





## MUTUAL FUND FACTSHEET

All data as at 31 March 2021 unless otherwise stated

PUBLIC

### Executive Summary

- It has been over a year since the outbreak of the coronavirus which started in China and spread abruptly around the world. As at the end of March 2021, confirmed cases worldwide had hit 128.84mn with 2.81mn recorded deaths and 103.98mn recovered cases. Yet, the race to achieving target vaccination rates remain daunting as new strains threaten renewed outbreaks, likewise, unequal access to vaccines and varying degrees of efficiency in getting shots are headwinds to complete global recovery.
- President Joe Biden finally signed the USD1.9trillion Covid Relief bill into law after nearly two months from the unveiling of the Rescue Plan. This initiative paves way for his administration to deliver unemployment benefits, direct cash, and other coronavirus relief to its citizens. The first wave of the direct deposit checks will see more than 85% of Americans receive USD1,400 checks each. Other benefits of the rescue plan include health insurance and tax credits amongst others.
- Nigeria took delivery of its first vaccines under the COVAX facility in March, making it the third West African country to receive shots after Ghana and Ivory Coast. The vaccines received were about 3.94million doses of the AstraZeneca/Oxford vaccine which was manufactured by the Serum Institute of India (SII). Inoculation exercises have thus begun with frontline healthcare workers being the highest priority recipients.
- The Monetary Policy Committee (MPC) held its second meeting for the year in March 2021, where they examined key developments in both the global and domestic scenes. While all key parameters were left unchanged based on majority votes, we note that the strength of the adopted wait and see approach is weakening as a third of the Committee voted for policy rate hikes with varying magnitudes.

Asset Class	Benchmark	1M (March) %	Year to Date %	Commentary
 Money Market	91-day T-bill	2.00*	1.44**	The first quarter of the year 2021 has been remarkably characterised by a steep rise in interest rates - a reversal of the persistent downtrend which dominated most of last year. Both the Open Market Operations (OMO) and Nigerian Treasury Bills (NTB) space have witnessed rate increases, as the Central Bank of Nigeria (CBN) and Debt Management Organisation (DMO) consistently raised rates at primary market auctions. From 0.50%, 1.00% and 1.50% in January 2021, stop rates have since edged higher to 2.00%, 3.50% and 8.00% at the last treasury bills auction held in March for the 91-day, 182-day and 364-day instruments. Similar sentiment has trickled to the secondary market where investors look to book their unfilled bids, with average Treasury Bills yields closing the month at 3.74% from 0.60% in December 2020.
	181-day T-bill	3.50*	2.61**	
	364-day T-bill	7.17*	4.93**	
 Fixed Income	BNGRI***	-1.37	-16.72	Yields across the bond curve continue to rise albeit gradually, with the mid and long end of the curve comfortably in double digits. However, bid to ask spreads have narrowed compared to the levels at which they were at the earlier part of the month (average spread of 68bps as at month end from 81bps at the beginning of the month). At the monthly primary market auction, the DMO allotted bonds worth NGN262.10bn compared to the initial NGN150bn offered, while still pegging stop yields higher at 10.50%, 11.50% and 12.00% on the 2027, 2035 and 2045 (vs.10.25%, 11.25% and 11.80% at the previous auction).
	3 Year Federal Government Bond	0.57	-6.72	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-0.31	1.88	It was an eventful month in the Sub-Saharan Africa (SSA) Eurobond market as Ghana announced the launch of the first ever African zero-coupon Eurobond alongside other issues - USD525mm 4year zero coupon; USD1bn 7yr 7.75% coupon; USD1bn 12yr 8.75% coupon. The country expects to use proceeds to revive the economy in the aftermath of the Covid menace. Likewise, Seplat launched a USD650mn Eurobond with a maturity of 2026 and yield of 7.75%. The overall mood in the market was nonetheless bearish as yields increases were dominant, hinged on dampened investor sentiment following the decline in oil prices during the month ( <i>brent crude dipped to USD61.39per barrel in the month from a high of USD69.41per barrel</i> ).
	5 Year Nigerian Sovereign Eurobond	-0.79	1.67	
 Equites	NSEASI	-1.90	-3.04	The Nigerian bourse sustained its bearish momentum in March as the All Share Index lost 1.90% to close at 39,045.13pts, settling the year to date return lower at -3.04%. The retracing of fixed income yields which has attracted investors plus general profit taking activities have continued to drag market performance. On a sectorial basis, the Oil and Gas (+0.18%) and Insurance (+1.21%) sectors closed positive with the consumer goods sector being the worst performer (-3.71%), followed by the banking sector (-3.42%). Majority of corporate earnings came in during the month which were met with varying investor sentiment, and a few short-lived positive reactions towards the results.
	NSE30	-2.36	-5.31	

[www.fbnquest.com/assetmanagement](http://www.fbnquest.com/assetmanagement)

