



# MONTHLY MUTUAL FUNDS FACT SHEET

October 2022

## Market Commentary

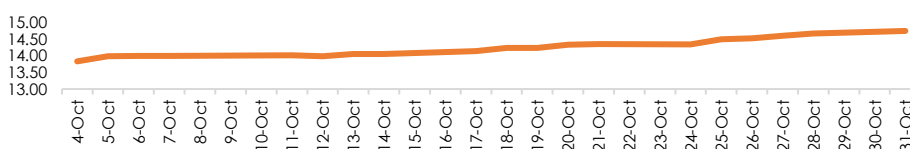
### Money Market

Banking system liquidity depreciated in the month, averaging ca N3.79 billion in October vs previous month's average of N128.96 billion. This comes off the back of reduced inflows from OMO maturities and bond coupon payments in the month at c. N315.20 vs c. N363 billion in September 2022. Consequently, the average Open Policy Rate (OPR) and Overnight Rate (O/N) rose to 16.10% and 16.48% from 11.60% and 12.08% month-on-month, respectively. The Central Bank of Nigeria (CBN) conducted two Primary Market Auctions during the month and issued N144.00 billion across all tenors. Average stop rates for the 91-day, 182-day and 364-day papers rose to 6.49%, 7.98% and 13.75% from 5.83%, 6.45% and 10.58% respectively.

### Fixed Income

Bearish sentiments were sustained in the fixed income market in the month under consideration, largely supported by the effect of the hike in the Monetary Policy Rate (MPR) to 15.50% from 14.00% by the Monetary Policy Committee at its 5<sup>th</sup> policy meeting for the year. The increased sell-side activity led to a rise of 0.99% in the average yield levels month-on-month. The Debt Management Office (DMO) offered the April 2029, April 2032 and April 2037 maturities at the monthly Primary Market Auction (PMA), offering N225 billion across the tenors. The auction attracted a total bid of N119.18 billion. However, N107.88 billion was allotted. The marginal stop rates for the 2032 and 2037 maturities rose to 15.000% and 16.000% from 13.849% and 14.500% respectively, while the 2029 maturity closed at 14.500%.

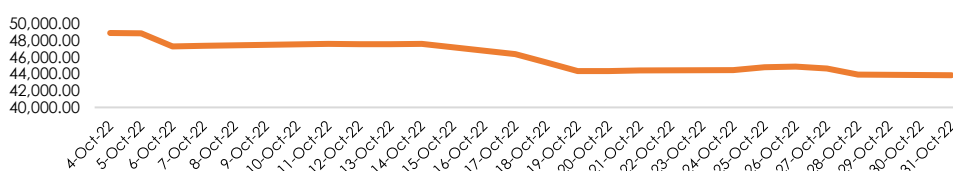
FGN Bond Yield Trend



### Equities

The Nigerian equities market traded negative sentiments in the month, following sustained sell-side activity, as the NGX All Share Index lost 10.58% in October to close at 43,839.08 points, with year-to-date performance standing at +2.63%. The NGX Industrial Goods index reported positive performance, growing +6.50% (1,888.51 points), while the NGX Insurance, Oil and Gas, Consumer Goods and Banking indices all published negative performances and declined -5.22% (159.80 points), -5.10% (482.32 points), -2.89% (567.80 points) and -1.10% (375.01) respectively.

NGX-ASI Share Price Trend



## Market Outlook

The month under review saw sustained sell-offs on the Nigerian stock market as the market continued to respond to the sustained increases in interest rates and the persistent rise in inflationary pressures. We anticipate that this trend will continue in the near future barring any changes to the directions of fiscal and monetary policy. However, given that some bellwether stock prices are at all-time lows, we anticipate some bargain hunters take position.

In the fixed income space, we expect to see yields continue to trend higher, on expectation of further hike in the MPR at the final Monetary Policy meeting of 2022, scheduled to hold later this month. However, with expectation of inflows of only c. N82.22 expected from bond coupons and Open Market Operation (OMO) maturities this month, we expect to see some demand in the fixed income market.

