





MUTUAL FUND FACTSHEET

All data as of 28th February 2023 unless otherwise stated

PUBLIC

Executive Summary

- The Gross Domestic Product (GDP) readings for the United States (US) and the United Kingdom (UK) slowed down in 2022FY to 2.7% and 4.0% apiece (vs. 5.9% and 7.6% in 2021FY). The decline in the US is attributable to a decrease in housing investment and Government spending while the decline in the UK is attributable to its slow recovery from the Pandemic weakness. Disinflation continued, driven by a slower increase in prices of food, energy vehicles, transportation, restaurants, and clothes. The US (6.4%), the UK (10.1%), and the Euro area (8.6%) recorded declines in headline inflation from 6.5%, 10.5%, and 9.2% in December 2022. The European Central bank (50bps), the Bank of England (50bps), and the Federal Reserve (25bps) followed through on their decision to slow down their rate hikes in 2023.
- The performance of the global stock market was mixed with the US market retreating in February as investors continued to assess impending interest rate hikes by the Fed and slowing global growth. The Dow Jones Industrial Average (-4.19%), the NASDAQ (-1.11%), and the S&P 500 (-2.62%) posted losses at the end of the month. Conversely, a higher than expected increase in economic growth and inflation buoyed the positive performance of the European stock market while the expansion of manufacturing activities in China bolstered the Asia stock market. The STOXX 600 (+1.74%), the NIKKEI 225 index(+ 0.37%), and the Shanghai (+ 0.46%) gained.
- According to the National Bureau of Statistics (NBS), the Nigerian economy expanded by 3.52% YoY in Q4:2022 from 2.25% YoY in Q3:2022 bringing the 2022FY growth rate to 3.10% from 3.40% in 2021FY. The growth reading was buoyed by the GDP of the non-oil sector linked to gains in the telecommunications sub-sector, the seasonal nature of the agriculture sector although impacted by the flood in 2022, and the growth in the manufacturing sector. Also, the NBS released the January 2023 inflation rate which increased to 21.82% from 21.34% in December 2022 owing to an uptick in food and core inflation. The increase in food prices is likely due to fuel scarcity, rising logistics costs, and the supply crunch and depreciation of the naira.

Asset Class	Benchmark	1M (February) %	Year to Date (%)	Commentary
 Money Market	91-day T-bill	1.55*	1.08*	At the end of February, system liquidity moderated to a deficit of NGN57.55bn owing to a decline in inflows and the CRR activities carried out by the Central Bank of Nigeria. In the month, interbank rates hovered between 10%-17% with the average OPR and OBB closing at 10.66% as of month end from 10.75% in the previous month following a stronger liquidity position. The thin liquidity position towards month end ensured that rates increased at the last treasury bills auction in the month. At the auction, the DMO offered and allotted NGN263.50bn across the three instruments against a subscription of NGN296.75bn bid-to-cover ratio declined to 1.13x from 4.87x on the back of decreased interbank liquidity relative to the prior auction. Accordingly, stop rates across the three instruments increased to 3.00% (91-Day), 3.24% (182-Day), and 9.90% (364-Day) from 0.10% (91-Day), 0.30% (182-Day), and 2.24% (364-Day). At the end of the month, the average yields at the secondary treasury bills market printed higher at 4.04% from 1.56% in January.
	181-day T-bill	1.77*	2.42*	
	364-day T-bill	6.07*	6.06*	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.56	1.85	At the bond market auction, the Debt Management Office allotted NGN770.56bn (vs. NGN360bn offered) against a subscription level of NGN993.10bn. Thus, the bid-to-cover ratio increased marginally to 1.29x from 1.22x at the previous auction owing to increased participation. The stop rates at the auction indicated the Federal Government's preference for long-dated instruments as the rates for the NIGB APR 2037 and NIGB APR 2049 increased to 15.90% and 16.00% respectively from 15.80% and 15.90% at the previous auction. The stop rate for the NIGB FEB 2028 declined to 13.99% from 14.90% while the rate on the NIGB APR 2032 was unchanged at 14.90%. Overall, the auction result reflects the continued frontloading of government borrowings in the face of high system liquidity in the economy. The average yields in the secondary bond market declined by 8bps to 13.27% in February.
	3 Year Federal Government Bond	0.66	3.49	
 Eurobond	3 Year Nigerian Sovereign Eurobond	-0.99	-0.05	In February, the bears maintained their dominance in the Eurobond market as investors remained risk-averse to Eurobonds of emerging and frontier economies. The performance of the market is attributable to country-specific factors, especially the credit ratings downgrade of some sub-Saharan African countries. We note that the credit ratings of Egypt, Nigeria, and Kenya were downgraded within the first two months of the year prompted by the high debt service cost, external liquidity, and currency depreciation, in these countries. Asides from country-specific factors, the FED and other Central Banks' commitment to moderating inflation levels by hiking interest rates is a notable driver of bearishness in the Eurobond market. Nevertheless, the average yields on the Nigerian sovereigns trended lower to 11.82% from 11.98% likely due to the International Monetary Fund maintaining Nigeria's 2022 growth forecast at 3% and the Q4:GDP growth reading of 3.52% and the 2022 growth of 3.10%.
	5 Year Nigerian Sovereign Eurobond	3.69	4.79	
 Equites	NGXASI	4.82	8.89	It was a bullish month in the Nigerian equity market as the All-share index gained 4.82% to close at 55,806.26pts, bringing up the year-to-date return to 8.89%. The positive performance in the market was sustained by bargain hunting and investors' positioning in fundamentally sound stocks ahead of the 2022FY financial releases. Market performance was driven by gains on some heavyweight tickers such as BUAFOODS (+20.81%), DANGCEM (+4.16%), SEPLAT (+20.45%), MTNN (+8.89%), GTCO (+6.81%), ZENITHBANK (+6.00%), and STANBIC (+24.29%). Sectorial performance was largely positive as all indices closed up except the Insurance index with closed in the red zone at -2.26%. The Oil and Gas led the gains chat (+15.97%), followed by the Consumer Goods index (+8.24%), the Banking index (+3.99%), and the Industrial index (2.57%).
	NGX30	4.43	8.40	

