companies had begun publishing their financial scorecards for the fourth quarter of 2020 and unaudited full year report. So far, results have been broadly mixed as improved performances in some companies have been met with declines in others.
	NSE30	4.93	4.93	

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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

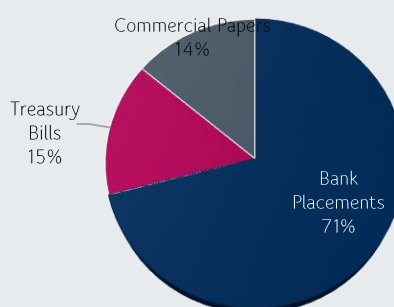
Investment Objective

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.

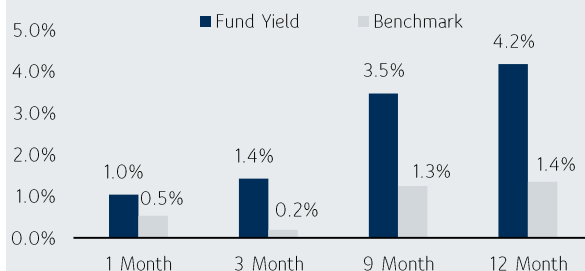
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦209.87bn
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

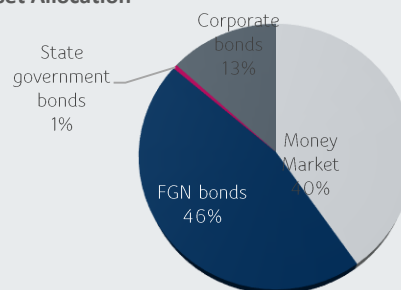
Investment objective

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.

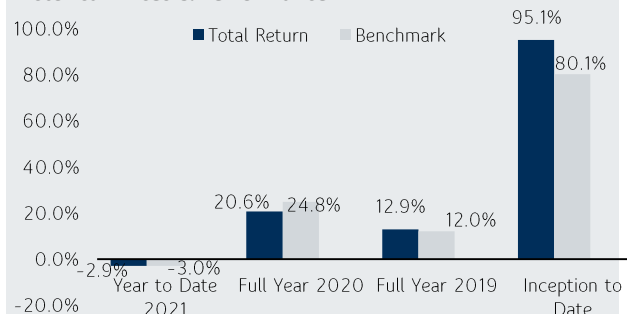
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦17.83bn
Base currency	(₦)
NAV per share	₦1,358.28
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	May 2020: ₦80.97 Nov 2020: ₦47.87
Total Expense Ratio	1.23%
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

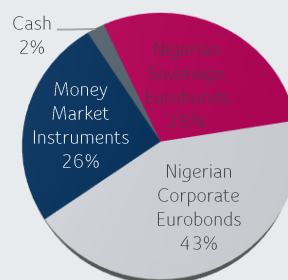
Investment objective

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

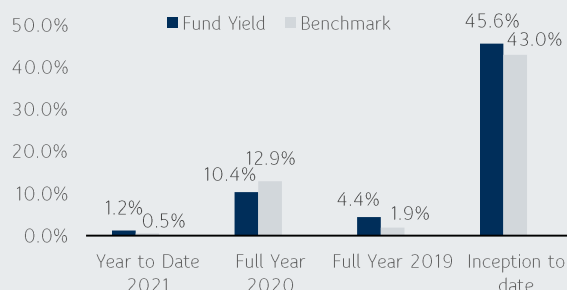
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 January 2016
Fund size	\$13.17mn
Base currency	US Dollars (\$)
Unit classes	I unit class: Institutional R unit class: Retail
NAV per share	I unit class: \$123.18 R unit class: \$123.55
Minimum investment	I unit class: \$100,000 R unit class: \$2,500
Minimum holding period	180 days*
Risk profile	Medium**
Income distribution	May 2020: \$3.82 October 2020: \$2.98
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Total Expense Ratio	I unit class: 1.16% R unit class: 1.68%
Weighted portfolio duration	1-2 years

Asset Allocation



Historical Prices & Performance



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	₦4.32bn
Base currency	(₦)
NAV per share	₦190.97
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	50% NSEASI 50% 90day average Tbill rate
Custodian	Citibank

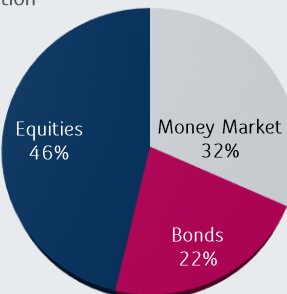
Top 5 equity holdings

Financial Services	17.9%
Industrial Goods	11.6%
Telecommunications	8.9%
Consumer Goods	7.4%
Oil and Gas	0.3%

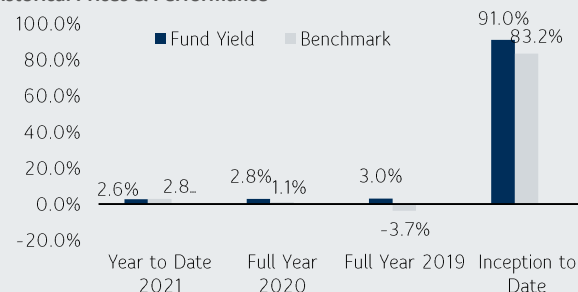
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FBN Smart Beta Equity Fund Overview Investment objective

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.

