





MUTUAL FUND FACTSHEET

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All data as at 30 June 2022 unless otherwise stated

Executive Summary

- The global economy started the year with renewed optimism of growth consolidation given the continued normalization of economic activities. However, the optimism has been doused by fears of a recession as the Russian invasion of Ukraine amplified supply chain constraints and stoked inflationary pressures. With the global economy entering what could become a protracted period of feeble growth and elevated inflation, the World Bank expects growth to slump from 5.7% in 2021 to 2.9% in 2022, significantly lower than the 4.1% that was anticipated in January 2022. This month, we find central bank authorities across developed markets mirroring the same body language, reaffirming their aggressive stance on monetary policies as they battle rising inflation while, at the same time, steering their economies into stable growth.
- To this end, risk assets suffered from battered prices with the U.S. equities remaining depressed in all of June, similar to April and May. As a result, major market indexes closed in negative territory in what would be the worst first half for stocks in over a decade. The Dow Jones industrial Average (US) and S&P 500 (US) closed the month lower at -7.76% and -6.89% apiece. Similar performance was noted with the FTSE 100 (UK), the DAX (Germany) and Nikkei 225 (Japan) closing the month in negative territory at -5.11%, -12.41% and -3.72% each. While the market ended with a rally in the final week of June, this was short-lived as investors are now caught between deciding whether stocks have bottomed out and bargain hunting can resume, or it is just a rebound from their oversold positions.
- The Russia-Ukraine crisis has led to a surge in prices across a wide range of commodities, leaving central bank authorities to fight inflationary pressures and minimize the risk of capital flight using monetary policy tools. On this backdrop, the World Bank revised, downwards, its growth forecasts in nearly 70% of emerging markets and developing economies, with growth in Sub Saharan Africa expected to moderate to 3.70% in 2022 from 4.20% in 2021.

Asset Class	Benchmark	1M (June) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	2.46*	2.15**	As expected, money market rates remained elevated in the month of June as the system experienced the most strain on liquidity, due to a dearth of significant inflows into the system. Debits from scheduled bond auctions, NTB auctions and FX retail auctions further squeezed the system of funding it was in desperate need of. The absence of the expected FAAC allocations (NGN680.78bn) at the end of the month exacerbated the liquidity squeeze. June saw three scheduled treasury bill auctions. Contrary to the market's expectation of an uptick in stop rates given the uptick in inflation levels (May: 17.71% vs. April: 16.82%) and the state of system liquidity, rates closed lower compared to stop rates in the previous month. The stop rates on the 91-day, 182-day and 364-day treasury bills declined by 10bps, 10bps and 42bps respectively to close at 2.49%, 3.79% and 6.07%.
	181-day T-bill	3.81*	3.35**	
	364-day T-bill	6.19*	5.15**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	1.11	9.11	Markets traded sideways in anticipation of even higher yields at June's auction. Participation remained elevated with subscriptions totalling NGN552.36bn across instruments offered. The DMO, however, allotted NGN226.12bn, slightly higher than its initial offer by NGN1.12bn. Stop rates printed higher by 10bps, 5bps and 15bps each to settle at 10.10%, 12.50% and 13.15% on the 2025, 2032 and 2042 bonds. Post the auction, the secondary market experienced a rally as unfilled demand from the auction flooded the market. Consequently, the average yield on bonds settled lower at 11.56% as at June 30, 2022, from 11.78% at the start of the month.
	3 Year Federal Government Bond	1.26	6.85	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-7.13	-13.45	The bearishness persisted in the Sub-Saharan African Eurobond space as investors maintained a risk off approach towards the Eurobonds of developing economies. The weakness was driven by the hawkish rhetoric of developed markets' central banks' as they manage the impact of the Russia-Ukraine crisis on prices and growth. The average yield on the Nigerian sovereigns closed at 12.61% as at June 30, 2022, from 9.77% in May, with longer duration bonds bearing the brunt of the bearish sentiments. Sentiments were not helped by the rate hike announcements by the U.S. Federal Reserve (75bps), the Bank of England (25bps) and the European Central Bank's affirmation to hike rates after the end of its net assets purchases by July 1, 2022.
	5 Year Nigerian Sovereign Eurobond	-10.50	-20.39	
 Equities	NGXASI	-3.39	21.31	In line with our expectations, equities broke its two-month winning streak as the All-Share index closed the month lower at 51,817.59pts (May: 53,637.14pts), shedding 3.39% off its value. As a result, the market's year to date return moderated to 21.31% as at June 30, 2022. The sell frenzy was sector agnostic, with the banking sector (-6.55%) leading the pack for the month. The industrial goods sector (-5.28%) and consumer goods sector (-4.25%) followed closely, both ending the month on a negative note. On the corporate scene, Oando initiated talks with minority shareholders as it goes ahead with its plan to voluntarily delist from the Exchange. This spurred interest in the name as investors viewed it as an opportunity for a buyout of their holdings at a premium.
	NGX30	-3.60	9.60	

