





MUTUAL FUND FACTSHEET

PUBLIC

All data as at 31 October 2022 unless otherwise stated

Executive Summary

- Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. The International Monetary Fund's (IMF) Global growth forecast was downgraded further, highlighting the slowdown from a growth rate of 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023 (previously 2.9%). This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.
- Risk assets saw renewed interest as investors welcomed the improving economic data and also focused on the previous quarter's corporate earnings releases. Consequently, all major markets recorded renewed buying interest in the month under review to close with a bullish performance. The Dow Jones Industrial Average (US), the NASDAQ (US), and the S&P 500 (US) closed the month higher, gaining 13.95% (YTD -9.92%), 3.91% (YTD -29.76%), and 7.99% (YTD -18.76%) respectively. Similar performance was noted with the FTSE 100 (UK), the DAX (Germany), and the Nikkei 225 (Japan) closing the month in positive territory, up 2.91%, 7.41%, and 6.36% respectively.
- The International Monetary Fund has said Nigeria and other countries in the Sub-Saharan African region risk social and political instability and worsening food insecurity due to rising inflation. According to the IMF, the causes of the region's high and rising inflation is varied and "they include the sharp spike in global commodity prices, swings in the exchange rate, global supply chain disruptions, and natural disasters". The IMF further said it expects 12% of the population in Nigeria and other countries in the sub-Saharan region to experience acute food insecurity by the end of 2022.

Asset Class	Benchmark	1M (October) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	6.49*	3.20**	Despite the Inflows from OMO and T-bills maturities, FX retail refunds, Bond coupon payments, and FAAC disbursements, the system liquidity position remained weak for the month. Money market rates were elevated towards the end of October as interbank rates hovered around 16.50% levels during the month, from 16.00% in September. This resulted in weak participation at the two scheduled treasury bill auctions. In line with the market's expectation of an uptick in stop rates, following the uptick in inflation levels (Sept: 20.77% vs. Aug: 20.52%), the state of system liquidity, and the monetary policy direction, rates closed higher compared to the previous month. The stop rates on the 90-day, 182-day, and 364-day treasury bills settled higher at 6.50% (+0.01%), 8.05% (+0.55%), and 14.50% (+2.50%) respectively.
	181-day T-bill	7.98*	4.34**	
	364-day T-bill	13.75*	7.02**	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	-3.98	0.29	The month started trading with a bearish undertone as markets continued to trade sideways in anticipation of even higher yields at October's auction. Participation was however weak owing to the tight system liquidity with subscriptions totalling NGN119.18bn across all instruments versus the offer of NGN225bn. The 2037 bond closed the auction with a bid-to-cover ratio of only 1.04x with the 2032 (1.31x) and the newly offered 2029 (2.38x) also weak. The Debt Management Office allotted NGN107.88bn, lower than its initial offer of NGN117.12bn. Stop rates settled higher at 14.50%, 15.00%, and 16.00% on the 2029, 2032, and 2037 bonds. Post-auction, yields traded higher in the secondary market as investors repriced instruments in line with the auction result. Consequently, the average yield on bonds settled higher at 15.11% to close the month from 13.78% at the start of the month.
	3 Year Federal Government Bond	-0.25	2.26	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.26	-10.27	The Sub-Saharan African (SSA) Eurobond market continued to trade with bearish sentiments in October as investors-maintained risk-off sentiments towards Eurobond of emerging and frontier economies. The sentiment was driven by the unchanged stance of the Central Banks of developed economies as they continue to tackle rising inflation causing yield to rise. The average yield on the Nigerian sovereigns closed the month at 14.32% from 13.86% in September., while longer duration bonds continued to bear the brunt of the bearish sentiment.
	5 Year Nigerian Sovereign Eurobond	0.17	-13.71	
 Equites	NGXASI	-10.58	2.63	It was another bearish month in the Nigerian equities market, as selloffs were buoyed by rising yields in the fixed income market. The All-Share index closed the month lower at 43,839.08pts (September: 49,024.16pts), shedding 10.58% off its value. As a result, the market's year to date return moderated to 2.63% as at October 31, 2022. The bearish performance was broad based save for the Industrial Goods sector which closed positive (6.50%). The Oil and Gas sector led the bearish pack with (-5.10%), with the Consumer Goods sector (-2.89%) and Banking sector (-1.10%) following the Oil and Gas sector. The sustained selloffs in the equities market can be attributed to rising fixed income yields, the disappointing earnings releases, and the budding apathy for risk assets in the build-up to the 2023 general elections.
	NGX30	-9.56	-8.27	

