





MUTUAL FUND FACTSHEET

PUBLIC

All data as at 31 July 2022 unless otherwise stated

Executive Summary

- The International Monetary Fund (IMF) downgraded growth expectations further and now expects the world economy to grow by 3.2% in 2022 before slowing to a 2.9% GDP rate in 2023. The Institute stated that the revised outlook indicated that the downside risks such as the soaring global inflation, China's slowdown, the war in Ukraine, amongst others outlined in its earlier report were now materializing.
- Investors looked past the disappointing economic news and focused on corporate earnings releases and outlook for guidance in the market. Consequently, we saw all major market indices closed in positive territory reversing the bearish performance from previous months as the market received better than expected earnings report. The Dow Jones industrial Average (US), NASDAQ and S&P 500 (US) closed the month higher at 5.62% (YTD -9.61%), 12.55% (YTD -20.66%) and 9.11% (YTD -13.34%) respectively. Similar performance was noted in the FTSE 100 (UK), the DAX (Germany) and Nikkei 225 (Japan) which closed the month in the positive territory at 3.55%, 5.48% and 7.19% respectively.
- Sub-Saharan Africa (SSA) surprised markets with its positive growth in Q1:2022, exceeding expectations of a modest growth. The good news is unlikely to last as the region's central banks have embarked on a more pronounced monetary tightening cycle in response to faster tightening in developed economies, in line with increasing price pressures domestically. This is likely to offset the post-COVID normalisation of activity that boosted the positive sentiment.
- The Monetary Policy Committee at the end of the July meeting voted unanimously to increase the policy rate by 100bps to 14.00% while other parameters were held constant. This is the second consecutive rate hike from the MPC in response to rising price pressures and its attendant effects on the economy.

Asset Class	Benchmark	1M (July) %	Year to Date (%)	Commentary
Money Market 	91-day T-bill	2.47*	2.23**	System illiquidity was experienced throughout the month of July as the OBB and overnight rates traded at double digit levels to close the month at c. 15%. Inflows from OMO and T-bills maturities, FX retails refunds, Bond coupon payments and FAAC disbursements were not enough to improve the liquidity position for the month. Outflows from net NTB auctions, Bond auction, CRR debits outweighed the inflows into the system. At the primary market auction for treasury bills in the month under review, the stop rates on the 91-day, 182-day and 364-day notes rose by +35bps, +21bps and +93bps respectively from the previous month to settle at 2.75%, 4% and 7% respectively. The stop rates however improved marginally for the 91-day and 182-day at the last auction held in July to 2.8% and 4.1% apiece and was unchanged for the 364-day bill.
	181-day T-bill	4.05*	3.44**	
	364-day T-bill	7.00*	5.38**	
Fixed Income 	S&P/FMDQ Nigeria Sovereign Bond Index	-1.74	7.21	The bonds market started the month quietly with few interests towards the short end of the curve as markets participants traded cautiously with the expectations of increase in interest rate at the monthly bond primary auction. At the end of the auction, the total subscription received was N142.30bn while amount allotted was N123.85bn with stop rates closing at 11.00% (+100bps m/m), 13.00% (+55bps m/m) and 13.75% (+75bps m/m) across the 25s, 32s and 42s. The MPR hike further increased the bearish sentiments in the bonds market as yields increased marginally across the curve to close at 11.35% (26s), 12.70% (36s) and 13.15% (50s) from 10.50% (26s), 12.65% (36s) and 13.00% (50s) in the previous month.
	3 Year Federal Government Bond	-1.92	4.88	
Eurobond 	3 Year Nigerian Sovereign Eurobond	-0.43	-14.05	The Sub Saharan African (SSA) Eurobond market continued to trade bearishly at the start of the month in July as investors-maintained risk off sentiments towards SSA market. The narrative, however changed during the month as Brent crude oil maintained a bullish performance on supply constraints. With the 75bps rate hike by US Fed and 50bps rate hike by ECB already priced into the market, we saw renewed interest as investors took advantage of the current pricing on instruments buoyed by improved oil outlook. The average yield on the Nigerian sovereigns closed at 12.29% as at July 29, 2022, from 12.61% in June. The Ghanaian Eurobonds was volatile in the month but still maintained an inverted yield curve.
	5 Year Nigerian Sovereign Eurobond	14.94	-9.35	
Equites 	NGXASI	-2.79	17.29	It was another bearish month in the Nigerian equities market, as selloffs were buoyed by strong domestic demand for fixed income instrument in the face of improved yields in that market. The All-Share index closed the month lower at 50,370.25pts shedding 2.79% off its value. As a result, the market's year to date return moderated to 17.92% as at July 29, 2022. The bearish performance was across sector save for the oil and gas sector which (2.01%). The banking sector (-4.92%), the industrial goods sector (-4.18%) and consumer goods sector (-8.13%) all closed down in the month.
	NGX30	-3.57	5.69	