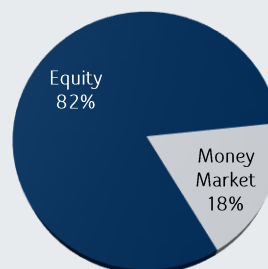
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Harrison Imonikhe
Fund launch date	4 January ,2016
Fund size	₦299.62mn
Base currency	(₦)
NAV per share	₦158.51
Total Expense Ratio	1.63%
Minimum investment	₦50,000
Annual management fee	1.50%
Risk profile	High*
Benchmark	NSE 30
Custodian	Standard Chartered Bank

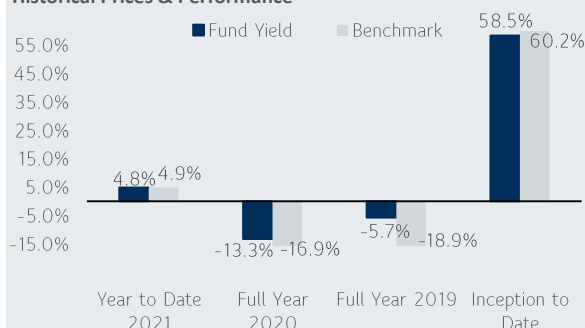
Top 5 equity holdings

Financial Services	31.9%
Industrial Goods	15.9%
Oil and Gas	15.7%
Consumer Goods	9.8%
Agriculture	8.6%

Asset Allocation



Historical Prices & Performance



FBN Halal Fund Overview

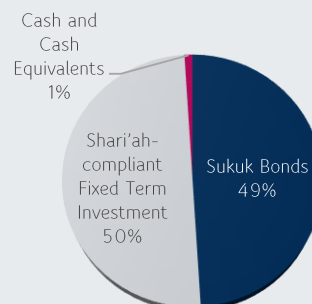
Investment objective

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

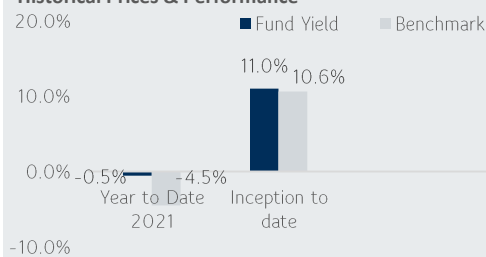
Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦8.75bn
Base currency	(₦)
NAV per share	₦110.94
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

Historical Prices & Performance



Historical Prices & Performance



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Outlook

- The global scene remains tainted by the second wave of the Coronavirus and lower than expected rollout of vaccinations, especially across Europe. The supply constraint posed by AstraZeneca reneging on their contractual obligation with the EU has further exacerbated the slow inoculation exercises in European counties. While the IMF revised global output projection upwards to 5.5% from 5.2% earlier projected, global recovery still largely depends on the ramp-up of vaccine production and its deployment. A key risk factor, however, remains the rapid evolution of Covid variants which could become resistant to vaccines, thus affecting its efficacy, and ultimately requiring an update.
- The direction of yields in the fixed income space is still quite uncertain, although, recent happenings points to the fact that gradual upticks in yields are on the horizon. This is evidenced by the results of auctions conducted by the DMO in the month, where stop rates and yields have pegged higher than previous auctions for both treasury bills and bonds. In view of this and in line with our expectations, we expect this trend to continue in the coming month.
- As envisaged, the equities market stayed positive in January as investors' interests remain geared to the opportunities that abound in that space compared to the unattractive yields in the fixed income market. Ahead of full-year earnings releases, we expect investors to take positions on promising counters with upside for dividend yields.
- While oil prices averaged USD55 per barrel in the month, the incidence of a second wave and the rise in coronavirus cases in China (largest crude oil importer) tapers expectation for oil prices. Given this resurgence, there is a likelihood that some investors might want to exit their Eurobond positions. Nonetheless, this also presents bargain hunting opportunities for other investors to get in at lower prices. Ultimately, activities in the Eurobond market will remain largely driven by positive news on vaccination exercises and development in the global oil 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