## MUTUAL FUND FACTSHEET

All data as at 31 March 2021 unless otherwise stated

PUBLIC

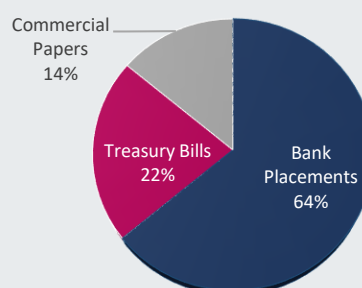
### FBN Money Market Fund Overview

#### Investment Objective

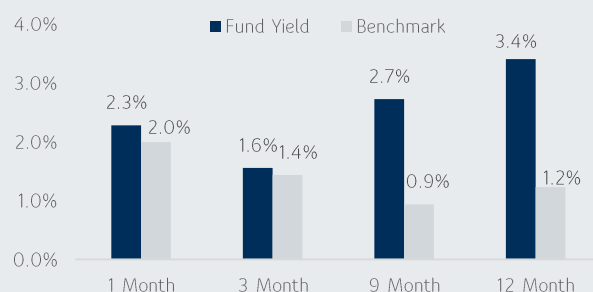
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦162.25bn
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



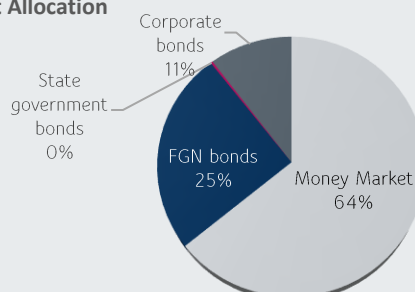
### FBN Bond Fund Overview

#### Investment objective

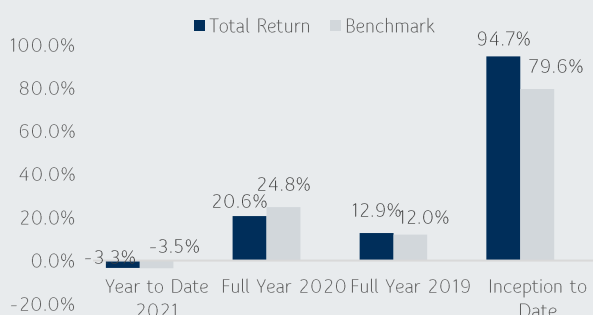
The Fund is designed to provide income generation by investing in long tenured debt instruments and short term, high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦35.19bn
Base currency	(₦)
NAV per share	₦1,353.13
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



[www.fbnquest.com/assetmanagement](http://www.fbnquest.com/assetmanagement)

## MUTUAL FUND FACTSHEET

All data as at 31 March 2021 unless otherwise stated

PUBLIC

### FBN Eurobond Fund Overview

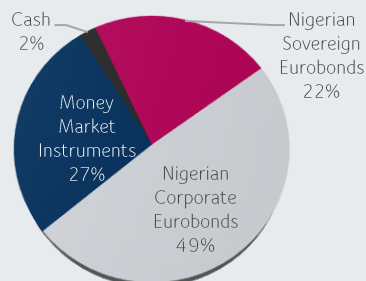
#### Investment objective

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

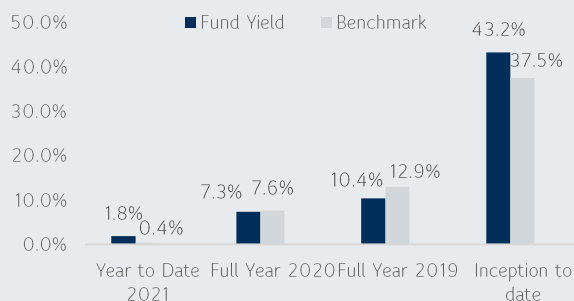
#### Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 January 2016
Fund size	\$14.69mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$123.98
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

#### 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	₦4.19bn
Base currency	(₦)
NAV per share	₦184.39
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

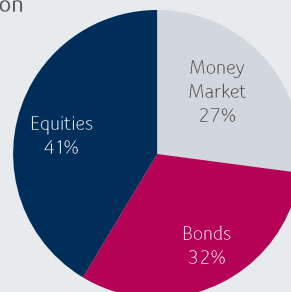
#### Top 5 equity holdings

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

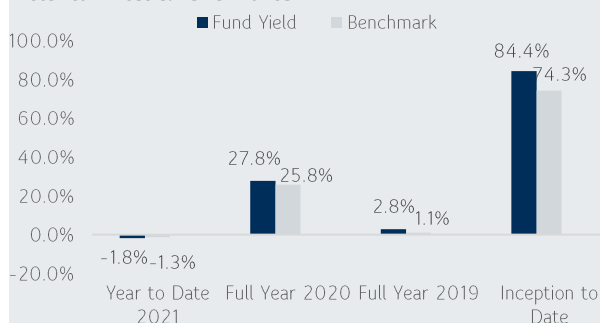
[www.fbnquest.com/assetmanagement](http://www.fbnquest.com/assetmanagement)

