

**CORONATION**

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# Mutual Funds Factsheet

March 2025

# Macroeconomic and Market Review

## March 2025

### Overview

The first quarter of the year ended with a wave of economic uncertainty both domestically and globally. The sweeping, unilateral tariffs from the US and retaliatory measures by some of the targeted countries are raising recession concerns globally. In Nigeria's case the impact may first be felt in the FX market and with the oil price and potential effect on government revenues. On the macro front, inflation for February came in at 23.18% from 24.48% in January on the back of high base effects and lower food prices during the month. As a result, we saw investor reaction in the fixed income market, particularly the Nigerian T-bills market, as investors continue to price in a dovish stance from the CBN at their next MPC meeting scheduled for May.

### Fixed Income

The fixed-income market reflected divergent trends across various segments in March. Strong buying interest was observed in the Treasury Bills (T-Bills) space, while selling pressures dominated the Open Market Operations (OMO) and Federal Government Bonds (FGN Bonds) segments. Investor positioning in the T-Bills market was driven by expectations of a decline in interest rates, which led to a moderation in average yields. Market liquidity remained volatile during the month, starting in negative territory but improving towards the end of the month, buoyed by inflows from coupon payments and FAAC disbursements

In the secondary market for T-Bills, average yields declined by 45bps, from 19.89% p.a. at the start of the month to 19.44% pa, driven by heightened demand across all tenor buckets — particularly at the short end of the curve. Conversely, the OMO market witnessed an uptick in average yields, rising from 22.52% pa to 24.21% pa, largely driven by sell-offs across both short- and long-end maturities.

During the month the Debt Management Office (DMO) conducted four primary market auctions for T-bills, where it offered a total of N2.7tn, with subscriptions reaching N5.52tn and allotments of N2.82tn. The 91-day, 182-day, and 364-day instruments opened the month with effective yields of 17.75% pa, 19.77% pa, and 22.58% pa, respectively, and closed higher at 18.85% pa, 20.38% pa, and 24.41% pa, despite elevated demand.

In the secondary market for FGN bonds, average yields increased by 18bps to 18.71% pa, following selloffs particularly at the mid-point to long end of the yield curve. In the primary market, the DMO offered a combined N300bn across the APR '29s and FEB '33s instruments, recording an oversubscription of N230.31bn. Only N423.86bn was allotted across both issues, though, with marginal rates settling at 19.00% pa (-20bps) and 19.99% pa (+66bps).

### Equities

The equities market closed bearish in March, as the NGX All-Share Index declined by 2.00% m/m to 105,660.64 points. This downturn was driven by sustained profit-taking activities as well as increased investor appetite for the high yields they were seeing in the fixed income market. Selloffs in Transcorp (-21.05% m/m), BUA Cement (10.00% m/m), and MTN Nigeria (-7.27% m/m), outweighed the demands for Guaranty Trust Holding Company (+12.42% m/m), Transcorp Hotels (+7.84% m/m), and Nestle Nigeria (+4.62% m/m). As a result, the market's year-to-date return moderated to 2.66%.

In line with the overall market decline, sectoral performance was broadly negative for the month, with all major indices closing in the red. The NGX Oil and Gas Index led the laggards, down 4.02% m/m, followed by the NGX Industrial Goods Index (-3.59% m/m), the NGX Insurance Index (-2.48% m/m), the NGX-30 Index (-2.06% m/m), the NGX Consumer Goods Index (-1.30% m/m), the NGX Pension Index (-1.00% m/m), and the NGX Banking Index (-1.30% m/m).

Looking ahead, we anticipate a return of bullish momentum in April, supported by bargain-hunting activities in anticipation of Q1 2025 corporate earnings releases. However, we note the possibility of profit-taking, as some investors may continue to shift towards the fixed income market to take advantage of the prevailing high-yield environment, ahead of a potential interest rate cut at the next Monetary Policy Committee (MPC) meeting in May.

