





MUTUAL FUND FACTSHEET

All data as at 30 November 2021 unless otherwise stated

PUBLIC

Executive Summary

- The United States announced that it would release oil from its Strategic Petroleum Reserve, as part of a coordinated effort with five other countries to taper rising fuel prices. The U.S. plans to draw down about 50 million barrels of crude oil in the coming months (equivalent to a production hike by 1.6 million barrels per day for one month), while the other nations – the U.K., India, Japan, Korea, and China are said to be releasing about 11 million barrels in total. This coordinated attempt to reduce prices follows a decision by OPEC+ to ignore calls to accelerate the pace at which the group is restoring supply cuts that were imposed at the peak of the pandemic. Analysts opine that while this move will moderate oil prices which have exacerbated inflationary pressures, its impact will be short-lived.
- The recent rise in Covid-19 cases and the emergence of a new Covid strain, Omicron, has continued to pose downside risks which weighed on the stock markets during the month. Health officials have said that the many mutations suggest that new Covid-19 shots will be needed, as existing vaccines are unlikely to be as effective against the Omicron variant. Consequently, it was a volatile month for stocks as the Dow Jones lost 3.70% in November. The S&P 500 also dropped 0.80% in the month with the Russell 2000 shedding nearly 4.30% in November - its worst month since March 2020. Conversely, the Nasdaq Composite rose marginally by 0.25%.
- On the domestic macroeconomic scene, the Consumer Price Index report for the month of October and Gross Domestic Product (GDP) report for Q3:2021 were reported by the National Bureau of Statistics (NBS). This highlights that Nigeria's inflation rate for the month of October 2021 dropped further to 15.99% from 16.63% recorded in September 2021. Both the food and core component dropped to 18.34% and 13.24% respectively (vs. 19.57% and 13.74% recorded in September 2021). So far in the year, inflation rate has averaged 17.28% between, while the 12-month average change is at 16.96%. The Gross Domestic Product (GDP) report for Q3:2021 shows that the Nigerian economy expanded by 4.03% year on year- a sustained growth from 5.01% recorded in Q2:2021.

Asset Class	Benchmark	1M (November) %	Year to Date %	Commentary
 Money Market	91-day T-bill	2.50*	2.14**	System liquidity was relatively tight in the month as money market rates remain elevated with the Open Buy Back (OBB) and Overnight (OVN) rates closing at 17.25% and 17.75% respectively. In the secondary market, buy activities dominated the Nigerian treasury bills (NTB) space in the month as average benchmark yields dropped 68bps to 4.80%. The 364-day bill was the most sought after with yield closing the month at 5.42% – a decline of 174bps from end of previous month. In the primary market, the Debt Management Office (DMO) in a surprising move, sharply dropped the stop rate of the 364-day bill to 5.89% in the second auction from 6.50%, while the 91-day and 182-day bills were maintained at 2.50% and 3.50%.
	181-day T-bill	3.50*	2.95**	
	364-day T-bill	6.20*	7.14**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	-0.49	-15.61	It was a relatively quiet month in the bonds market with muted market activities as we approach the end of the year 2021. In the secondary market, yields edged up across the curve as there was lacklustre demand for bond instruments during the period. Thus, average bond yields closed about 13bps higher at 11.41% in the month. At the primary market auction held in the month, the DMO under-allotted the 2026 and 2037 bond instruments while leaving rates unchanged at 11.65% and 12.95% respectively. The 2050 paper however, remained the most allotted (NGN155.91bn from NGN50bn offered), with stop rate improving to 13.30% from 13.20% in the previous month.
	3 Year Federal Government Bond	0.59	-4.65	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-0.88	-2.96	Market sentiment in the Sub Saharan African (SSA) Eurobonds market remained bearish with prices trading at discounts to par across instruments and yields ticking higher. FGN Sovereign Eurobond yields rose by an average of 86bps, closing at 7.42% in the month from 6.56% in October. The Ghanaian Eurobond market remains downbeat as unwavering concerns about the country's macroeconomic environment persists, even as monetary authorities hiked rates by 100bps in the month to 14.50% from 13.50% (first in six years). Overall, the SSA market stays susceptible to risk off sentiment even as global yields edge higher on concerns around the new Covid variant and the resultant effect on global economic growth.
	5 Year Nigerian Sovereign Eurobond	-3.08	-4.65	
 Equities	NSEASI	2.88	7.39	It was yet another positive month in the local bourse as the All Share Index (ASI) gained 2.88% in the month to close at 43,248.05pts, bringing the year to date return to 7.39%. On sectorial performance, the insurance sector had the best performance, gaining 4.28%, while the oil and gas sector was the biggest loser (-7.56%). Overall, prices advanced on tickers like UPL (+35.48%), AIRTELAfri (+21.79%), VITAFOAM (+18.38%), HONYFLOUR (+9.72%), MTNN (+8.20%), FBNH (+8.14%) amongst others. Some corporate news headlines in the month included the Flour Mills of Nigeria (FMN) Plc.'s proposed acquisition of the majority shareholding interest (71.69%) in Honeywell Plc. In addition, FMN also entered an agreement with First Bank of Nigeria Limited to acquire their 5.06% equity in Honeywell. Elsewhere, MTN Group commenced an offer for sale of up to 575million ordinary shares in MTN Nigeria to qualified investors as they intend to improve liquidity of the share on the exchange.
	NSE30	-0.05	6.47	

