





Executive Summary

- The Russia and Ukraine crisis remains the most talked about event on the global scene as the U.S President announced a ban on Russian oil imports during the month, a major escalation in the international response to the invasion of Ukraine. Similarly, the European Union announced that it will reduce its purchases of Russian gas by two-thirds before the end of 2022. This marks a significant change because the EU is highly dependent on Russian energy imports which accounted for 45% of its total gas imports in 2021. On the back of these, we saw crude oil prices soar to record highs with Brent crude crossing over USD139 per barrel in the month (*oil prices gained over 30% since the invasion*). Towards the end of the month, oil prices retreated as the ongoing negotiations between Russia and Ukraine calmed markets, although, a cease fire deal has not been concluded.
- After keeping its benchmark interest rate anchored near zero since the beginning of the Covid pandemic, the Federal Open Market Committee raised their key rate by 25 basis points during the month to a target range of 0.25%-0.50%. This is the first interest rate increase in more than three years - an incremental salvo to address spiralling inflation while sustaining economic growth. The move will correspond with a hike in the prime rate and will immediately send financing costs higher for consumer loans and credit. The committee also pencilled in increases at each of the six remaining meetings this year, which could lead to a Fed Funds rate of about 2% by year end.
- During the month, Dangote Group commissioned its 3 million tonnes fertilizer plant which sets to target Africa and foreign markets. Situated on 500 hectares of land in the Lekki Free Trade Zone, the plant is reputed as Africa's largest Granulated Urea Fertiliser complex and expected to add to the nation's foreign exchange from exports. In addition, the fertilizer plant is expected to help the country achieve self-sufficiency in food production, reduce the dependence on the importation of fertilizer as well as create jobs.
- The inflation rate rose in February to 15.70% from 15.60% recorded in January, according to the consumer price index report released by the National Bureau of Statistics (NBS). On month-on-month basis, the headline index increased to 1.63% in February 2022, which is 0.16% rate higher than the rate recorded in January 2022 (1.47%). Food inflation dropped to 17.11% from 17.13% recorded in the previous month, while core inflation rose to its highest level in over 4 years at 14.01%, 14bps higher than January rate. This was largely attributed to the significant increase in price of petroleum product following the scarcity witnessed in the period.

Asset Class	Benchmark	1M (March) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	1.75*	2.20**	The first quarter of the year was characterised by high system liquidity as there was a flurry of maturities and coupons. This sustained demand for debt instruments, as well as caused banks' funding rates to decline to low single digits in the period. At the end of the month, the Overnight and Open repo rates closed the month at 4.50% and 5.00%. In the treasury bills market, rates sustained a downward trend at the primary market auctions, having begun the year at 2.50%, 3.44% and 5.55% for the 91-day, 182-day and 364-day bills, it declined to 1.75%, 3.00% and 4.45% at the last auction in the quarter. Investors' subscription remained strong at primary auctions and the Debt Management Office (DMO) over-allotted across board at NGN13.88bn, NGN20.35bn and NGN139.96bn (vs. NGN2.49bn, NGN2.09bn and NGN138.71bn offered) at the last auction in the month. In the secondary market, buying activities were prevalent in the period with average treasury bill yield closing the quarter at 3.12% from 4.38% at the start of the year.
	181-day T-bill	3.09*	3.25**	
	364-day T-bill	4.18*	4.80**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	1.99	8.56	The bond market remained bullish as market participants sought to reinvest idle cash and coupons of about NGN335.13bn which came in during the month. Overall, in the quarter, yields trended downwards as average bond yields closed at 10.82% from 11.60% at the start of the year. At the monthly auction, investors' participation remained robust with total subscriptions of NGN598.42bn compared to the offered amount of NGN150bn. Consequently, the DMO over-allotted the instruments on offer at NGN127.00bn and NGN169.37bn for the 2026 and 2042 instruments respectively. Stop yields also pegged lower at 10.15% and 12.70% from 10.95% and 13.00% in the previous month.
	3 Year Federal Government Bond	0.27	6.05	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-1.37	-0.27	After consecutive sessions of losses in the Sub Saharan African (SSA) Eurobond market, some positive sentiment returned in the month as demands for Sovereign instruments improved. Investors sought entry positions and took bargains on the very cheap counters, as the SSA Eurobond market had suffered massive selloffs in past periods. For the Nigerian Sovereigns, average Eurobond yields declined by 12bps month on month with improved demand on instruments. The downbeat Ghanaian Eurobonds also recorded buy activities especially at the short end of the curve where yields have persistently traded over 14%. Market sentiments were lifted by the passage of the e-levy bill by the Ghanaian parliament, expected to support fiscal revenues and improve the investment case for the country. Overall, average yields on the Ghanaian Eurobonds declined by 182bps month on month. During the month, the FGN unexpectedly issued a 7-year USD1.25bn Eurobond at a coupon of 8.375%. Proceeds are expected to boost FX reserves and support the country's funding obligations.
	5 Year Nigerian Sovereign Eurobond	-0.31	-3.02	
 Equites	NSEASI	-0.91	9.95	The Nigerian equities market shed some of the gains made in the past two months as the all-share index lost 91bps to 46,965.48pts in March. The drag was on the back of weak market activities outside crosses seen in the month. Nonetheless, this was not sufficient to overturn the gains already made as the year to date return still closed the quarter positive at 9.95%. In the quarter, sectorial performances were positive save for the consumer goods and insurance sectors which lost 5.96% and 6.03% respectively. On the other hand, the best performing sector was the Oil and gas (+27.66%), followed by the industrial goods sector (+5.39%). For the month however, all the sectors closed negative except the oil and gas (+3.79%). WEMABANK was the top gainer in the month (+184.38%) and quarter (+279.17%), other gains in the quarter were PRESCO (+51.48%), SEPLAT (+43.08%) amongst others.
	NSE30	-1.60	3.99	