### Oil

Brent price closed the month at US\$74.74/bbl, reflecting a modest recovery of 2.13% despite lingering volatility. The month was shaped by a combination of geopolitical tensions, evolving OPEC+ strategies, and concerns over global supply and demand dynamics. Key drivers included new US sanctions on Iran, which targeted a Chinese refiner for the first time, signaling stricter enforcement that could further limit Iranian crude exports. Meanwhile, OPEC+ announced fresh production cuts by seven member countries—ranging from 189,000bpd to 435,000bpd—to compensate for previous overproduction, even as eight members are scheduled to increase output by 138,000bpd in April.

The International Energy Agency (IEA) warned of a potential global oversupply in 2025, citing an expected surge in US production. While oil prices fluctuated throughout the month, these supply-side adjustments and geopolitical uncertainties helped Brent rebound. The average price settled at US\$75.34/bbl, reflecting cautious stability amid complex global dynamics.

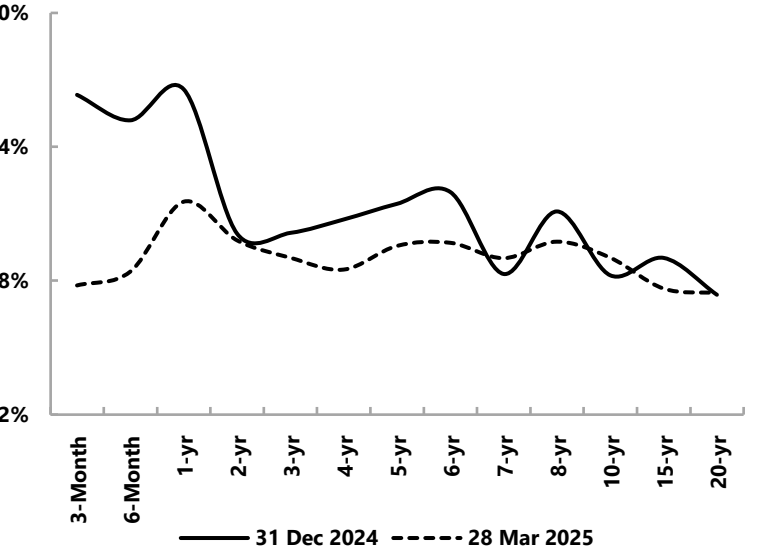
# CORONATION

### Foreign Exchange

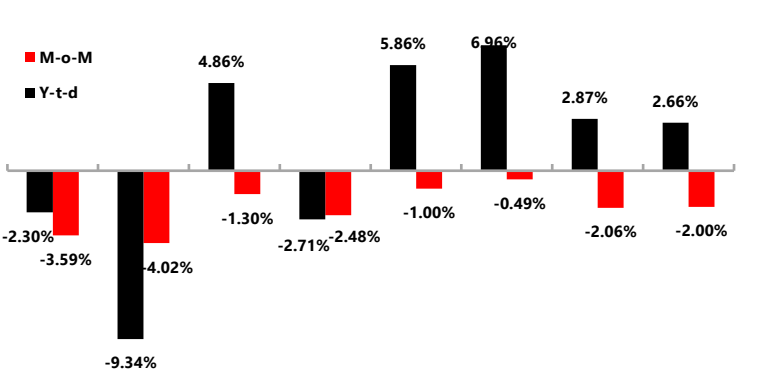
The Naira experienced a turbulent month in both the official and parallel foreign exchange markets, reflecting ongoing pressure from increased demand, especially from foreign investors seeking to repatriate funds. Despite multiple interventions by the Central Bank of Nigeria (CBN), estimated at nearly US\$1.00bn for the month, the Naira weakened in the official Nigerian Autonomous Foreign Exchange Market (NAFEM), depreciating from N1,500.15/US\$1 at the beginning of the month to N1,536.82/US\$1 by the end, representing a monthly decline of approximately 2.39%. Although there was a brief period of strengthening mid-month, it was not sustained. In the parallel market, the Naira fluctuated more widely. It weakened to as much as N1,590/US\$1 during the month before recovering to N1,550/US\$1 at the close of March translating to a depreciation of 3.23%. On a year-to-date basis, the Naira has appreciated by 7.10% in the parallel market, while it has gained only 0.09% in the official market.