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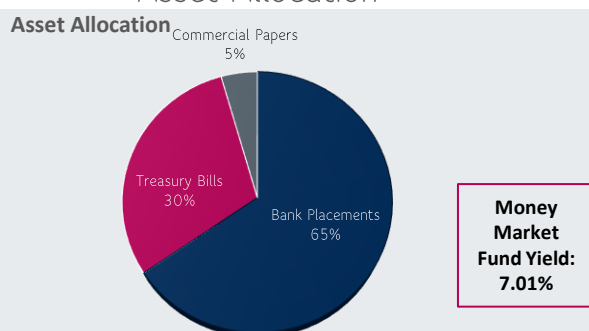
FBN Money Market Fund Overview

Investment Objective

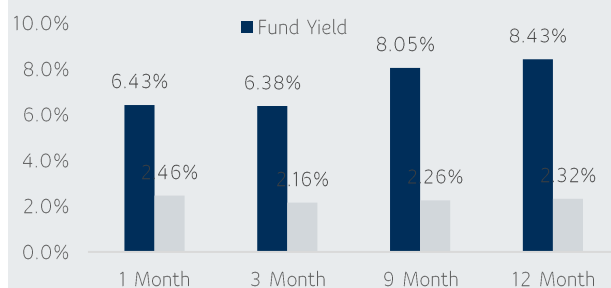
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦169.38bn
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



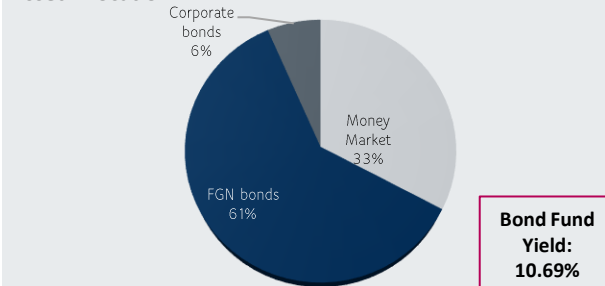
FBN Bond Fund Overview

Investment objective

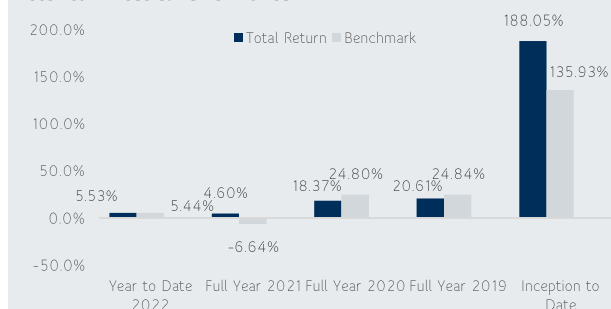
The Fund is designed to provide income generation by investing in long tenured debt instruments and short-term high quality money market securities issued in Nigeria.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦64.18bn
Base currency	(₦)
NAV per share	₦1,469.85
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 11.15%