*Mean stop rate at the Monthly Nigerian treasury bill auction

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

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

An FBN Holdings Company

On the corporate scene, Access bank completed the transition to a HoldCo with the NGX delisting the commercial bank while listing Access HoldCo at N9.95 per share with issued share capital of 35,545,225,622.

MUTUAL FUND FACTSHEET

All data as at 31 March 2022 unless otherwise stated

PUBLIC

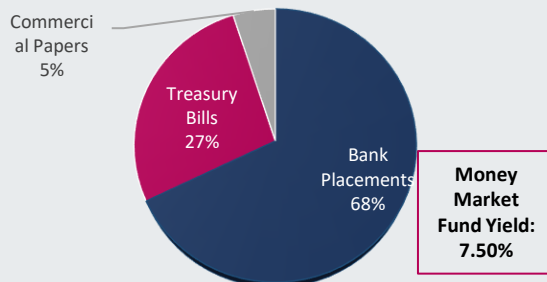
FBN Money Market Fund Overview

Investment Objective

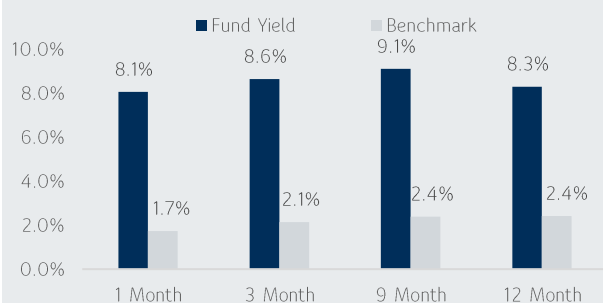
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦174.67bn
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