The CBN's continued interventions were not without cost, as the country's gross foreign reserves declined slightly from US\$38.42bn to US\$38.33bn during the month, marking a drop of US\$83.25mn and bringing the total year-to-date depletion to US\$2.54bn. However, market sentiment was steadied to an extent by the CBN's disclosure that Nigeria's net reserves had grown significantly to US\$23.11bn at the end of 2024 compared to just US\$3.0bn at the end of 2023.

### Nigeria Government T-bill and bond yield curve



### NGX sub-indices returns, 2025 year to 28 March



Industrial Goods Oil/Gas Consumer Goods Insurance Pension Banking NGX 30 NGX-ASI

Source: FMDQ, NGX, Bloomberg, Coronation Research

### Global economic outlook

Heightened geopolitical risk and renewed trade tensions defined the global space for the month of March. The United States continued on its protectionist policies roll out, with the administration implementing a 25% tariff on imports from Canada and Mexico and doubling tariffs on selected Chinese goods from 10% to 20%. These measures triggered immediate retaliatory actions, fueling investor uncertainty and dampening global sentiment.

In reaction to this trend, global equities indices experienced broad-based declines. The S&P 500, Nasdaq Composite, and Dow Jones Industrial Average posted losses of 5.75% m/m, 8.21% m/m, and 4.20% m/m, respectively, as markets priced in the implications of deteriorating trade relations and potential inflationary pressures. Markets will remain sensitive to policy developments and global trade dynamics going forward.

# Coronation Money Market Fund

## FUND OVERVIEW

The Coronation Money Market Fund is an open-ended fund that invests in low-risk, short-term instruments, including Treasury Bills, Term Deposits, Commercial Papers, and other Money Market securities. Our goal is to generate regular income while maintaining liquidity and preserving capital.

### Investment Objective:

Our objective is to provide investors with a steady return on capital by actively investing in high-quality, investment-grade money market instruments.

### Investment Strategy:

Our fund manager employs a disciplined investment approach, focusing on:

- Diversification: Building a portfolio of high-quality money market securities
- Liquidity: Maintaining an average duration of 90 days or less
- Risk Management: Implementing robust controls to minimize credit and interest rate risk

### Suitable Investor:

This fund is ideal for short-term focused investors seeking:

- Capital preservation
- Moderate income
- Liquidity

### Investment Philosophy

We follow a fundamental investment process, combining:

- Bottom-up credit selection
- Tactical trading in liquid instruments
- Robust risk management tools
- Research-based macro risk analysis

Our investment team works closely with the Research team to provide market insights, ensuring that our investment decisions are informed and effective.

### Risk Management

We prioritize risk management through:

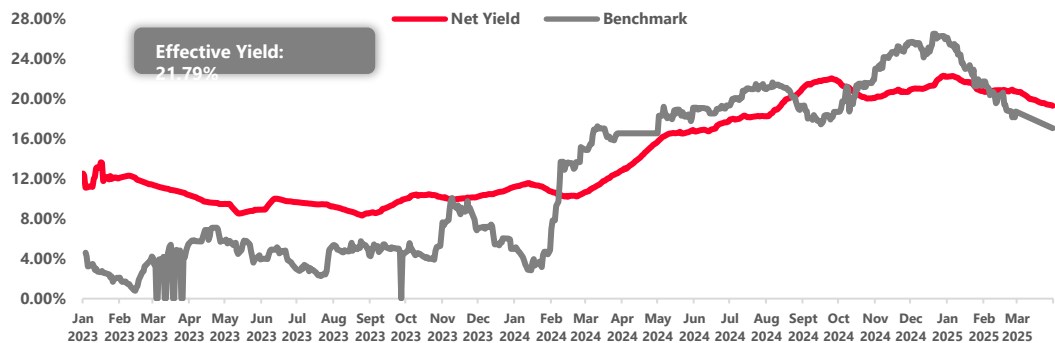
- High-quality issuer selection
- Duration limits
- Issuer concentration limits
- Rigorous selection criteria
- Independent risk and compliance review.

