

MUTUAL FUND FACTSHEET

All data as of 31st March 2023 unless otherwise stated

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Executive Summary

- The banking woes of the United States (US) and Europe took center stage this month following the collapse of Silicon Valley Bank (the U.S.'s 16th largest bank), Signature Bank, and Credit Suisse (one of the 30 global systemically important banks). The failure of the banks sparked fears of a risk contagion and a new financial crisis and drove a broad risk-off sentiment. Consequently, the European banking index (-16.92%) and S&P 500 regional index (-37.85%) parred gains seen at the start of the month. Global equity indices declined by mid-March as the Dow Jones Industrial Average, the STOXX 600, and the NIKKEI 225 lost 3.46%, 4.67%, and 1.84% respectively. The bank fears spilled over to the oil market as Brent prices lost over 12% by mid-week.
- Overall, the performance of global equities in March was positive as major US indices, the Dow Jones Industrial Average (+1.89%), the NASDAQ (+6.69%), and the S&P 500 (+3.50%) reversed losses seen by mid-March following a moderate rise in US consumer spending. Similarly, the Asian stock market closed the month on a bullish mood as the NIKKEI 225 index (+2.17%), and the Hang Seng (+3.10%) posted gains. Conversely, sell-offs in the European market following the takeover of Credit Suisse drove the market down as the Europe STOXX 600 shed 0.71%. On a quarterly basis, all indices closed Q1:2023 on a positive note.
- Nigeria's inflation increased for the second consecutive month to 21.91% (vs. 21.82% in January), primarily driven by higher food inflation (+24.35% YoY vs. 24.32% YoY in January 2023). Following this the Monetary Policy Committee raised the policy rate by 50bps to 18.00% while keeping all other parameters unchanged. The National Bureau of Statistics reported that Nigeria's trade balance settled in a surplus position (vs. the trade deficit of NGN409.39bn in Q3:2022). The positive trade position was due to a 7.2% increase in total exports to NGN6.36 trn and a 15.5% decline in total imports (NGN5.36 trn in Q4:2022).

Asset Class	Benchmark	1M (March)%	Year to Date (%)	Commentary
 Money Market	91-day T-bill	3.33*	1.91*	The Nigerian money market began on a positive note as system liquidity in the financial system was buoyant (NGN1.02trn as at 3/3/2023). Liquidity remained buoyant for most of the month supported by bonds coupon payments, FAAC, and OMO maturities. Hence, interbank rates hovered around 11% at the first three weeks of the month. Towards the end of the month, system liquidity thinned out, declining to a deficit position of NGN415.28bn (31/3/2023) due to funding for the FBN bond settlement (NGN563.36bn). Consequently, interbank rates spiraled up to 18.50% (OBB) and 18.88% (OPR). The depressed liquidity position towards month end forced stop rates significantly higher. For context, stop rates on the 91-Day (6.00%), 182-Day (8.00%), and 364-Day (14.74%) closed significantly higher at the last auction in Q1:2023 relative to 1.44%, 6.00%, and 10.00% respectively, at the first auction in the month. At the end of the month, the average yields at the secondary treasury bills market printed higher at 8.04% from 4.04% in February.
	181-day T-bill	6.33*	4.10*	
	364-day T-bill	11.41*	8.35*	
 Fixed Income	S&P/FMDQ Nigeria Sovereign Bond Index	0.39	0.61	The month started on a positive note, with bullish sentiments in the secondary bond market, spurred by buoyant system liquidity. At the bond auction held during the month, demand for the four bond issues stood at NGN 808.61bn, supporting a bid-to-cover ratio of 1.44x (vs. 1.29x at the auction in February 2023) as the Debt Management Office (DMO) allotted NGN563.36bn. In the light of higher liquidity and increased participation, the DMO allotted NGN203.36bn above the offer amount and reduced stop rates for the NIGB MAR 2032(14.75%), NIGB MAR 2037 (15.20%), and NIGB MAR 2049 (15.75%) moderately from 14.90%, 15.90%, and 16.00% respectively. The stop rate for the NIGB MAR 2028 inched up to 14.00% from 13.99% at the previous auction. Currently, the government has raised NGN1.99trn through the FBN Bond issuance, higher than the NGN1.76trn pro-rated expected borrowing for the first quarter
	3 Year Federal Government Bond	0.26	3.74	
 Eurobond	3 Year Nigerian Sovereign Eurobond	0.05	0.01	In March, Fitch upgraded Ghana's long-term local currency rating to CCC from restricted default after the country started settling principal payments on its outstanding local bond following the completion of the domestic debt exchange program. The country is currently in talks with China for financial assurance and debt negotiation. Overall, the mood in the market was quite bearish in March as sell-offs and yield increases were dominant in across the SSA region. Risk aversion was driven by the unchanged stance of the Central Banks of developed economies as they continue to tackle rising inflation causing yields to rise. The performance of the market is also attributable to country-specific factors such as high debt service cost, external liquidity, and currency depreciation, in these countries
	5 Year Nigerian Sovereign Eurobond	-2.62	2.05	
 Equites	NGXASI	-2.82	5.82	The local bourse reversed gains seen in February as the All-share index and the NGX30 lost 2.82% and 3.20% respectively trimming down the year-to-date returns to 5.82% and 4.93% (vs. 8.89% and 8.40% in February 2023). The bearish performance in the market was driven by profit-taking activities on some heavyweight tickers such as SEPLAT (-13.21%), AIRTELAFRI (-8.70%), ACCESSCORP (-5.76%), WAPCO (-5.11%), GTCO (-4.32%), DANGCEM (-2.88%), and MTNN (-2.04%) as investors sold off shares that had recorded substantial gains since the start of the year. Sectorial performance was largely negative as all indices recorded losses except the Consumer Goods index which returned a gain of 4.36% MoM. The Oil and Gas index led the loser's chart (-9.65%), followed by the Banking Index (-2.95%), Industrial Index (-2.44%), and the Insurance index (-1.24%).
	NGX30	-3.20	4.93	