Macroeconomic Indicators	Inflation (%)	MPR (%)	CRR (%)	Brent Crude Price US\$/bbl	External Reserve (US\$ billion)	GDP %
	September 2022	20.77% (+5.14 ytd)	15.50 (-7%/+1% around mid-point)	32.50	94.83	38.28 (-5.52% ytd)

Source: NBS, CBN, CNBC



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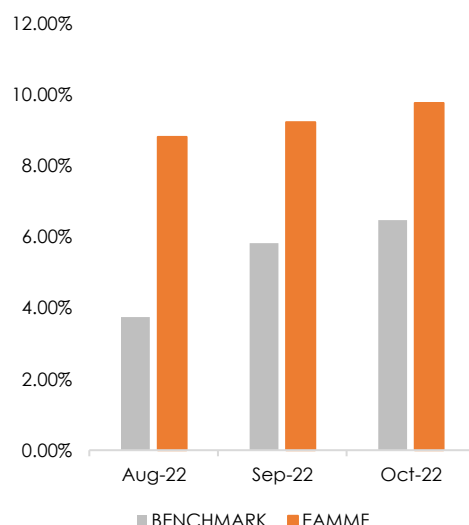
October 2022

## EMERGING AFRICA MONEY MARKET FUND

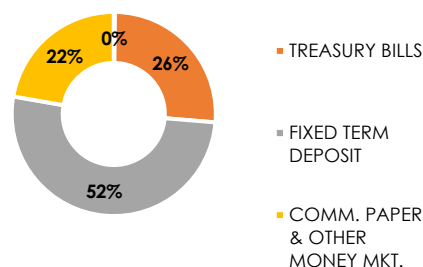
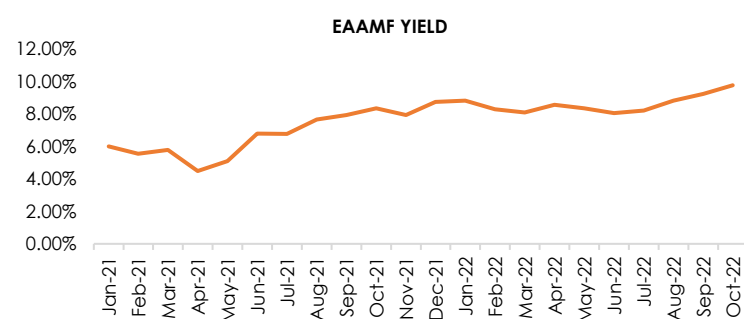
### FUND OBJECTIVE

The objective of the Emerging Africa Money Market Fund is capital preservation and steady income.

<b>Fund Type</b>	Open-ended
<b>Category</b>	Money Market
<b>Risk Profile</b>	Low
<b>Launch Date</b>	7-Dec-20
<b>Fund Manager</b>	Emerging Africa Asset Mgt. Ltd.
<b>Custodian</b>	Rand Merchant Bank Ltd.
<b>Trustees</b>	United Capital Trustees Ltd.
<b>Auditor</b>	ProEdge Partners
<b>Rating</b>	Af (DataPro)
<b>Mgt. Fee</b>	1.50%
<b>Benchmark</b>	91-day Tbill
<b>Dividend Frequency</b>	Quarterly
<b>Price/Unit</b>	₦1.00
<b>*Month Average Yield</b>	9.77%
<b>Minimum Investment</b>	₦5,000.00
<b>Current Fund Size</b>	₦1,031,883,951.15



INVESTMENT COMMITTEE	
Dr. Adedipe Abiodun	Chairman/Independent Member
Ada Ijara	Member, Fund Manager
Dipo Ashaolu	Member, Fund Manager
Solomon Igberaese	Member, Trustees
Segun Aremu	Member, Trustees



Asset Allocation	Range
Cash/Call	0% - 5%
Treasury Bills	25% - 80%
Fixed Term Deposit	0% - 70%
Comm. Paper & Other Money Mkt Instr.	0% - 70%

### PERFORMANCE REVIEW

Net yield of the EAMMF averaged 9.77% in October, significantly higher than its benchmark 91-days T-Bill which returned an average of 6.48%, and higher than previous month's average yield of 9.23%. This positive performance was largely supported by investment in high yielding commercial papers, fixed deposit assets and increased T-Bill yields. It is projected that the fund's yield will continue to inch higher in reference to surging inflation and MPR rates.