Our disciplined investment process and continuous value analysis ensure that we deliver consistent returns while minimizing risk exposure.

### HISTORICAL 30-DAY ROLLING AVERAGE YIELD

	January	February	March	April	May	June	July	August	September	October	November	December
2025	23.08%	23.02%										
2024	10.73%	10.60%	12.78%	15.57%	16.85%	17.71%	18.23%	20.94%	21.76%	20.04%	20.85%	22.21%
2023	12.08%	11.40%	10.36%	9.45%	8.88%	9.64%	9.21%	8.53%	9.94%	10.11%	10.15%	11.14%
2022	8.10%	7.70%	6.34%	5.67%	5.19%	4.86%	6.62%	10.19%	10.59%	11.09%	12.21%	12.18%
2021	1.45%	1.15%	0.86%	1.36%	2.96%	4.83%	6.80%	7.91%	8.81%	8.14%	8.01%	8.32%
2020	5.99%	5.50%	4.67%	4.48%	4.16%	3.78%	3.71%	3.34%	3.32%	2.24%	1.35%	0.87%
2019	11.96%	13.29%	14.50%	11.94%	12.46%	12.41%	12.86%	11.10%	3.32%	11.25%	10.65%	9.98%

### YEAR TO DATE 30 DAY ROLLING AVERAGE YIELD VS. BENCHMARK



## RISK – REWARD PROFILE

1	2	3	4	5	6	7
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Lower risk / Lower return      Higher risk / Higher return

### FUND FACTS

Fund launch date	23 September 2017
Fund type	Open - Ended
Asset class	Money Market
Risk profile	Low
Fund rating	A+(f)
Investment Manager rating	A-(IM)
Benchmark	91 Day Treasury Bills
Currency	Nigerian Naira
Accounting	Amortized Cost
Fund size	₦19.77 Billion
Offer price	₦1.00
Income distribution	Quarterly
Minimum holding period	1 month
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

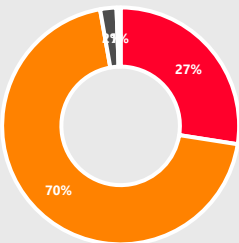
### FUND FEES

Management fees	1.5% p.a.
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### FUND CHARGES

Entry charge	None
Exit charge	None
Early redemption charge	1.5% of income earned

### FUND ASSET ALLOCATION



■ Nigerian Treasury Bills

■ Fixed Deposits

# Coronation Fixed Income Dollar Portfolio

## FUND OVERVIEW

The Coronation Fixed Income Dollar Portfolio is a short-term fixed income fund that aims to provide unit holders with the opportunity for capital preservation and income generation. The fund invests in a diversified portfolio of short-term dollar-denominated fixed income securities, with a focus on maintaining liquidity and controlling risk.

### Investment Objective:

The primary objective of the Coronation Fixed Income Dollar Portfolio is to provide unit holders with the opportunity for short-term capital preservation and income generation through investments in a diversified portfolio of short-term dollar-denominated fixed income securities.

### Investment Strategies:

The Fund Manager will employ an investment strategy focused on achieving capital preservation, generating income, and ensuring liquidity.

The fund will aim to maintain an average duration of not more than 1 year, emphasizing investments in short-term fixed income securities with robust liquidity profiles.

### Suitable Investor

The Fund is suitable for investors seeking short-term investment options with a focus on capital preservation and generating consistent income. Investors looking for relatively lower risk exposure over the short term are well-aligned with the Fund's objectives.