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An FBN Holdings Company

*Mean average stop rate at the Nigerian treasury bill auction

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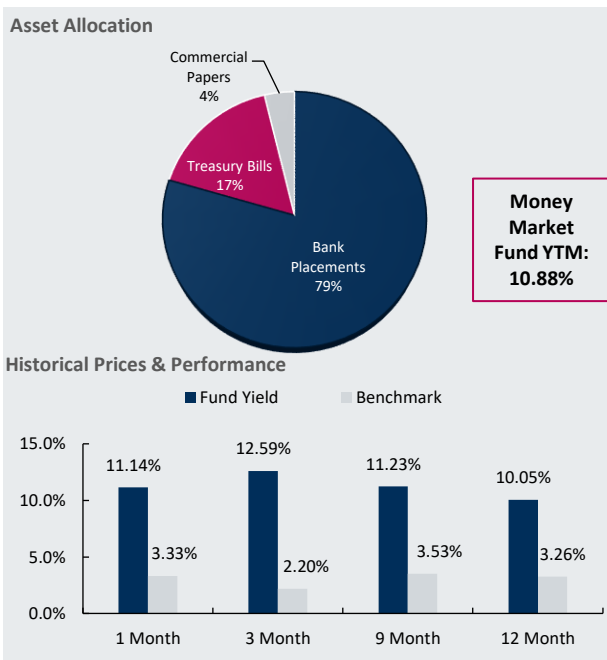
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FBN Money Market Fund Overview

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	₦187.68bn
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.

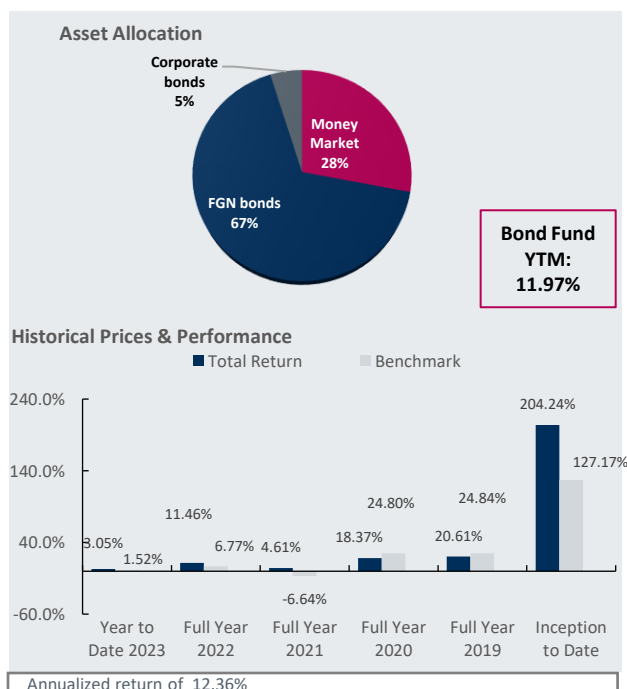


FBN Bond Fund Overview

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	₦64.32bn
Base currency	(₦)
NAV per share	₦1,513.38
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