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An FBN Holdings Company

*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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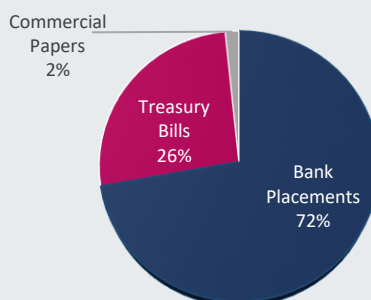
FBN Money Market Fund Overview

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.

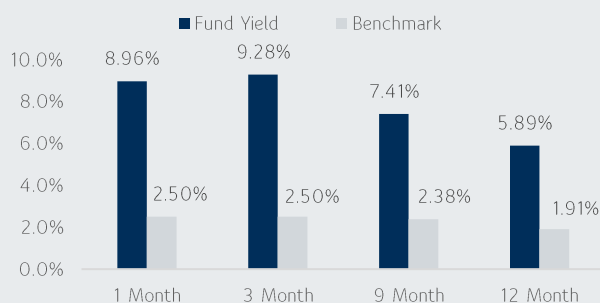
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦151.45bn
Base currency	(₦)
NAV per share	₦100
Minimum investment	₦5,000
Minimum holding period	30 days
Income accrual	Daily
Income distribution	Quarterly
Annual management fee	1.25%
Total Expense Ratio	1.36%
Risk profile	Low
Custodian	Citibank
Benchmark	Average 91-day Treasury Bill (NTB) primary auction stop rates.

Asset Allocation



Money Market Fund Yield: 9.09%

Historical Prices & Performance



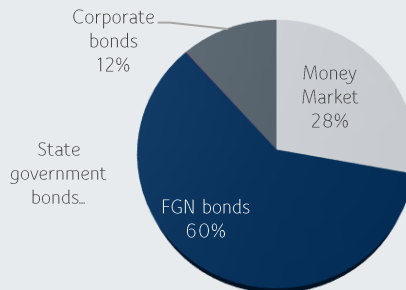
FBN Bond Fund Overview

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.