### Investment Philosophy

Our investment philosophy centers on constructing a diversified portfolio of high-quality short-term fixed income securities. The aim is to deliver steady income with controlled volatility and capital preservation. This is achieved through:

- Meticulous bottom-up credit selection
- Tactical trading in liquid instruments
- A strong emphasis on risk management

### Risk Management

We prioritize risk management as a fundamental pillar of our investment process. To mitigate risk exposure, the Fund focuses on:

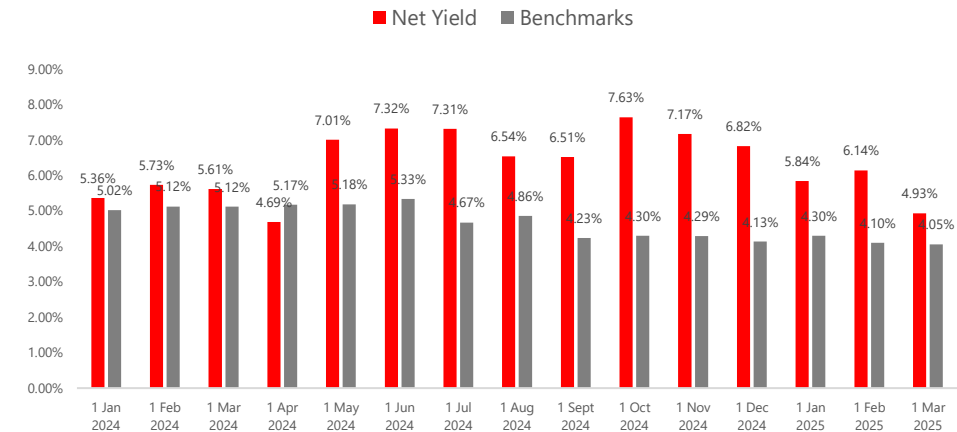
- Investing in high-quality issuers to reduce credit risk
- Employing strategies to limit interest rate risk through controlled durations
- Maintaining issuer concentration limits and adhering to stringent selection criteria
- Conducting in-depth macro risk analysis, multi-level reviews, and independent risk and compliance assessments

## HISTORICAL FUND PERFORMANCE

	January	February	March	April	May	June	July	August	September	October	November	December
2025	5.84%	6.14%	4.93%									
2024	5.36%	5.73%	5.61%	4.69%	7.01%	7.32%	6.25%	6.54%	6.51%	7.63%	7.17%	6.82%
2023	0.44%	1.49%	1.81%	2.22%	2.56%	2.90%	6.96%	7.06%	5.46%	5.80%	6.34%	6.10%

## YEAR TO DATE 30 DAY ROLLING AVERAGE YIELD VS. BENCHMARK

Effective Yield: 5.79%



## RISK - REWARD PROFILE

1	2	3	4	5	6	7
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Lower risk  
/ Lower return

Higher risk  
/ Higher return

### FUND FACTS

Fund launch date	February 2020
Fund type	Open - Ended
Asset class	Fixed income
Risk profile	Low - Moderate
Investment Manager rating	A-(IM)*
Benchmark	Current US 6-month T-bill.
Currency	U.S. Dollar
Accounting	Mark-to-Market
Fund size	\$4.42Million
Offer price	\$ 1.00
Income distribution	Annually
Minimum holding period	6 months
Minimum initial transaction size	\$1,000
Minimum additional transaction size	\$500