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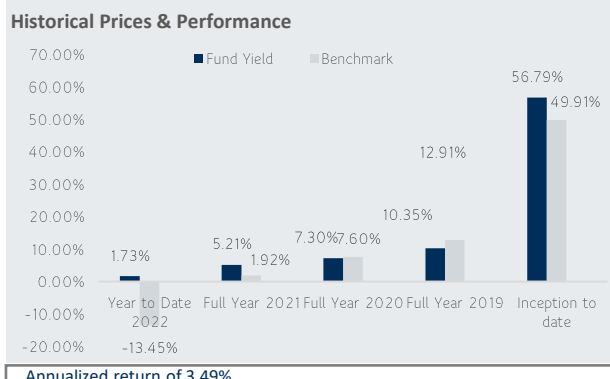
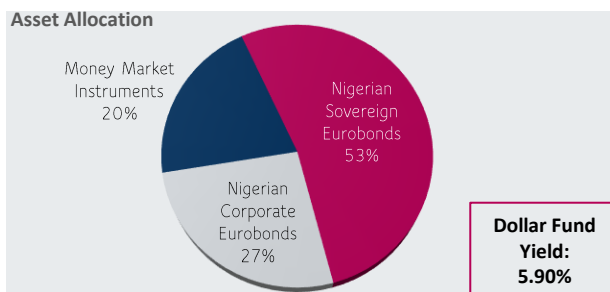
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FBN Dollar Fund Overview

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	\$25.70mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$124.41
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
Custodian	Standard Chartered Bank
Weighted portfolio duration	1-2 years

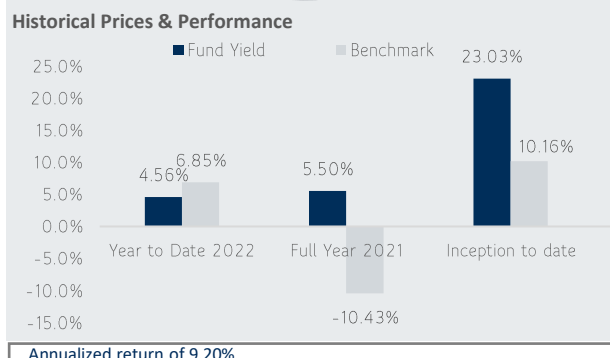
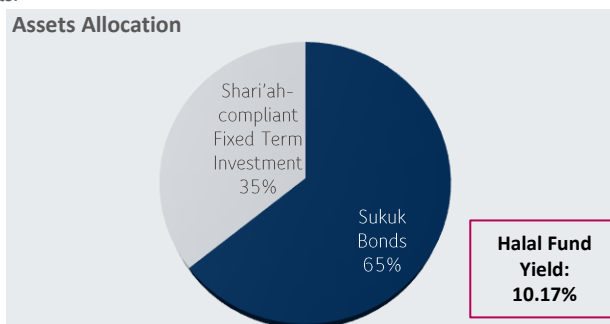


FBN Halal Fund Overview

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	₦5.31bn
Base currency	(₦)
NAV per share	₦120.90
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered Bank
Benchmark	FGN 3 Year Benchmark Bond



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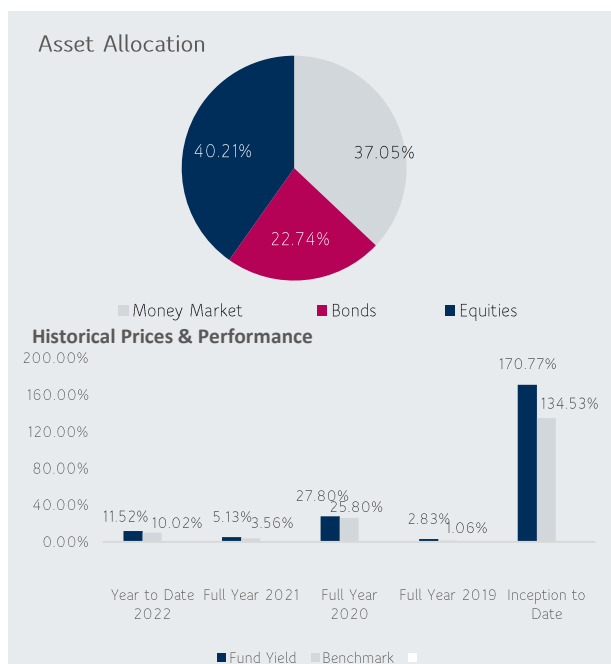
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FBN Balanced Fund Overview