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

*Mean average stop rate at the Nigerian treasury bill auction

MUTUAL FUND FACTSHEET

All data as of 28th February 2023 unless otherwise stated

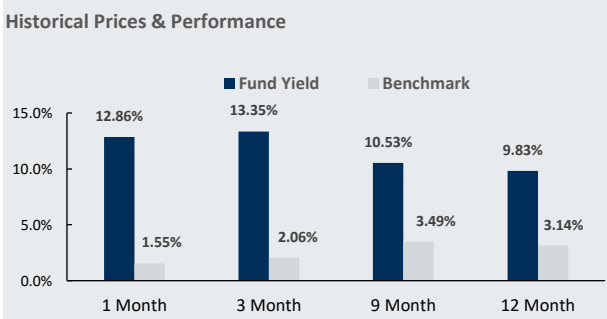
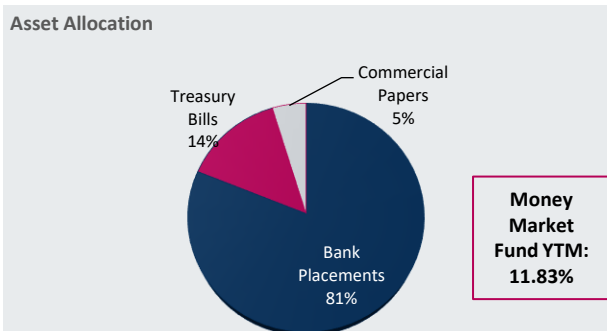
PUBLIC

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	₦184.56bn
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.

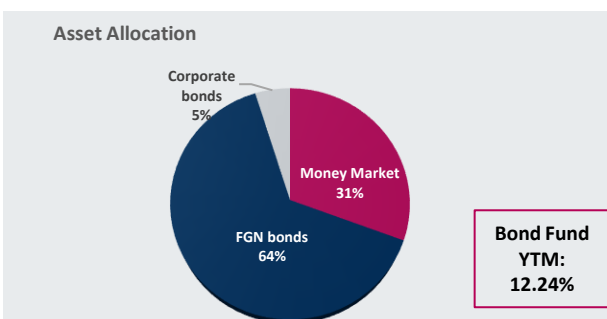


FBN Bond Fund Overview

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	₦65.59bn
Base currency	(₦)
NAV per share	₦1,500.08
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