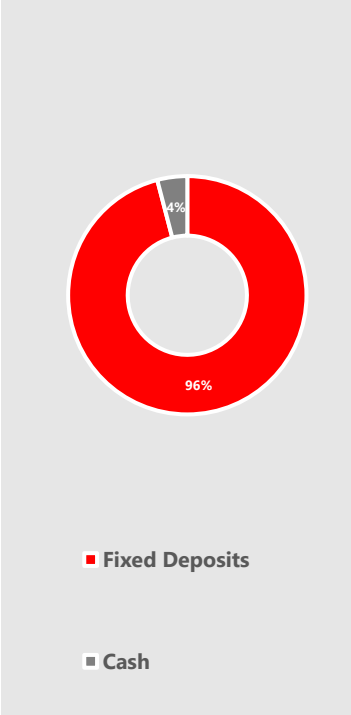
### FUND FEES

Management fees	1.0% p.a.
Others	1.50%

### FUND CHARGES

Exit charge	None
Early redemption charge	1.5% of income earned

### FUND ASSET ALLOCATION



# Coronation Balanced Fund

## FUND OVERVIEW

The Coronation Balanced Fund is a medium-term investment solution offered by Coronation Asset Management. The fund aims to achieve capital appreciation and income generation while mitigating the volatility associated with equity investments.

### Investment Objective:

The fund's objective is to provide investors with a balanced portfolio that generates capital appreciation and income while managing risk.

### Investment Strategy:

The fund manager employs a strategic asset allocation approach, investing in a diverse pool of Nigerian equities and fixed income securities, including:

- Equities (up to 70%)
- Fixed income securities (up to 20%)
- Other market securities (up to 10%)

The fund targets a fixed income duration of 5 years and primarily invests in Naira-denominated fixed income and money market instruments.

### Investment Philosophy

Our investment philosophy is centered around a fundamental, bottom-up approach, focusing on high-quality money market securities that deliver steady returns and provide liquidity. We employ robust risk management tools, including:

- Rigorous credit selection and macro risk analysis
- Independent risk and compliance review
- Disciplined investment process with multiple level review
- Continuous value analysis and issuer concentration limits

### Risk Management

We prioritize risk management through:

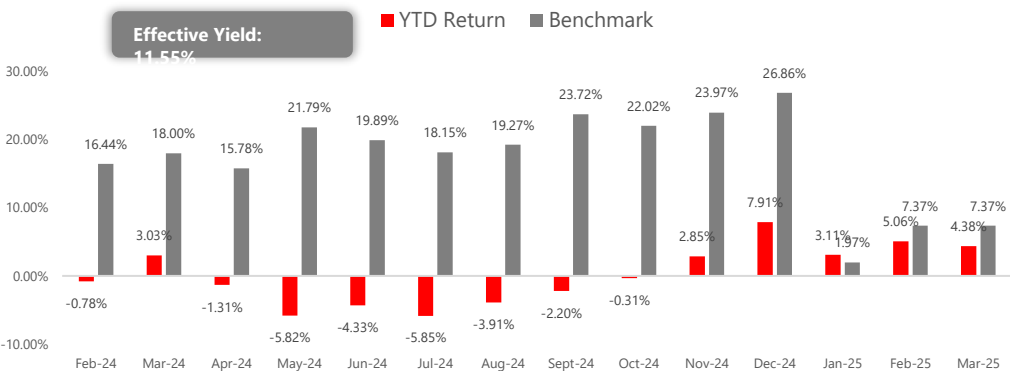
- High-quality issuer selection to reduce credit risk
- Duration limits to mitigate interest rate risk
- Rigorous selection criteria and research-based macro risk analysis
- Independent risk and compliance review
- Disciplined investment process with multiple level review

By following a disciplined investment approach and adhering to strict risk management guidelines, we aim to deliver consistent returns and minimize risk exposure for our investors.

## HISTORICAL FUND PERFORMANCE

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2025	3.11%	5.06%	4.38%										4.38%
2024	4.64%	-5.18%	3.84%	-4.21%	-4.57%	1.58%	-1.59%	2.06%	1.77%	1.94%	3.17%	4.92%	7.91%
2023	1.01%	2.32%	0.51%	-0.45%	7.65%	10.44%	1.79%	2.43%	-0.57%	-0.63%	1.28%	5.66%	35.53%
2022	4.29%	1.23%	1.54%	3.71%	5.38%	-0.56%	-1.64%	-2.74%	-0.86%	-1.50%	2.35%	1.90%	13.24%
2021	0.52%	-3.15%	-0.95%	1.52%	-1.66%	2.74%	1.22%	1.23%	1.39%	1.54%	1.32%	-0.90%	4.32%
2020	2.37%	-3.58%	-11.81%	7.89%	4.10%	1.66%	3.10%	0.01%	5.39%	9.33%	1.38%	8.16%	29.49%
2019	-25.78%	2.07%	-0.20%	-0.45%	-1.31%	0.29%	-0.94%	-1.49%	5.64%	0.26%	6.73%	1.64%	-16.50%