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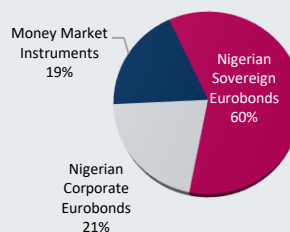
FBN Dollar Fund Overview

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

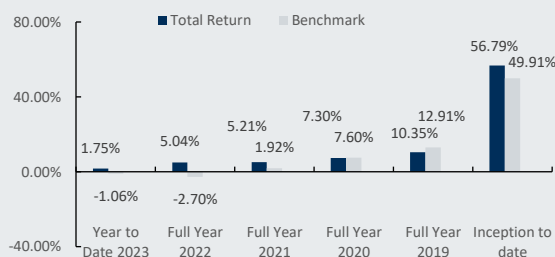
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA
Fund launch date	4 January 2016
Fund size	\$28.93mn
Base currency	US Dollars (\$)
Unit classes	R unit class: Retail
NAV per share	\$122.32
Minimum investment	\$1,000
Minimum holding period	180 days
Risk profile	Medium
Total Expense 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
YTM:
6.96%

Historical Prices & Performance



Annualized return of 7.08%

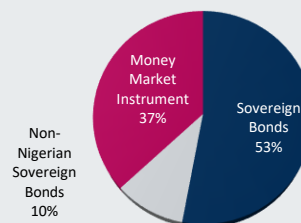
FBN Specialized Dollar Fund Overview

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.

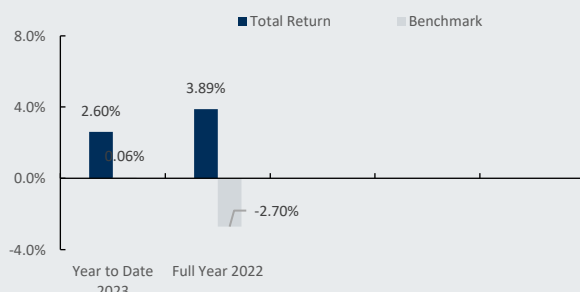
Fund Facts	
Fund Manager	Ifeoluwa Dixon, Tutu Owolabi-Kadiku CFA, CAIA.
Fund launch date	12 August 2022
Fund size	\$15.28mn
Base currency	US Dollars (\$)
NAV per share	₦106.59
Minimum investment	\$10,000
Minimum holding period	180 days
Income accrual	Daily
Income distribution	Annually
Total Expense Ratio	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
YTM:
9.42%

Historical Prices & Performance



Annualized return of 10.42%

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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	₦5.13bn
Base currency	(₦)
NAV per share	₦211.85
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	16.32%
Telecommunications	10.27%
Industrial Goods	4.80%
Consumer Goods	4.55%
Agriculture	2.14%

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

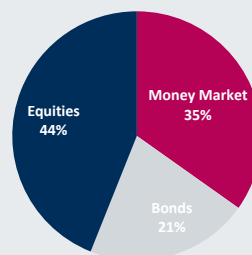
Fund Manager	Laura Fisayo-Kolawole, CFA
Fund launch date	4 January 2016
Fund size	₦379.89mn
Base currency	(₦)
NAV per share	₦176.18
Total Expense Ratio	1.63%
Annual management fee	1.50%
Minimum investment	₦50,000
Risk profile	High
Benchmark	NSE 30
Custodian	Standard Chartered Bank

Top 5 Equity Sector Exposure

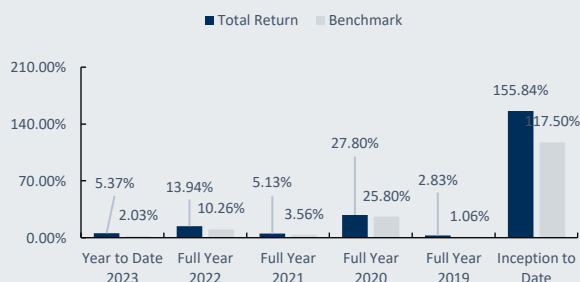
Financial Services	39.04%
Consumer Goods	15.18%
Industrial Goods	9.85%
Agriculture	6.40%
Beverages	3.81%

