





MUTUAL FUND FACTSHEET

All data as at 31 August 2021 unless otherwise stated

PUBLIC

Executive Summary

- The United States Senate passed a USD1 trillion bipartisan infrastructure plan during the month, which is set to inject money into expanding broadband access and bring funding to other parts of the tech sector. The bill allocates about USD65 billion towards expanding access to internet services, as the pandemic highlighted the need for high-speed internet access on the back of work/school from home policies. The bill also allocates USD7.5 billion to the installment of electric vehicle charging stations across the country.
- The United States Food and Drug Administration (FDA) granted full approval to Pfizer and BioNTech's Covid-19 vaccine, making it the first in the U.S. to win the coveted designation. Until now, the vaccine was under an emergency use authorization in the US, which was granted by the FDA in December 2020. Full approval is expected to give more businesses, schools, and universities greater confidence to adopt vaccine mandates.
- According to the National Bureau of Statistics, Nigeria reported an expansion of 5.01% year on year (YoY) in real GDP for Q2:2021. This was mainly due to a low Q2:2020 base where real GDP contracted by 6.10% YoY. Total real GDP for the quarter however, stood at NGN16.69trn (vs NGN15.90trn in Q2:2020) as non-oil GDP expanded (+6.74% YoY), while oil GDP contracted (-12.65% YoY). The growth in the non-oil sector was driven by expansion in the Information & Telecommunication (+5.50% YoY), Manufacturing (+3.49% YoY), and Agriculture (+1.30% YoY) sectors, while the contraction in the oil sector was due to lower oil production in the quarter (1.61mbpd), compared to Q2:2020 (1.81mbpd).
- President Muhammadu Buhari signed the much awaited Petroleum Industry Bill (PIB) into law, in furtherance to the passage of the Bill by both the Senate and the House of Representatives earlier in July 2021. The Petroleum Industry Act introduces pertinent changes to the governance, administrative, regulatory, and fiscal framework of the Nigerian Petroleum Industry, in order to foster transparency, strengthen the governing institutions and attract capital investment, among other objectives.

Asset Class	Benchmark	1M (August) %	Year to Date %	Commentary
 Money Market	91-day T-bill	2.50*	2.00**	The 91-day and 182-day Nigerian treasury bills (NTB) stop rates have remained flat at primary market auctions (PMA), printing at 2.50% and 3.50% in the last four months. Meanwhile, the rate on the 364-day treasury bill has continued to edge lower following strong investors' interest on the longer bill. At the first auction in the month, the 364-day declined to 7.35% (vs. 8.20% at the last auction in July) and dropped further to 6.80% at the second auction. As usual, the long tenor bill was oversubscribed with the Debt Management Office (DMO) allotting NGN280.93mn from NGN121.38mn initially offered. In the secondary market for NTB, buy side activities were dominant, with average yields closing at 4.57%, 147bps decline month on month.
	181-day T-bill	3.50*	3.11**	
	364-day T-bill	7.08*	7.24**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	4.79	-16.01	Buy interests were sustained in the fixed income market as average bond yields in the secondary market dropped by 87bps month on month to 11.49% at the end of August. Investors' participation did not wane even as they continue to speculate about yields movement for the rest of the year. At the monthly primary market auction, the DMO offered a total of NGN150bn across the 2028, 2036 and 2050 instruments but allotted a total of NGN260.09bn with the auction being oversubscribed by 140.01%. Consequently, stop rates declined across all maturities to close at 11.60% (-75bps), 12.75% (-40bps), and 12.80% (-45bps) on the 2028, 2036 and 2050 instruments respectively.
	3 Year Federal Government Bond	2.54	-8.20	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.41	2.40	The Sub-Saharan African (SSA) Eurobond market witnessed mixed sentiment in August after starting out bearish at the earlier part of the month. Activities however, improved later in the month especially on the Nigerian Sovereigns as the announcement of the soon to be issued FGN Eurobonds spurred positive sentiment. Yields on the FGN Sovereigns moderated marginally to an average of 5.56% in August from 5.60% at the end of July. Buy activities were witnessed on the other African Eurobonds especially Ghana, Angola, and Kenya.
	5 Year Nigerian Sovereign Eurobond	0.17	1.79	
 Equities	NSEASI	1.74	-2.61	The Nigerian equities market gained 1.74% in the month of August at 39,219.61pts, moderating the year to date return to -2.61%. HONYFLOUR was the top gainer for the month with share price increase of 154.76% to NGN4.28. Other notable gainers were AIRTELAfri (21.95%), CONOIL (20.81%), PRESCO (11.97%) amongst others. The biggest loser in the month was MEYER (-66.10%), while other losses came from NB (-14.00%), NESTLE (-9.09%), OANDO (-9.41%). All the sectorial indices closed negative in the month with the worst performer being the Consumer goods index (-7.61%).
	NSE30	-1.37	-1.42	

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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