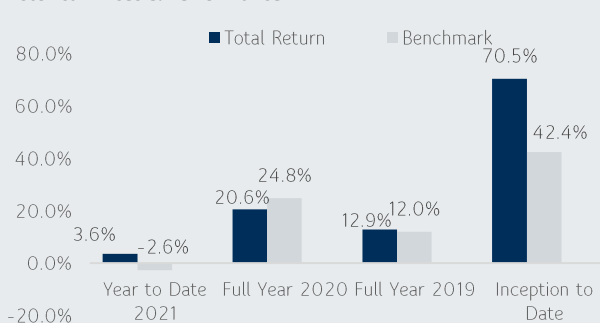
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦39.25bn
Base currency	(₦)
NAV per share	₦1,378.73
Minimum investment	₦50,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.23%
Annual management fee	1.00%
Risk profile	Low-Medium
Custodian	Citibank
Benchmark	70% 3Year FGN Bond 30% Average 91-day Tbill rate
Weighted portfolio duration	2-3 years

Asset Allocation



Bond Fund Yield: 11.41%

Historical Prices & Performance



Annualized return of 3.93%

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FBN Dollar Fund Overview

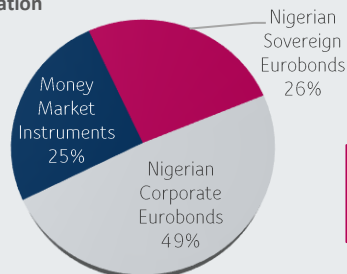
Investment objective

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 institutions

Fund Facts

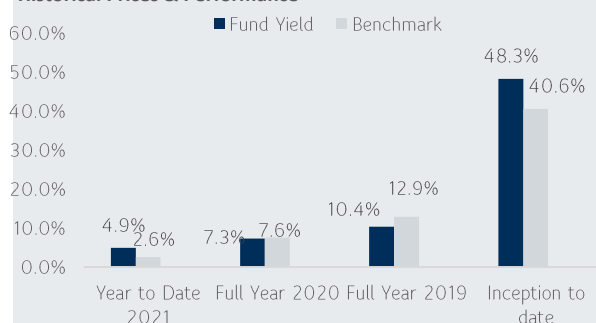
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$20.14mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$121.95
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
Management fees	1.50%
Income distribution	Annually
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate
Weighted portfolio duration	1-2 years

Asset Allocation



Dollar Fund Yield: 3.97%

Historical Prices & Performance



Annualized return of 5.38%

FBN Halal Fund Overview

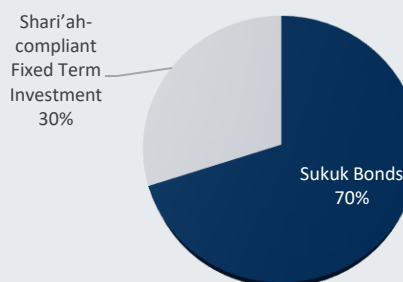
Investment objective

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

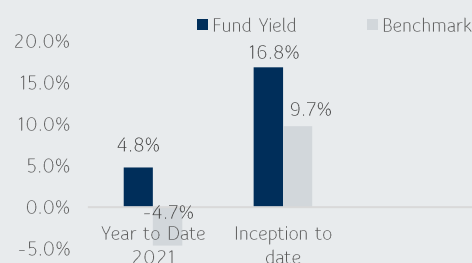
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦4.65bn
Base currency	(₦)
NAV per share	₦114.79
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