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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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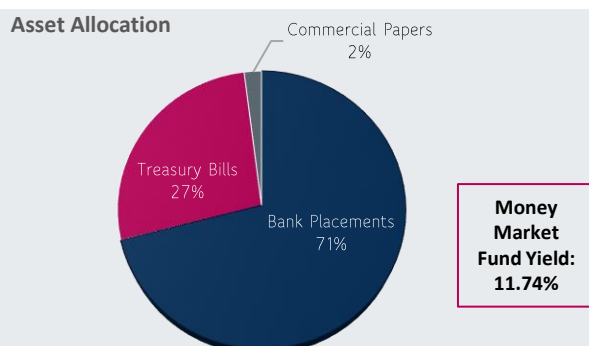
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FBN Money Market Fund Overview

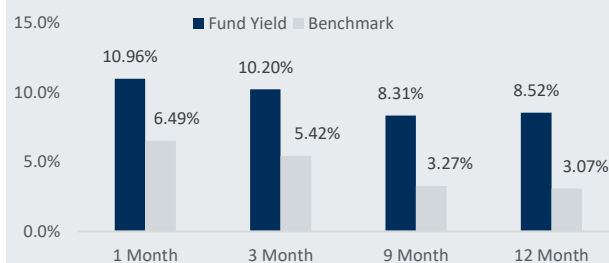
Investment Objective

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	₦150.37bn
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.



Historical Prices & Performance

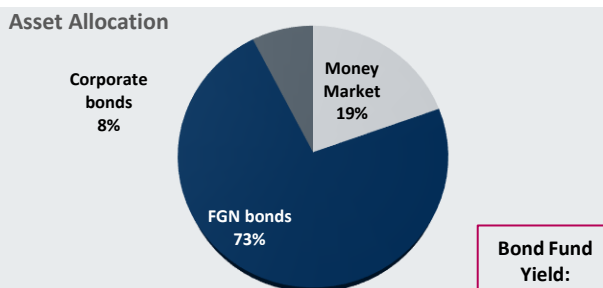


FBN Bond Fund Overview

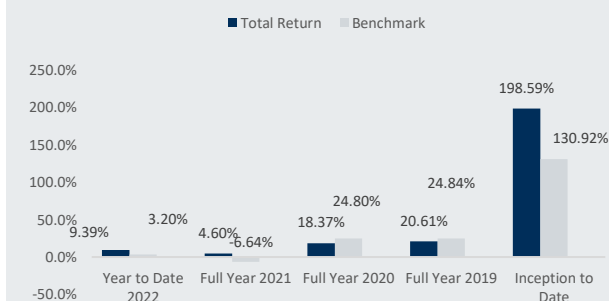
Investment objective

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	₦58.45bn
Base currency	(₦)
NAV per share	₦1,442.47
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



Historical Prices & Performance



Annualized return of 11.27%

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FBN Dollar Fund Overview

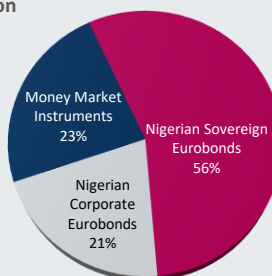
Investment objective

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

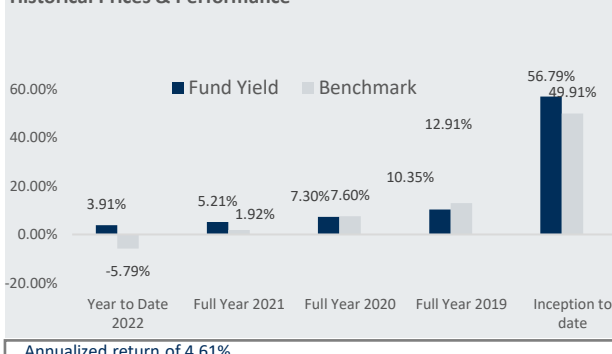
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$29.31mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$127.08
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense Ratio	1.68%
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: 6.43%