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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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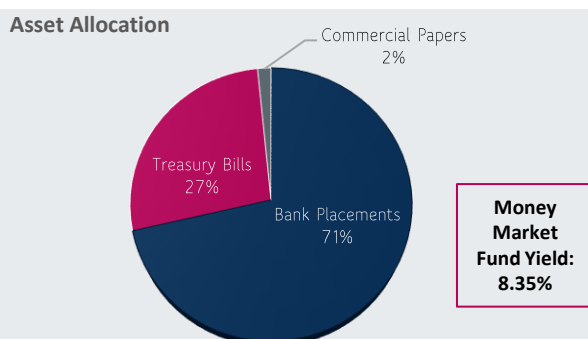
FBN Money Market Fund Overview

Investment Objective

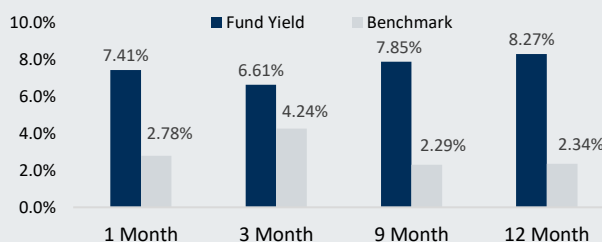
The Fund seeks to preserve capital and maximise income by offering access to a diversified range of low risk money market instruments in Nigeria. The Fund also provides liquidity and competitive returns.

Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	24 September 2012
Fund size	₦148.87bn
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



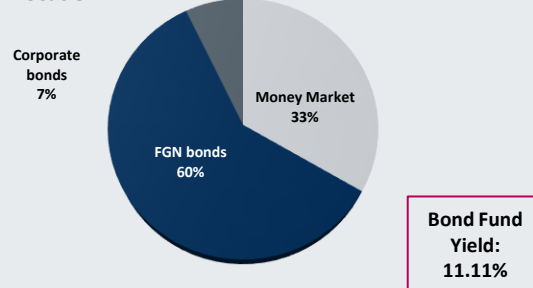
FBN Bond Fund Overview

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	₦66.52bn
Base currency	(₦)
NAV per share	₦1,481.55
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 11.07%

MUTUAL FUND FACTSHEET

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FBN Dollar Fund Overview

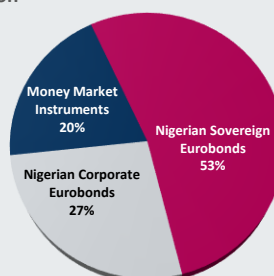
Investment objective

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	\$24.99mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$124.97
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

Asset Allocation



Dollar Fund Yield: 5.84%

Historical Prices & Performance



FBN Halal Fund Overview

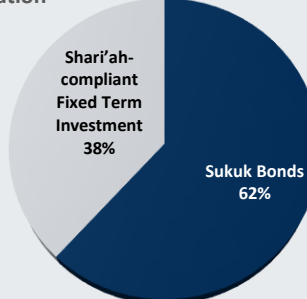
Investment objective

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

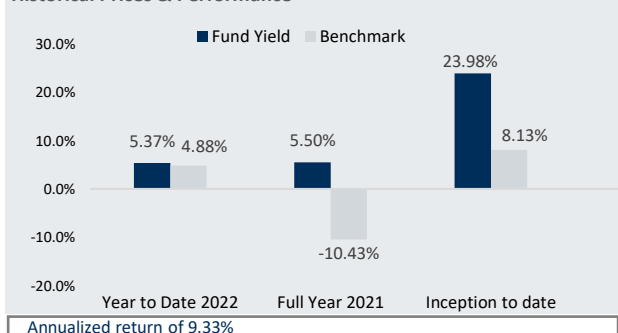
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦5.89bn
Base currency	(₦)
NAV per share	₦121.84
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered Bank
Benchmark	FGN 3 Year Benchmark Bond