Assets Allocation



Halal Fund Yield: 9.24%

Historical Prices & Performance



Annualized return of 5.19%

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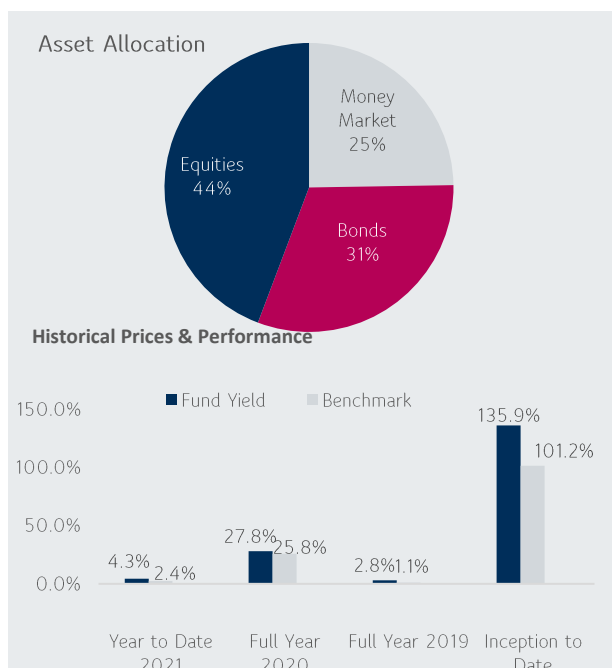
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FBN Balanced Fund Overview

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, Harrison Imonikhe
Fund launch date	1 April 2008
Fund size	₦4.10bn
Base currency	(₦)
NAV per share	₦173.86
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	13.86%
Consumer Goods	11.77%
Telecommunications	4.78%
Industrial Goods	5.47%
Agriculture	5.31%



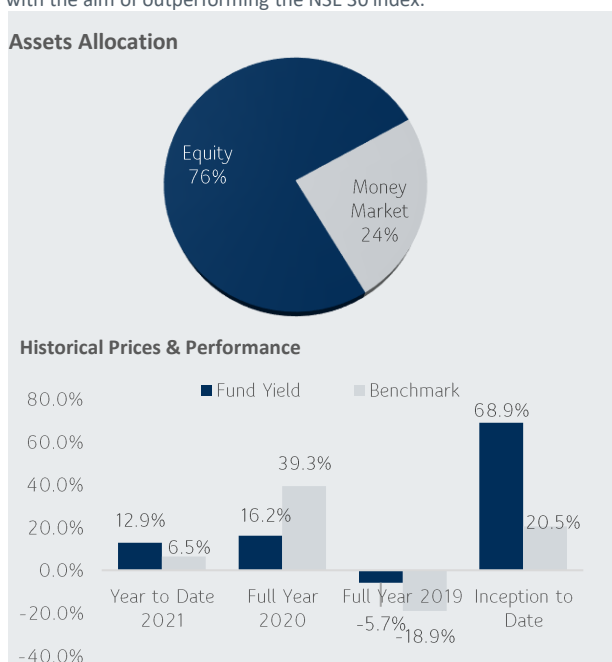
FBN Smart Beta Equity Fund Overview

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	₦365.65mn
Base currency	(₦)
NAV per share	₦173.40
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

Top 5 equity holdings	
Financial Services	13.86%
Consumer Goods	11.77%
Agriculture	5.31%
Telecommunications	4.78%
Industrials	5.47%



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Outlook

- Countries like the U.S and Canada have begun imposing travel bans on non-nationals on the back of increasing covid cases and the spread of the Omicron covid variant. The World Health Organization labelled the omicron strain a “variant of concern” which poses a very high risk of infection surges. It is still however, unclear how severe the new variant is and whether it can resist existing vaccines, but health officials suggest new shots may be needed. On the other hand, the Fed hinted about increasing the pace of the bond tapering from the schedule initially announced. This rattled the market during the period but nonetheless, we do not rule out the event of a monumental December rally stemming current pressures.
- There have been pockets of gains followed by losses in the equities market as performance have been largely quiet safe for crosses seen across some heavyweights. We expect this sentiment to persist in the coming month as the year winds up.
- We expect market activities to remain quiet in the bond market as investors tidy their books for the end of the year. In the money market space, rates are poised to remain at double digits as banks scramble for liquidity amidst less maturities in the month.
- SSA Eurobond yields trended higher in November, a continuation of the sentiment seen in previous month as investors continue to price in the effect of higher global yields and Fed’s policy action and more recently, the new covid variant, omicron. We expect this sentiment to be sustained in the coming period.

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