www.fbnquest.com/assetmanagement

MUTUAL FUND FACTSHEET

All data as of 28th February 2023 unless otherwise stated

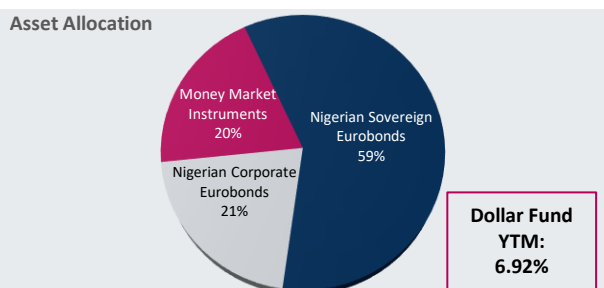
PUBLIC

FBN Dollar Fund Overview

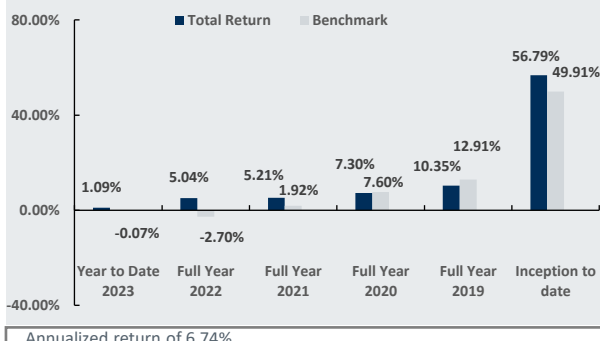
Investment objective

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	\$28.86mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$121.53
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



Historical Prices & Performance

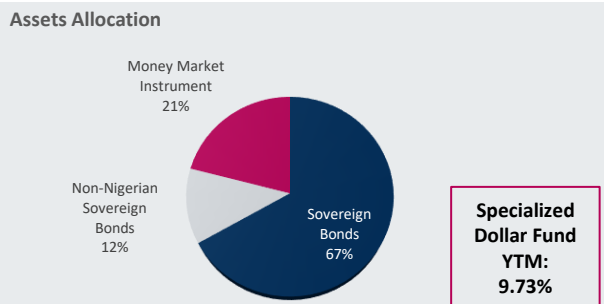


FBN Specialized Dollar Fund Overview

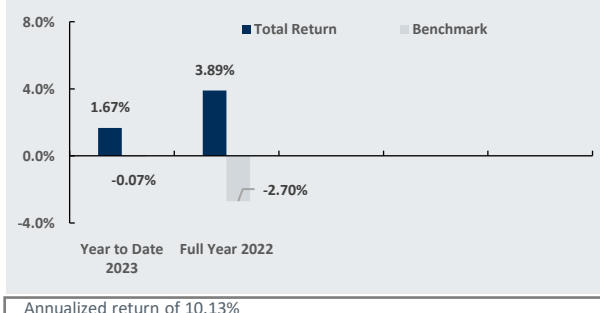
Investment objective

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	\$14.38mn
Base currency	US Dollars (\$)
NAV per share	₦105.62
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



Historical Prices & Performance



MUTUAL FUND FACTSHEET

All data as of 28th February 2023 unless otherwise stated

PUBLIC

FBN Balanced Fund Overview

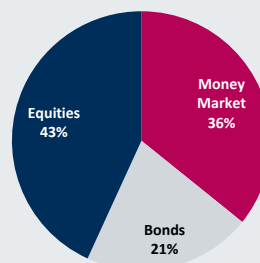
Investment objective

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

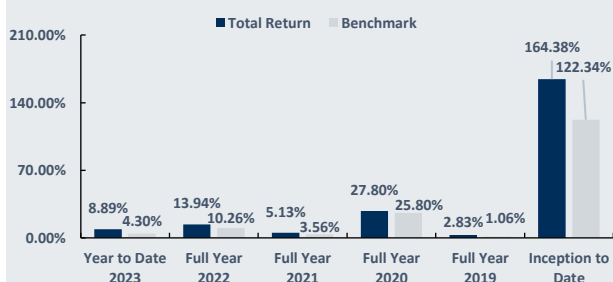
Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	1 April 2008
Fund size	₦5.18bn
Base currency	(₦)
NAV per share	₦211.92
Minimum investment	₦50,000
Minimum holding period	180 days
Income accrual	Daily
Annual management fee	1.50%
Total Expense Ratio	1.69%
Risk profile	Medium
Benchmark	40% NSE30 40% 5 year FGN bond 20% 90day average Tbill rate
Custodian	Citibank

Top 5 Equity Sector Exposure	
Financial Services	18.42%
Telecommunications	8.61%
Agriculture	3.63%
Consumer Goods	3.24%
Industrial Goods	2.93%

Asset Allocation



Historical Prices & Performance



FBN Smart Beta Equity Fund Overview

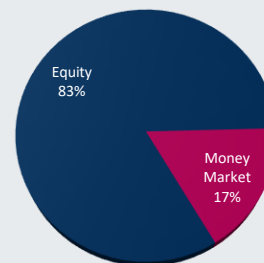
Investment objective

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.