\*Average Yield of the Fund in the month of October 2022

Please note that historical performance does not guaranty future returns. Also, investors' returns may differ based on the duration of their investments.

RC: 1568909



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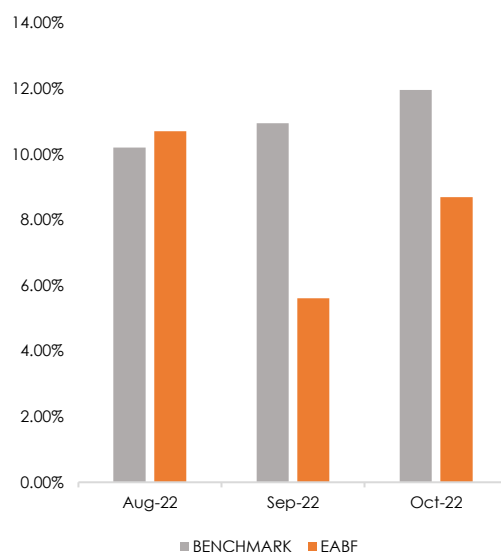
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## EMERGING AFRICA BOND FUND

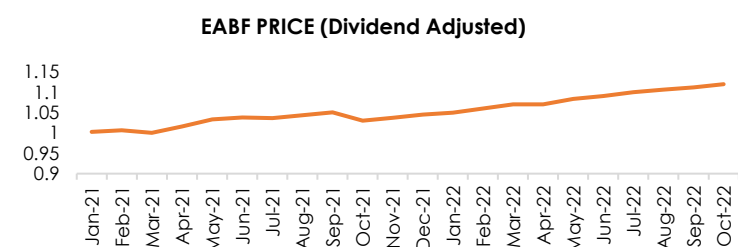
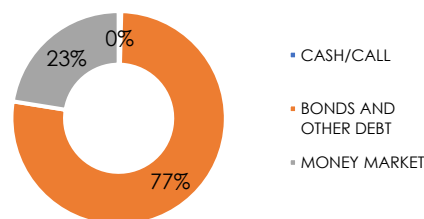
### FUND OBJECTIVE

The primary objective of the Emerging Africa Bond Fund is income generation by investing in a diversified portfolio of high-quality bonds of government, supranational corporate issuers, including Federal Government bonds, state government bonds, corporate bonds and other fixed income securities.

<b>Fund Type</b>	Open-ended
<b>Category</b>	Bond Fund
<b>Risk Profile</b>	Moderately Conservative
<b>Launch Date</b>	3-Dec-20
<b>Fund Manager</b>	Emerging Africa Asset Mgt. Ltd.
<b>Custodian</b>	Rand Merchant Bank Ltd.
<b>Trustees</b>	United Capital Trustees Ltd.
<b>Auditor</b>	ProEdge Partners
<b>Mgt. Fee</b>	1.50%
<b>Benchmark</b>	70% 2/3/5/10-year FGN Bond & 30% of 91-days Average T-Bill
<b>Dividend Frequency</b>	Semi Annually
<b>*Price</b>	₦1.05
<b>Minimum Investment</b>	₦10,000.00
<b>Current Fund Size</b>	₦664,126,787.07



INVESTMENT COMMITTEE	
Dr. Adedipe Abiodun	Chairman/Independent Member
Ada Ijara	Member, Fund Manager
Dipo Ashaolu	Member, Fund Manager
Solomon Igberaese	Member, Trustees
Segun Aremu	Member, Trustees



Asset Allocation	Range
Cash/Call	0 - 5%
Bonds and Other Debt Instruments	70% - 80%
Other Money Market Instruments	15% - 30%

### PERFORMANCE REVIEW

The price of the EABF increased by ₦0.01 in October to ₦1.050, representing an annualized return of 8.69%. The growth recorded by the fund can be attributed to investments in high yielding fixed income instruments. The benchmark's return was largely impacted by the effect of the hike in the MPR to all time high of 15.50%. We project sustained improvement in the fund's performance in reflection of increased yields in the fixed income market.