Historical Prices & Performance



FBN Specialized Dollar Fund Overview

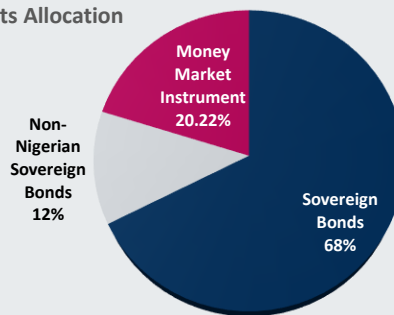
Investment objective

The investment objective of the Fund is to generate stable income, attractive returns, reduce Nigerian-specific risk and provide a potential currency hedge for investors.

Fund Facts

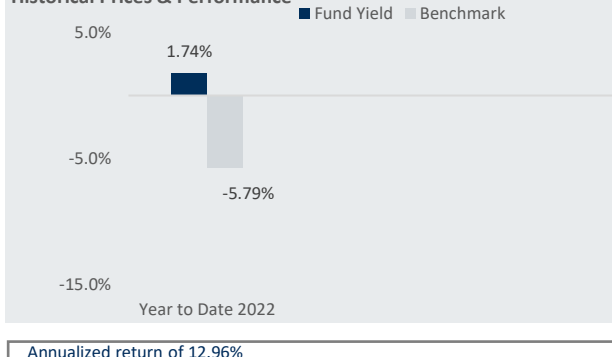
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	12 August 2022
Fund size	\$3.75mn
Base currency	US Dollars (\$)
NAV per share	₦101.74
Minimum investment	\$10,000
Minimum holding period	180 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Medium
Custodian	Standard Chartered Bank
Benchmark	70% 3 Year FGN Bond 30% Average 1yr US Tbill rate

Assets Allocation



Specialized Dollar Fund Yield: 9.63%

Historical Prices & Performance



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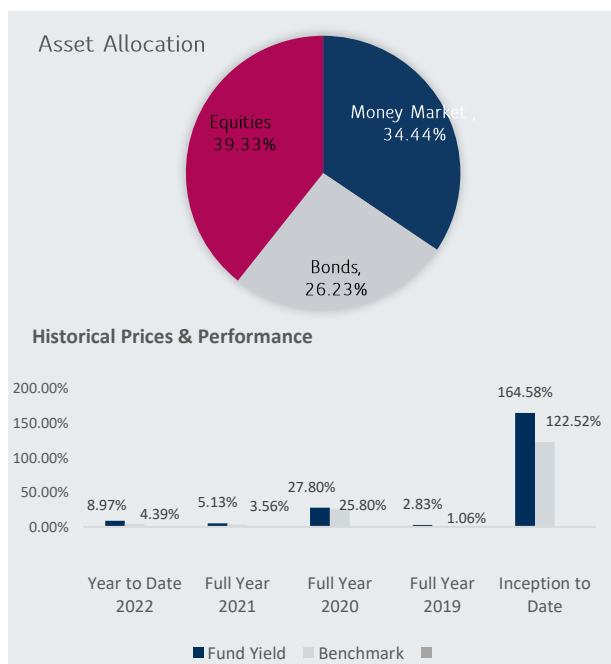
FBN Balanced Fund Overview

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	₦4.70bn
Base currency	(₦)
NAV per share	₦192.22
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	16.17%
Telecommunications	7.60%
Agriculture	3.41%
Consumer Goods	3.28%
Industrial Goods	2.50%