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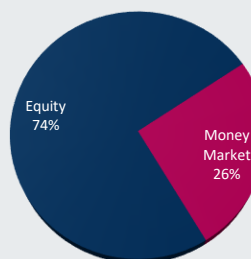
Asset Allocation



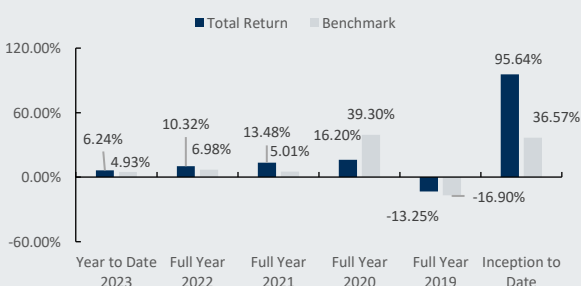
Historical Prices & Performance



Assets Allocation



Historical Prices & Performance



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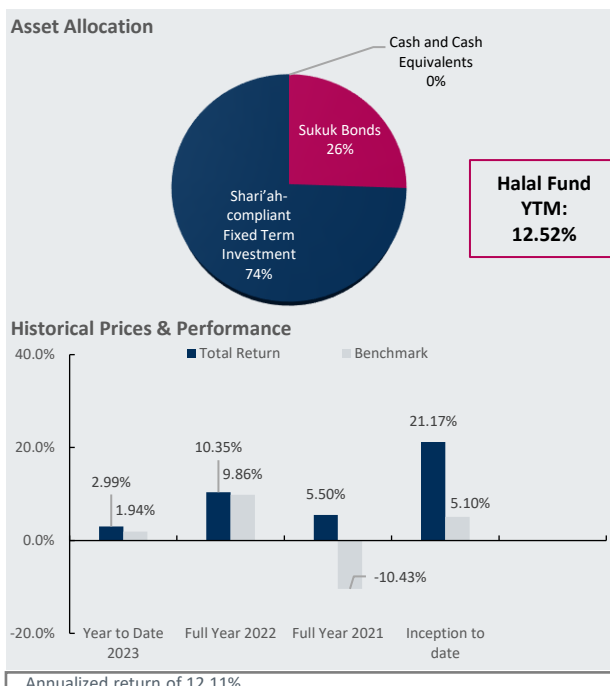
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FBN Halal Fund Overview

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	₦9.71bn
Base currency	(₦)
NAV per share	₦126.56
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

- Towards the end of March, oil production (450,000 bpd estimated at 0.5% of the global supply) in Kurdistan, Iraq's semi-autonomous region, came under pressure after Iraq won an arbitration that stops Turkey from allowing Kurdistan's Regional Government to export oil to Ceyhan (Southern Turkey) without Baghdad's consent. Iraq's Baghdad controls the export of oil in Iraq and has since 2014 called out the export of Iraq's oil to Ceyhan without Baghdad's approval. Furthermore, Saudi Arabia, the world's largest oil producer proposed a further cut to oil production following OPEC+'s decision to cut production by about 16mbpd in May. Although Turkey is currently in talks with Baghdad to recommence oil export to Ceyhan, oil prices are likely to gain more traction in April owing to an expected oil production cut by OPEC+.
- Equity: As the FY 2022 earnings season gradually fizzles out in April, we envisage a fierce contest between the bulls and the bears as the slowdown in earnings releases and corporate actions announcements will likely pave way for profit-taking activities. We still expect domestic investors (market share of 89.6% as of February 2023) to remain the dominant players in the market given persisting FX liquidity challenges that have continued to undermine the interest of FPIs. We believe bargain-hunting activities induced by dividend announcements will likely cool off as the earnings season winds down. The interest of domestic investors in the local bourse could also be constrained by improved fixed income yields as the frail macro story may stir interest in low-risk assets.
- Fixed Income: In the month of April, system liquidity is expected to remain weak in the early part of the month until later in the month when inflows from bond maturity, FAAC, and OMO maturities are expected to ease funding pressures. Against this backdrop, we expect secondary market yields on treasury bills to continue to reprice higher to mirror the outcome of the last primary market auction. However, we do not envisage a sharp uptick in yields from current levels as expected inflows at the tail end of the month should spur buying activities.
- Eurobond: Bearish sentiments persisted in March buoyed by country-specific issues and the steady but hawkish stance of global Central Banks as they continue to reduce inflation. 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 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