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
Fund launch date	1 April 2008
Fund size	₦4.81bn
Base currency	(₦)
NAV per share	₦195.45
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	16.54%
Telecommunications	6.99%
Oil & Gas	5.81%
Agriculture	4.26%
Consumer Goods	3.27%



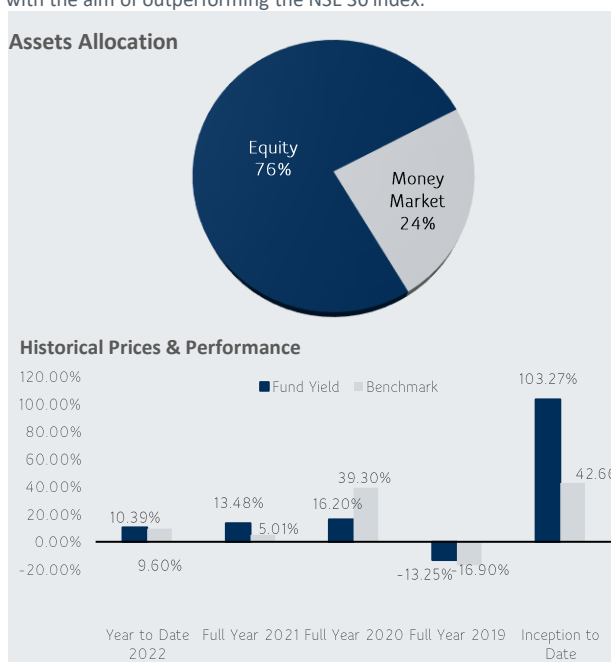
FBN Smart Beta Equity Fund Overview

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
Fund launch date	4 January 2016
Fund size	₦407.89mn
Base currency	(₦)
NAV per share	₦165.71
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	40.90%
Agriculture	12.15%
Consumer Goods	9.57%
Oil & Gas	6.58%
Telecommunications	6.26%



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Outlook

- Although the drivers of inflation are in many cases beyond the control of the central banks, price pressures are increasingly broad-based. We, thus, expect the Russia-Ukraine war and the resultant supply disruptions to keep prices elevated in July at the expense of global economic growth. Accordingly, we expect risk assets to remain depressed as investors flock to risk free assets. Nevertheless, we hold that these depressed price levels for assets provide a re-entry opportunity for long term investors.
- Equities (NGN) – In the coming month, we expect mixed sentiment to dominate market activities. On one hand, asset rebalancing activities is expected to brighten activities in the market as investors cherry pick stocks trading at attractive levels. On the flip side, the anticipated dividend markdown on heavyweights like BUACEMENT and AIRTELAFRI may dampen the overall market performance. This, coupled with the focus on election, should see the equities market trade sideways, with a bearish undertone.
- Fixed Income (NGN) – In July, the system illiquidity pressure is expected to tone down with total inflows of NGN703.43bn expected to hit the system, compared NGN396.90bn in June. Accordingly, we expect rates to trend lower. The MPC is set to hold its scheduled meeting in the month of July, where we expect the committee to hold parameters constant as it assesses the impact of the recent interest rate hike (150bps), in May, on inflationary pressures and economic growth. All in, we hold that yields may have peaked. While we expect them to hover around the same levels in the early days of the coming month, we may see yields gradually trickle down in the later days of July as liquidity pressures ease off.
- Eurobonds – Committed to reining in inflationary pressures, global central banks are maintaining pressure on the rate hike pedal while also curtailing their respective net asset repurchase programs. With little positives in the underlying fundamentals of Eurobonds in emerging and frontier markets, increasing questions about the emerging economies ability to afford and refinance their USD debts, and the persistent rise in inflation, we expect to see more bearish sentiments ahead, presenting opportunities for long term investors to build positions.

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