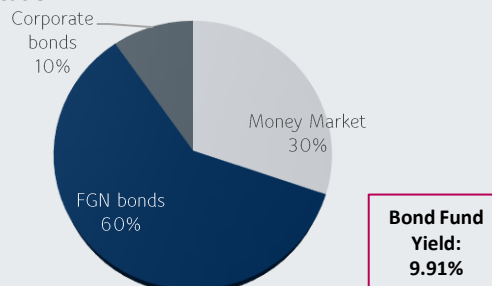
FBN Bond Fund Overview

Investment objective

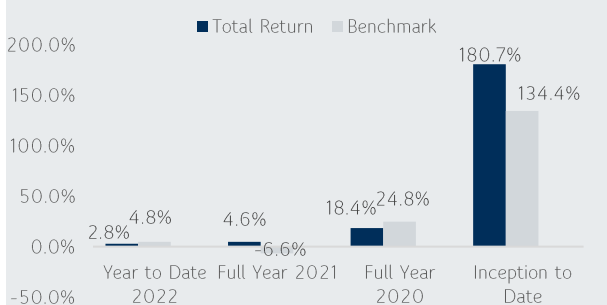
The Fund is designed to provide income generation by investing in long tenured debt instruments and short-term high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦51.79n
Base currency	(₦)
NAV per share	₦1,432.34
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



Historical Prices & Performance



Annualized return of 11.48%

MUTUAL FUND FACTSHEET

All data as at 31 March 2022 unless otherwise stated

PUBLIC

FBN Dollar Fund Overview

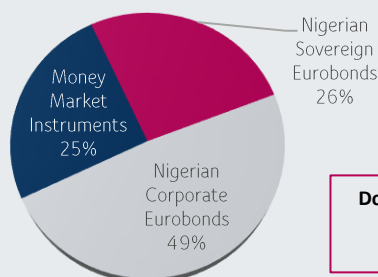
Investment objective

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

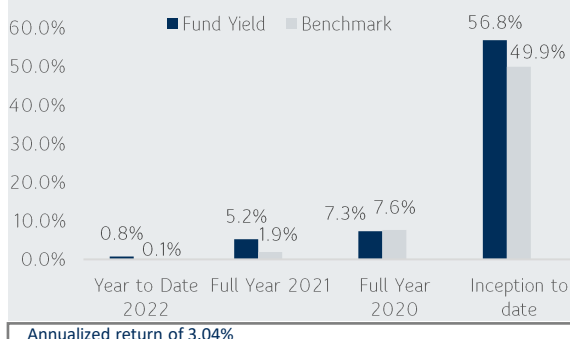
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$22.15mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$123.22
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
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: 4.06%

Historical Prices & Performance



FBN Halal Fund Overview

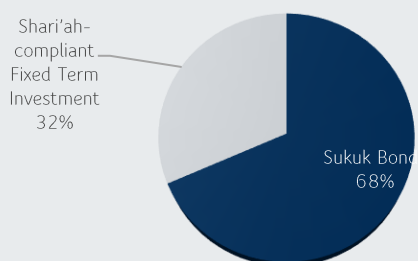
Investment objective

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

Fund Facts

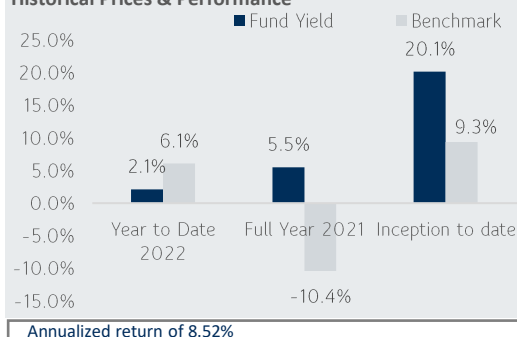
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦5.45bn
Base currency	(₦)
NAV per share	₦118.06
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually (April and October)
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered
Benchmark	FGN 3 Year Benchmark Bond