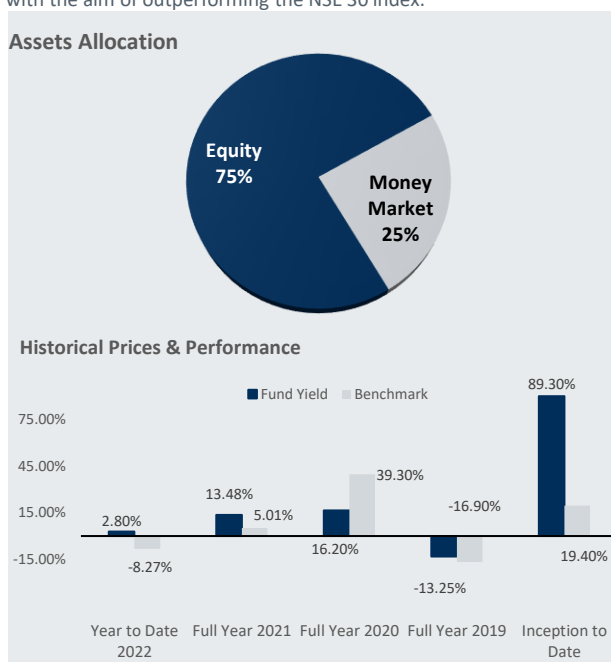
FBN Smart Beta Equity Fund Overview

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	₦364.89mn
Base currency	(₦)
NAV per share	₦154.91
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	53.01%
Consumer Goods	12.68%
Industrial Goods	7.69%
Agriculture	5.46%
Oil and Gas	0.40%



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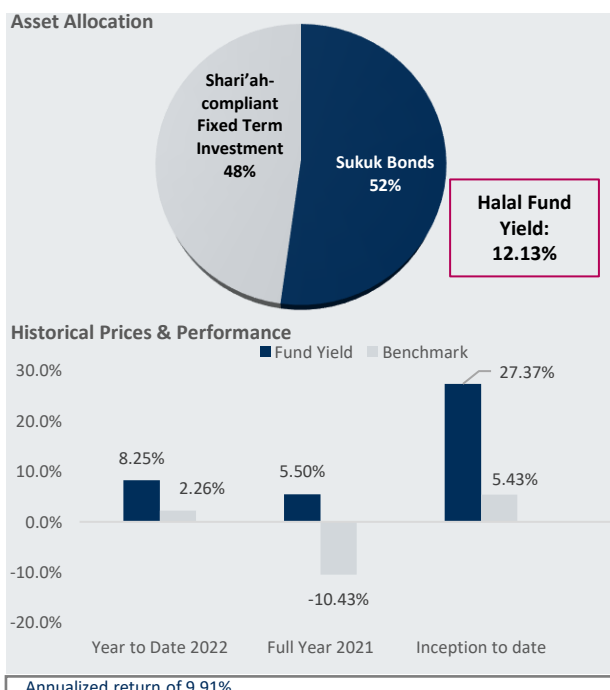
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FBN Halal Fund Overview

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	₦6.91bn
Base currency	(₦)
NAV per share	₦125.17
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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Outlook

- The slowdown in global economic activity is broad-based and sharper than expected, with inflation higher than seen in decades. The economic outlook depends on a successful calibration of monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China. Risks remain unusually large: monetary policy could miscalculate the right stance to reduce inflation and plunge economies into recession. Nevertheless, we hold that investors will focus more on earning releases as they try to adjust their portfolios in the coming month.
- Equities (NGN) – In the coming month, market aura continues to suggest more selloffs given the expectations for higher yields in the fixed income market, continued hawkishness from the CBN monetary policies, and the bandwagon effect on the build-up to the 2023 election.
- Fixed Income (NGN) – On fixed income instruments, we expect yields across the treasury bills and bond spaces to continue to trend upwards in tandem with the high inflation environment and declining system liquidity with the government concluding its borrowings for the year. Given the worsened illiquidity in the FX market, Nigeria is unlikely to see a material increase in capital inflows in the FX space.
- Eurobond– Elevated food and energy prices remain a severe headwind to SSA economies with the poor fiscal positions despite the increase in oil prices. With the reduced inflow in coupon payments 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. However, country-specific challenges will also influence investors' sentiment.

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