16-18, 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](mailto:invest@fbnquest.com)  
An FBN Holdings Company

#### Asset Allocation



#### Historical Prices & Performance



## MUTUAL FUND FACTSHEET

All data as at 31 March 2021 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 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	34.7%
Consumer Goods	15.2%
Agriculture	13.7%
Telecommunications	7.2%
Industrials	4.6%

### 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.

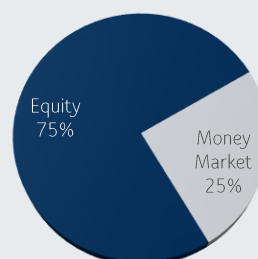
#### Fund Facts

Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦8.72bn
Base currency	(₦)
NAV per share	₦110.47
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

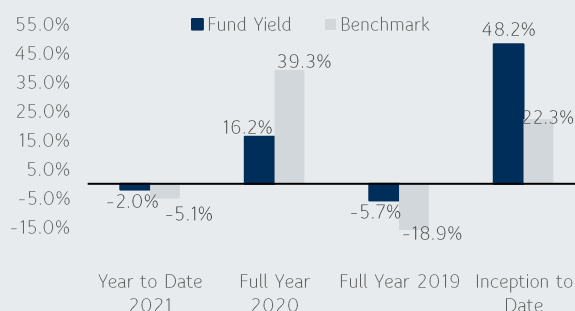
[www.fbnquest.com/assetmanagement](http://www.fbnquest.com/assetmanagement)

16-18, 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](mailto:invest@fbnquest.com)  
An FBN Holdings Company

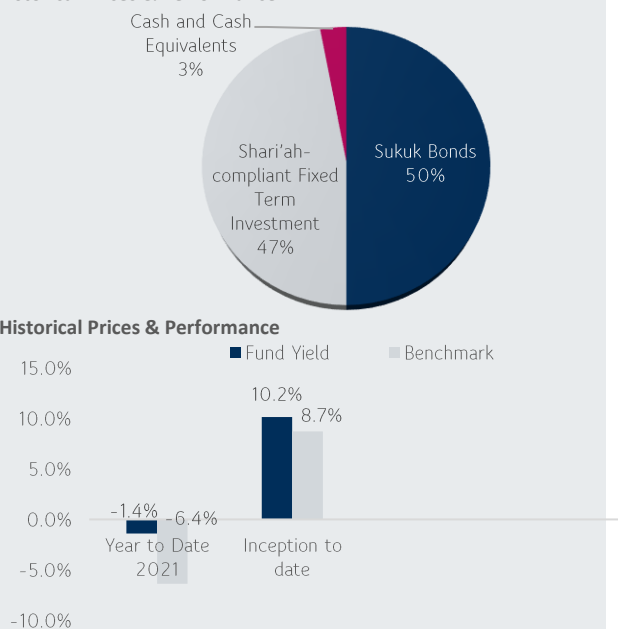
#### Assets Allocation



#### Historical Prices & Performance



#### Historical Prices & Performance



## MUTUAL FUND FACTSHEET

All data as at 31 March 2021 unless otherwise stated

PUBLIC

### Outlook

- Inoculation campaigns are still underway and according to Bloomberg's COVID-19 vaccine tracker, more than 590million vaccines have been administered across 141 countries as at 31st March 2021. This is about 3.9% of the global population, which highlights the heights that still needs to be attained to reach the 70% target set. The good news, however, is the advent of additional manufacturers coming into the market. Already, Johnson & Johnson has agreed to supply up to 400million doses of its one-shot vaccine to the African Union (AU) from the third quarter of 2021. Also, Moderna has begun testing its Covid vaccine in young children between the ages of 6months to 12years in its 'KidCOVE' study, to assess the potential safety and immunogenicity of its vaccine. Thus, with increasing vaccination rate, the quest to quell outbreaks and flatten the curve is modest although, new Covid variants especially in Europe remains a setback to achieving target goals.
- There has been a waning momentum in the way rates are edged higher by the CBN and DMO in recent primary market auctions. Thus, we could deduce that the likelihood for significant upsides from current yield levels are slim and ultimately, we should see better investors' participation as they get more comfortable with current rates.
- Bearish sentiment has been sustained in the Nigerian equities market with a record of seven consecutive weeks of losing streak. While there has been a few positive trading sessions, the overriding sentiment has been negative. Currently, there is hardly a compelling case for an upturn in equities market except that fixed income yields might have reached that point of limited upsides. Thus, this should provide support for equities. However, if that does not crystalize and in the absence of any positive triggers or catalyst, we still expect the current trading pattern of a few pocket of gains followed by profit taking activities to persist.
- The SSA Eurobond market was particularly downbeat in March with the 2049 Nigeria Sovereign Eurobond yield at north of 8.00% from 7.84% at the start of the month. Nonetheless, with oil prices still relatively modest, we expect to see the market gain better traction in the coming period especially with new issues on board.

### 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