\*Price as at October 31, 2022.



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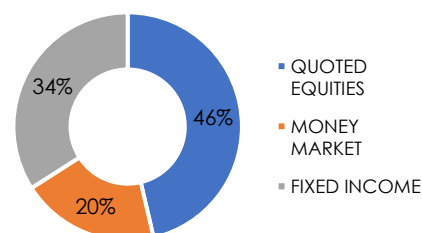
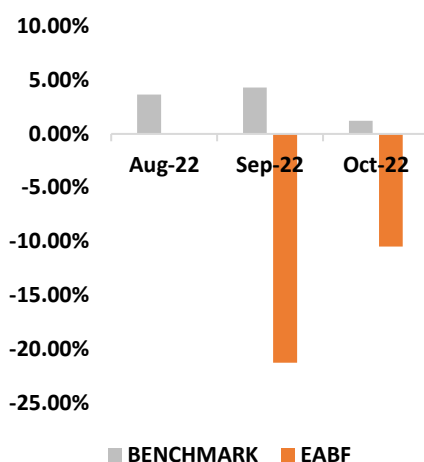
## EMERGING AFRICA BALANCED DIVERSITY FUND

### FUND OBJECTIVE

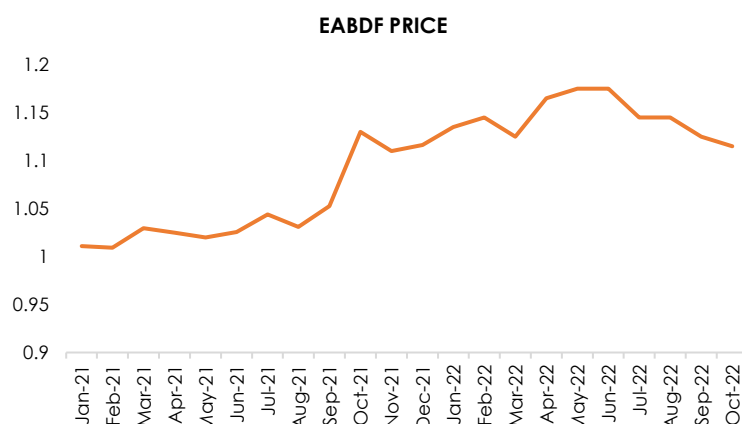
The Fund seeks to enhance and encourage investments in securities of companies with proven commitment to gender diversity through significant representation of women on their boards, management and staff for long-term capital growth and income generation.

<b>Fund Type</b>	Open-ended
<b>Category</b>	Balanced Fund
<b>Risk Profile</b>	Moderately Aggressive
<b>Launch Date</b>	20-Oct-20
<b>Fund Manager</b>	Emerging Africa Asset Mgt. Ltd.
<b>Custodian</b>	Rand Merchant Bank Ltd.
<b>Trustees</b>	FBNQuest Trustees Ltd.
<b>Auditor</b>	ProEdge Partners
<b>Mgt. Fee</b>	1.50%

<b>Benchmark</b>	40% NSE ASI; 20% of 2/3/5-year Sovereign Bond & 40% of 91-days Average T-Bill
<b>Dividend Frequency</b>	Annual
<b>*Price</b>	₦1.01
<b>Minimum Investment</b>	₦10,000.00
<b>Current Fund Size</b>	₦201,546,531.83



INVESTMENT COMMITTEE	
Dr. Adedipe Abiodun	Chairman/Independent Member
Ada Ijara	Member, Fund Manager
Dipo Ashaolu	Member, Fund Manager
Olufemi Okin	Member, Trustees
Bolanle Komolafe	Member, Trustees



Asset Allocation	Range
Quoted Equities	40% - 60%
Money Market	10% - 40%
Fixed Income	20% - 50%

The price of the EABDF closed at ₦1.01 for the month under review, yielding a month-on-month return of -0.89%, and a year-to-date return of -0.13%. This can be attributed to sustained sell-offs in the equities market, leading to a loss of -10.58% in the NGX-ASI month-on-month. We project an improved performance in the near term, as bargain hunters cherry-pick attractive prices.