Assets Allocation



Halal Fund Yield: 8.87%

Historical Prices & Performance



MUTUAL FUND FACTSHEET

All data as at 31 March 2022 unless otherwise stated

PUBLIC

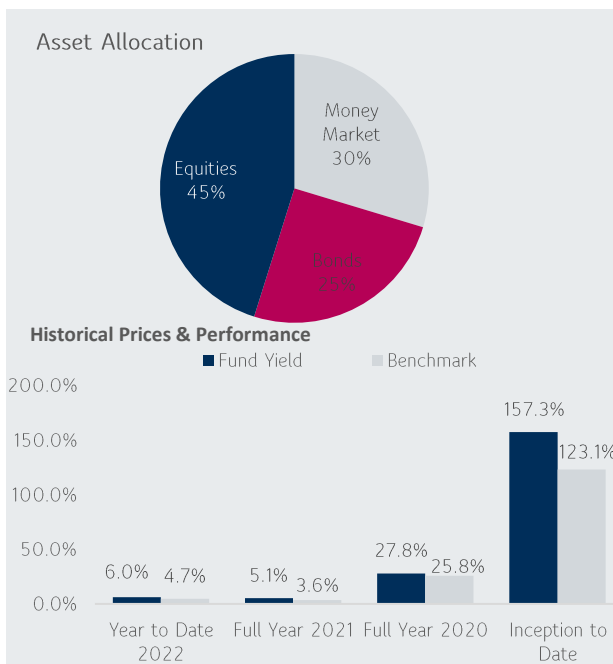
FBN Balanced Fund Overview

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,
Fund launch date	1 April 2008
Fund size	₦4.36bn
Base currency	(₦)
NAV per share	₦185.74
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	18.06%
Consumer Goods	5.47%
Telecommunications	3.62%
Oil & Gas	4.56%
Agriculture	4.59%



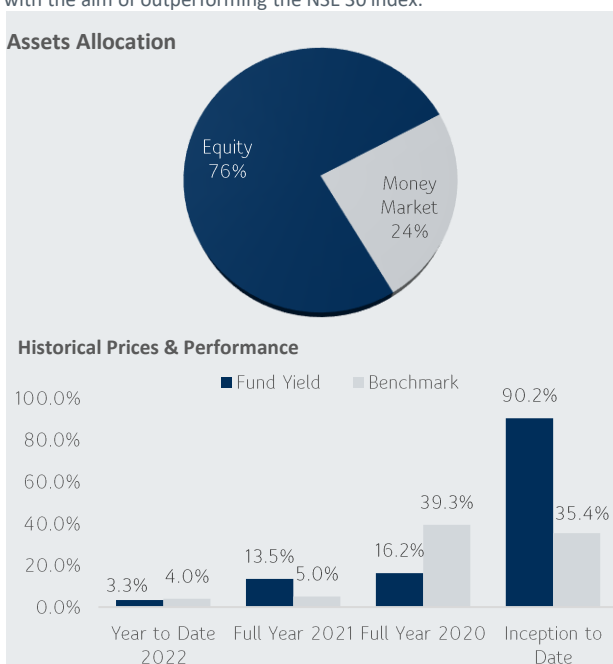
FBN Smart Beta Equity Fund Overview

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	₦379.05mn
Base currency	(₦)
NAV per share	₦155.77
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	41.89%
Consumer Goods	9.70%
Agriculture	5.20%
Telecommunications	5.60%
IOil & Gas	7.82%



www.fbnquest.com/assetmanagement

MUTUAL FUND FACTSHEET

All data as at 31 March 2022 unless otherwise stated

PUBLIC

Outlook

- With global economies still adjusting to Covid's impact on supply chains and rising commodity prices, Russia's invasion of Ukraine at the end of February was the equivalent of adding fuel to the inflation fire, as the several sanctions imposed have further exacerbated these risks. For now, representatives from both countries have not made headway as ongoing negotiations are yet to yield desired results. Thus, the global economy remains susceptible to risks with global markets expected to remain volatile.
- Equities (NGN) – The equities market closed in the negative in March as the year start rally and corporate action induced gains began to lose steam. In the coming period, we expect continued yoyo movement in stocks with shallow market activities in the absence of strong positive trigger.
- Fixed Income (NGN) - For the second quarter of the year, we expect lower inflows in terms of coupons and maturities, which should moderate system liquidity in relation to the first quarter. Thus, we expect money market rates to trend higher from the lows in the past quarter on funding obligations by the bank. In April however, coupons of about NGN215.20bn will be credited into the system which could spur demand for treasuries.
- Eurobonds - The Eurobond market saw some respite in March as investors shunned existing risks and took bargain opportunities on the Sovereigns. While we are not so optimistic that this trend will be sustained, we opine that investors would remain cautious of the interest rate environment while seeking entry opportunities from time to time.

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