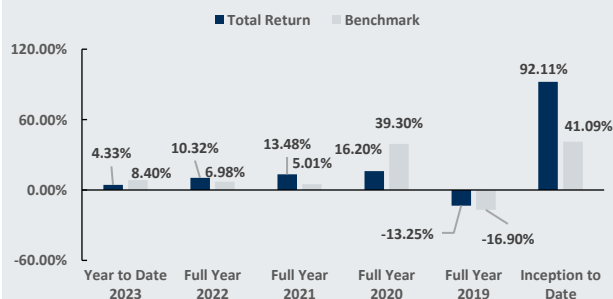
Fund Facts	
Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	4 January 2016
Fund size	₦376.33mn
Base currency	(₦)
NAV per share	₦173.34
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

Top 5 Equity Sector Exposure	
Financial Services	42.37%
Consumer Goods	10.92%
Industrial Goods	9.26%
Beverages	3.08%
Agriculture	0.82%

Assets Allocation



Historical Prices & Performance



www.fbnquest.com/assetmanagement

MUTUAL FUND FACTSHEET

All data as of 28th February 2023 unless otherwise stated

PUBLIC

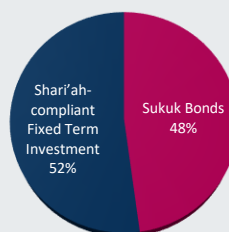
FBN Halal Fund Overview

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.

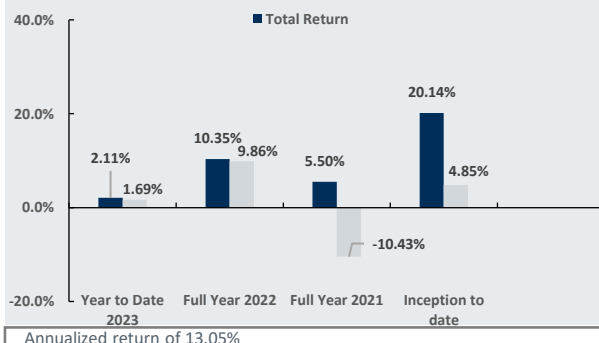
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	4 May 2020
Fund size	₦8.11bn
Base currency	(₦)
NAV per share	₦125.48
Minimum investment	₦5,000
Minimum holding period	90 days
Income accrual	Daily
Income distribution	Semi-annually
Total Expense Ratio	1.70%
Management fees	1.50%
Risk profile	Low-Medium
Custodian	Standard Chartered Bank
Benchmark	FGN 3 Year Benchmark Bond

Asset Allocation



Halal Fund
YTM:
12.84%

Historical Prices & Performance



MUTUAL FUND FACTSHEET

All data as of 31st January 2023 unless otherwise stated

PUBLIC

Outlook

- In February, the United States and the United Kingdom grew by 2.7% and 4.0% respectively, higher than the International Monetary Fund's forecast of 2.3% and 3.7% but lower than the 2021 GDP print. The turnaround in some Central Banks' accommodative monetary stance in 2022, especially in the US, drove the decline in economic growth. However, we note that the aggressive hikes in rates are yielding results in especially in advanced economies such as the US, UK, and Euro area as inflation continues to decline. In the coming month, we expect inflation to trend downwards hinged on a reduction in energy prices, and food prices.
- The equity market is likely to remain bullish in March supported by continued bargain hunting activities in fundamentally sound stocks with attractive dividend yields. We still expect domestic investors (market share of 87% as of January 2023) to remain the dominant players in the market given persisting FX liquidity challenges that have remained a major deterrent to foreign investors. The interest of domestic investors in the local bourse is expected to be supported by low treasury yields, a development that is usually followed by an increased appetite for risk assets given the compelling need to enhance risk-adjusted returns in a high inflationary environment. Barring any negative events in the political space following the conclusion of the Presidential elections, we see scope for the market to close with a positive return in the month.
- Fixed Income: In March, we expect a relatively higher liquidity position of NGN1.06trn in March (vs. NGN722.39trn in February and NGN591.81bn in January). This, in addition to a likely continued hawkish stance by the Monetary Policy Committee, will direct the movement of yields in the market. The yields for short-dated instruments are expected to decline considering their responsiveness to liquidity position while yields for long-dated instruments will be priced down slightly.
- Eurobond: The bearish mood in the Eurobond market persisted in February, buoyed by depreciating currencies, worsening fiscal positions, and falling foreign exchange reserves. In addition to country-specific issues, the unchanging position of global Central Banks contributes to the sour performance of the market. In the near term, we expect risk-off sentiment to continue to drive the movement of the SSA Eurobond market in the near term.

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