\*Price as at October 31, 2022



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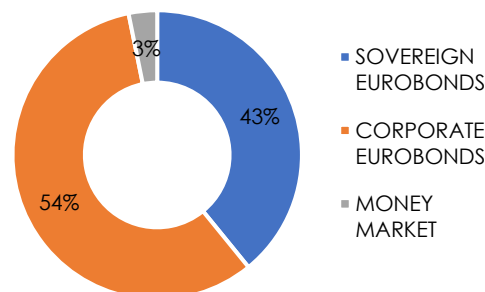
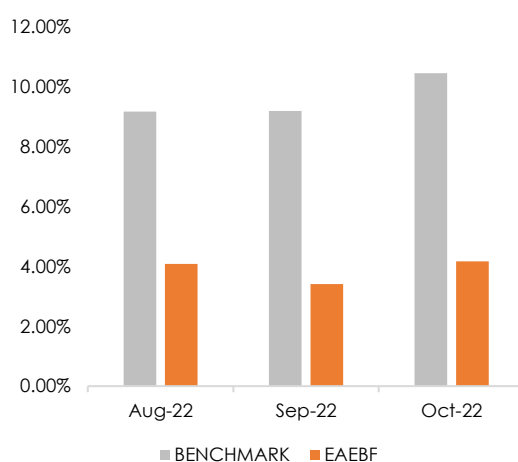
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## EMERGING AFRICA EUROBOND FUND

### FUND OBJECTIVE

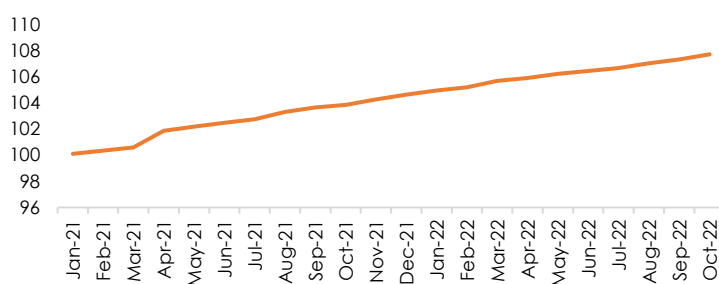
The Emerging Africa Eurobond Fund seeks to achieve regular income and long-term capital appreciation through investment in US\$ denominated securities.

<b>Fund Type</b>	Open-ended
<b>Category</b>	Bond Fund
<b>Risk Profile</b>	Moderately Conservative
<b>Launch Date</b>	15-Oct-20
<b>Fund Manager</b>	Emerging Africa Asset Mgt. Ltd.
<b>Custodian</b>	Rand Merchant Bank Ltd.
<b>Trustees</b>	FBNQuest Trustees Ltd.
<b>Auditor</b>	ProEdge Partners
<b>Mgt. Fee</b>	1.50%
<b>Benchmark</b>	70% of 3 year FGN Eurobond & 30% of 3/6 months US T-Bill
<b>Dividend Frequency</b>	Annual
<b>*Price</b>	US\$103.95
<b>Minimum Investment</b>	US\$500.00
<b>Current Fund Size</b>	US\$2,072,306.64



INVESTMENT COMMITTEE	
Dr. Adedipe Abiodun	Chairman/Independent Member
Ada Ijara	Member, Fund Manager
Dipo Ashaolu	Member, Fund Manager
Olufemi Okin	Member, Trustees
Bolanle Komolafe	Member, Trustees

### EAEBF PRICE



Asset Allocation	Range
Sovereign Eurobonds	30% - 70%
Corporate Eurobonds	30% - 70%
Money Market	0% - 30%

### PERFORMANCE REVIEW

The Fund's price appreciated by 0.35% month-on-month as the year-to-date return closed at 4.17% per annum. The performance of the Fund is anticipated to continue to rise in the upcoming month as reinvestment yields continue to improve.

\*Price as at October 31, 2022

RC: 1568909