Assets Allocation



Halal Fund Yield: 10.27%

Historical Prices & Performance



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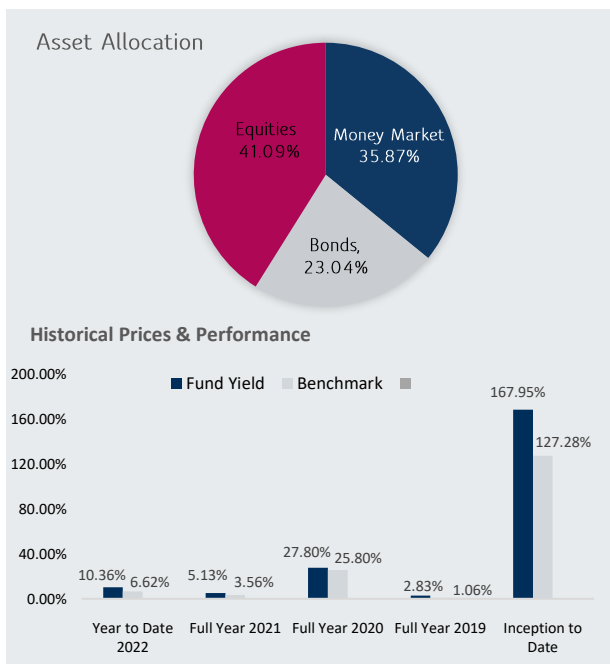
FBN Balanced Fund Overview

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	₦4.77bn
Base currency	(₦)
NAV per share	₦193.42
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	16.93%
Telecommunications	5.04%
Consumer Goods	4.37%
Industrial Goods	2.15%
Agriculture	2.07%



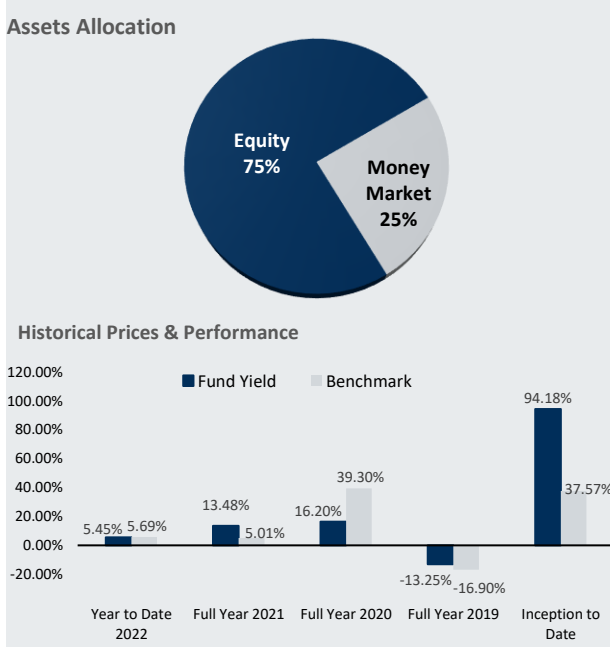
FBN Smart Beta Equity Fund Overview

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	₦383.26mn
Base currency	(₦)
NAV per share	₦158.29
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	42.26%
Agriculture	12.55%
Consumer Goods	9.63%
Oil & Gas	7.02%
Industrial Goods	3.56%



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Outlook

- To avoid tipping into chronically high inflation, central banks risk pushing economies over the growth ‘tipping point’. We, thus, expect some caution in monetary policies by central banks in their crusade to manage rising inflation. Accordingly, we expect risk assets to remain slightly depressed as investors continue to trade cautiously with preference to risk free assets. Nevertheless, we hold that these depressed price levels for risk assets provide a re-entry opportunity for long term investors.
- Equities (NGN) – Investors sentiments for the coming month should largely shape two events (i) how interest rates in the Fixed income market continue to react to the hike in MPR (ii) the full swing of the H1-22 earnings season will dictate market sentiments and possibly drive positive performance as investors hunt for bargains in fundamentally sound stocks with a consistent history of interim dividend payments. We continue to see value in fundamentally sound stocks.
- Fixed Income (NGN) – We expect to see continued inflationary pressure in the coming month as Nigeria’s inflation is driven by supply side/infrastructural issues (as opposed to demand pull factors) and given the worsened illiquidity in the FX market, Nigeria is unlikely to see a material increase in capital inflows. Nevertheless, we expect rising domestic fixed income yields, due to weakened system liquidity and FGN’s borrowing plan which points towards increased supply.
- Eurobonds – Elevated food and energy prices remain a severe headwind to SSA economies; increased fuel subsidies and measures to cushion the impact of high food prices are burdening government finances. With the reduced inflow in coupon payment for next month, we expect the SSA Eurobond to continue volatility trading with a bearish tilt as the weak macro environment remains a significant headwind for economic growth. We expect the volatility to continue, presenting opportunities for long term investors

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 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