## HISTORICAL YTD RETURN VS. BENCHMARK



## RISK - REWARD PROFILE

1	2	3	4	5	6	7
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Lower risk  
/ Lower return

Higher risk  
/ Higher return

### FUND FACTS

Fund launch date	23 September 2017
Fund type	Open - Ended
Asset class	Equity and Fixed Income Securities
Risk profile	Moderate - High
Investment Manager rating	A-(IM)*
Benchmark	25% of Nifty 1 Year + 50% of NSE 30 Index + 25% 5-Year FGN Bond
Currency	Naira
Accounting	Mark-to-Market
Fund size	₦229 Million
Offer price	₦1.6078
Income Distribution	Annually
Minimum holding period	6 months
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

### FUND FEES

Management fees	1.50% p.a.
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### FUND CHARGES

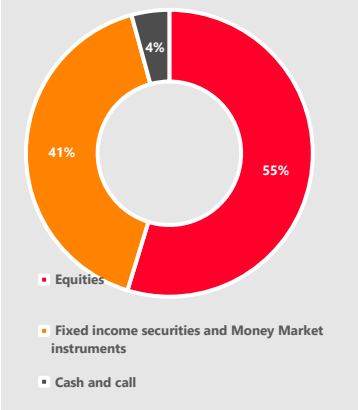
Entry charge	None
Exit charge	None
Early Redemption Charge	1.5% of net proceed

### FUND CHARACTERISTICS

#### Equities Holding by Sector

Financials	22.88%
Industrials	8.66%
Consumers	5.28%
Agriculture	2.22%
Oil and Gas	4.17%
Telecommunications	7.32%
Total	50.52%

### FUND ASSET ALLOCATION





# Coronation Fixed Income Fund

## FUND OVERVIEW

The Coronation Fixed Income Fund is a medium to long-term investment solution designed to provide unit holders with long-term capital growth and regular income. The fund invests primarily in diverse portfolios of fixed income securities, employing a fundamental investment process and robust risk management tools to deliver consistent excess returns with low volatility.

### Investment Objective:

The fundamental objective of the Fund is to provide unit holders with long-term capital growth and regular income by investing primarily in diverse portfolios of fixed income securities.

### Investment Strategy:

The Fund Manager shall adopt and maintain an investment strategy that is designed to ensure a steady return on capital and assured liquidity. The fund will strive to maintain an average duration of not more than 6 years. The Fund may be suitable for investors looking to invest for the medium to long term with moderate risk appetite.

### Investment Philosophy:

We employ a fundamental investment process to construct a diversified portfolio of high-quality, fixed income securities that aim to deliver consistent excess returns (income) with low volatility.

Our bottom-up credit selection and tactical trading in the most liquid instruments and fundamental process combined with robust, top-down rigorous risk management tools designed to meet liquidity objectives and consistent excess returns over the long term.