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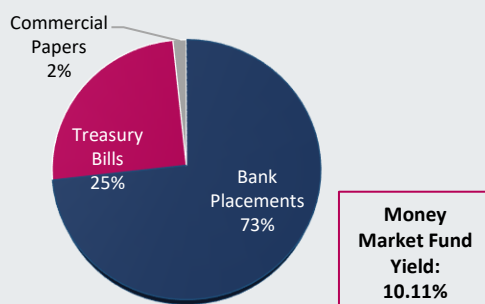
FBN Money Market Fund Overview

Investment Objective

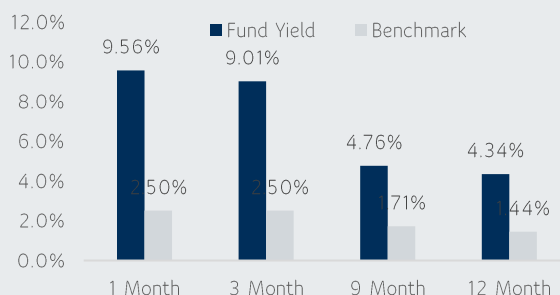
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦141.11bn
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



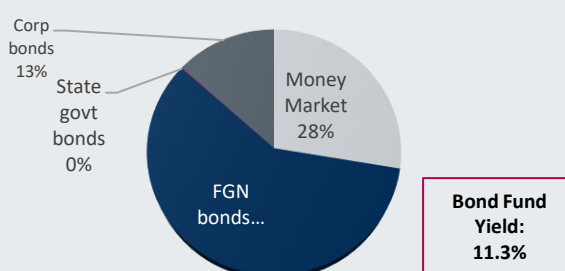
FBN Bond Fund Overview

Investment objective

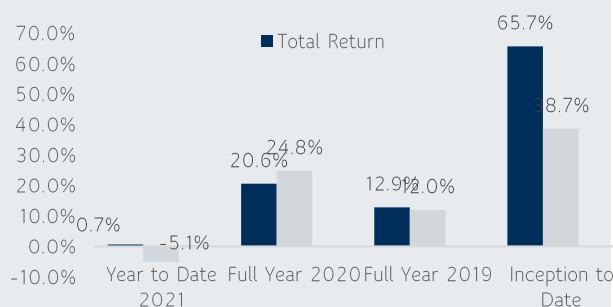
The Fund is designed to provide income generation by investing in long tenured debt instruments and short-term high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦41.68bn
Base currency	(₦)
NAV per share	₦1,409.20
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



Annualized return of 1.05%

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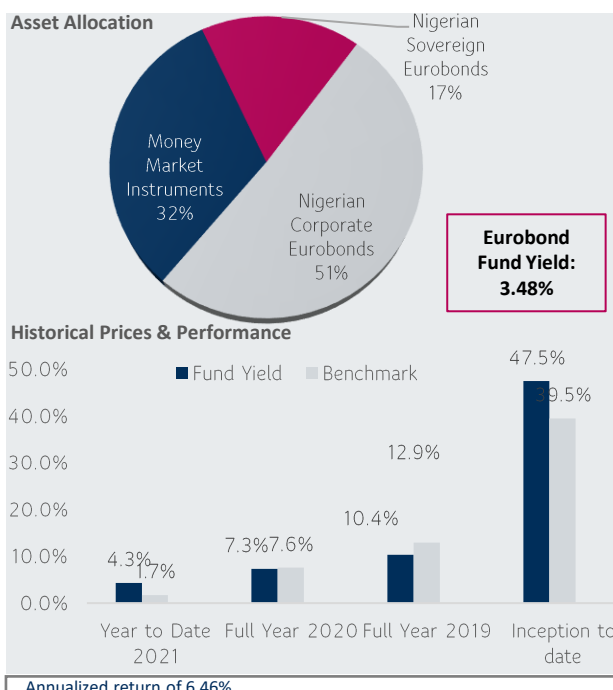
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FBN Eurobond Fund Overview

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	\$18.16mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$126.97
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

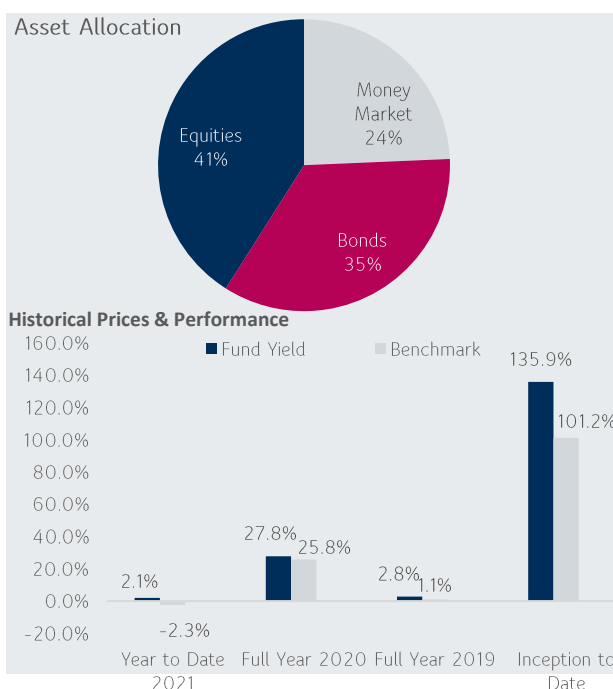
The Fund provides capital growth and downside protection to investors seeking exposure to equity. The downside is achieved through investments in less risky assets such as money market instrument and bonds

Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA, Harrison Imonikhe
Fund launch date	1 April 2008
Fund size	₦4.13bn
Base currency	(₦)
NAV per share	₦191.84
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	40% NSE30 40% 5 year FGN bond 20% 90day average Tbill rate
Custodian	Citibank

Top 5 equity holdings	
Financial Services	12.02%
Consumer Goods	15.05%
Telecommunications	3.27%
Industrial Goods	2.86%
Agriculture	5.09%

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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.