### Risk Management

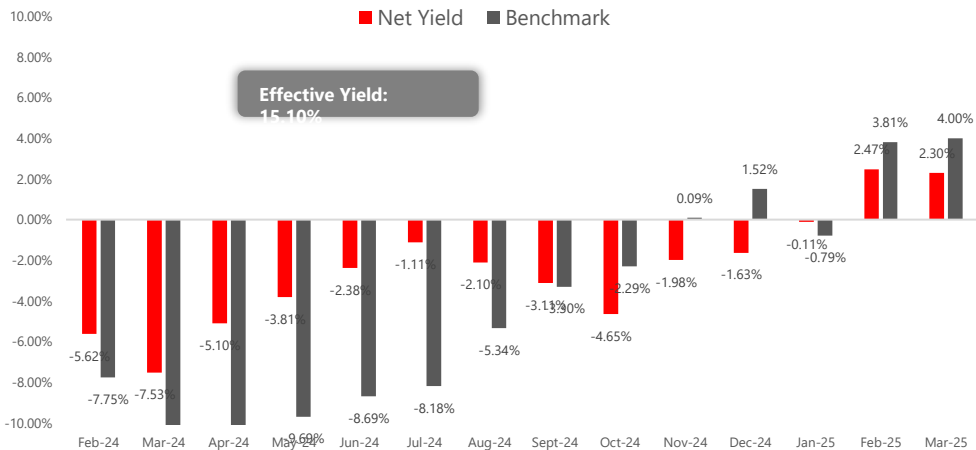
Risk management and controls are the foundation of the team's process integrated in the valuation, analytics, trading and portfolio management, which is vetted by research with market insight of the investment team to minimise risk exposure. Key risk management strategies include:

- High-quality issuer to reduce credit risk and durations limit to mitigate interest rate risk
- Issuers concentration limits and rigorous selection criteria
- Research based macro risk analysis and independent risk and compliance review
- Disciplined investment process and continuous value analysis relative to opportunity set
- Multiple level review and clear accountabilities and cross checks

## HISTORICAL FUND PERFORMANCE

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2025	-0.11%	2.47%	2.30%										2.30%
2024	-1.94%	-3.51%	-2.02%	2.63%	1.36%	1.49%	1.29%	-1.00%	3.08%	-1.64%	2.80%	0.35%	2.66%
2023	0.49%	1.80%	0.72%	0.35%	1.14%	4.38%	-1.60%	-1.51%	0.15%	-1.35%	-0.27%	3.91%	7.25%
2022	1.93%	3.20%	1.19%	-1.30%	0.56%	1.31%	-2.22%	-2.55%	-0.02%	-2.11%	1.46%	2.76%	4.07%
2021	-0.98%	-4.54%	-3.30%	-6.43%	-0.47%	1.49%	-0.98%	4.05%	1.65%	-1.81%	0.50%	0.70%	-10.02%
2020	3.93%	2.39%	-6.18%	6.73%	0.10%	7.24%	5.84%	-3.73%	3.74%	8.64%	-0.15%	-9.08%	19.23%
2019	1.42%	1.65%	1.83%	0.32%	1.85%	1.50%	2.07%	-0.85%	0.61%	4.35%	1.88%	0.66%	18.63%

## HISTORICAL YTD RETURN VS. BENCHMARK



## RISK - REWARD PROFILE

1	2	3	4	5	6	7
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Lower risk / Lower return      Higher risk / Higher return

### FUND FACTS

Fund launch date	23 September 2017
Fund type	Open - Ended
Asset class	Fixed income
Risk profile	Moderate
Investment Manager rating	A-(IM)
Fund rating	A+/FV4
Benchmark	Weighted average of 3-year+ 10-year FGN bond
Currency	Nigerian Naira
Accounting	Mark-to-Market
Fund size	₦360 Million
Offer price	₦1.3982
Income distribution	Semi-annually
Minimum holding period	6 months
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

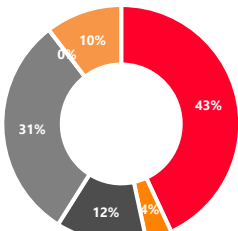
### FUND FEES

Management fees	1.50% p.a.
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### FUND CHARGES

Entry charge	None
Exit charge	None
Early redemption charge	1.5% of income earned

### FUND ASSET ALLOCATION



- FG Bonds
- Corporate Bonds
- Nigerian Treasury Bills
- Other MM Instruments
- State Bonds
- Cash

## DISCLOSURES & DISCLAIMERS

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