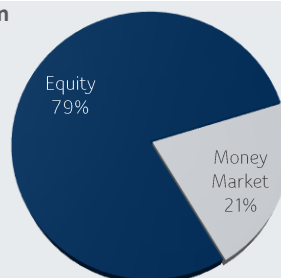
Fund Facts

Fund Manager	Laura Fisayo-Kolawole, CFA, Oyelekan Olorunkosebi CFA
Fund launch date	4 January 2016
Fund size	₦317.73mn
Base currency	(₦)
NAV per share	₦158.21
Total Expense Ratio	1.63%
Minimum investment	₦50,000
Annual management fee	1.50%
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

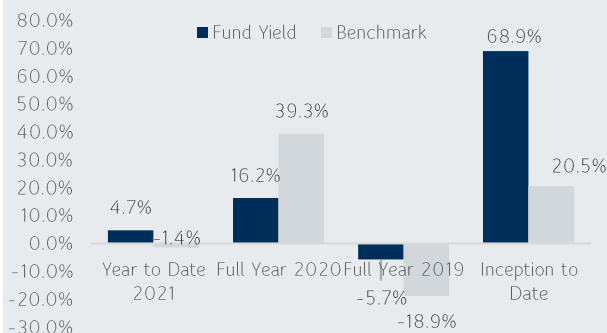
Top 5 equity holdings

Financial Services	33.26%
Consumer Goods	15.71%
Agriculture	16.55%
Telecommunications	7.98%
Industrials	5.34%

Assets Allocation



Historical Prices & Performance



FBN Halal Fund Overview

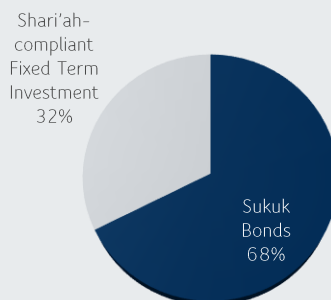
Investment objective

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

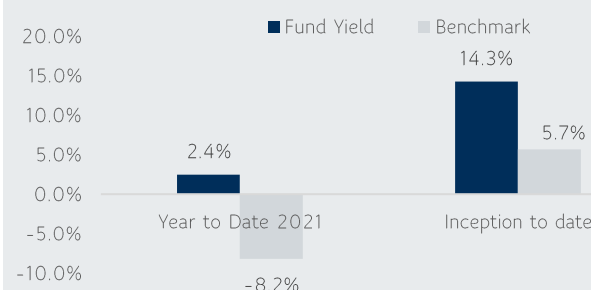
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA, Adeyemi Roberts CFA
Fund launch date	4 May 2020
Fund size	₦4.81bn
Base currency	(₦)
NAV per share	₦112.21
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

Assets Allocation



Halal Fund Yield: 8.37%

Historical Prices & Performance



Annualized return of 3.67%

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Outlook

- Global economies have sustained growth trajectory in the second quarter of the year as Gross Domestic Product (GDP) remains positive despite the fears around the covid variants. The French economy rebounded slightly in the second quarter as the Eurozone's second-biggest economy grew 1.1%. The Indian economy also rebounded in the second quarter by 20.1% despite the devastating second wave of COVID-19 which swept the country. Nonetheless, rising inflation remains the sticking point as inflation in the Eurozone rises further in August by 3% YoY (vs. 2.2% in July) according to preliminary estimates released in the month. This persistent increase in consumer prices and recent economic recovery will be the overarching point of discussion at the European Central Bank's next meeting.
- The overall performance of corporates during the earnings season was quite positive, some of which were as a result of the low base from previous year when Covid hit. Regardless, the corporates have shown remarkable resilience amid the challenging operating business environment. However, for the remaining part of the year, we still maintain our bearish view of the Nigerian bourse as we do not see a major catalyst that could trigger a sustained rally in the equities market.
- Yields in the fixed income market have been quite steady with buy interests more dominant across the curve. For September, we expect system liquidity to remain high as there would be a flurry of coupon payments worth NGN262.66bn in the market. This should keep investors' appetite high for the treasuries as they look to reinvest idle funds. Thus, we see room for yields to moderate further in the coming period.
- The Federal Government of Nigeria has announced the imminent launch of its planned Eurobond issue on the 11th of October 2021 where about USD3bn will be raised from the international market. This fund is expected to be used to plug the budget deficit alongside other sources. We expect strong investors' participation with a possible oversubscription on the issue.

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