

**CORONATION**

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# Mutual Funds Factsheet

February 2025

# Macroeconomic and Market Review

## February 2025

### Overview

The rebasing exercise saw inflation numbers for January 2025 falling to 24.48% from 34.80% in December, leading to a hold policy stance from the Central Bank of Nigeria's Monetary Policy Committee. Markets had expected a decline in inflation and in anticipation of a possible dovish stance the fixed income market has been on a bull run. There are possibilities of an easing if inflation numbers remain at this trajectory especially due to high base effects, and so we think the bull run may continue as investors position at current yield levels. The foreign exchange market remains relatively stable, as the CBN continues to intervene, however, questions are beginning to arise as to the reason for the consistent decline in the nation's gross reserves over the past eight weeks. On the global front, the roll-out of tariffs by the Trump administration and retaliation by the countries involved is raising concerns about a looming trade war; while Nigeria may not be directly involved, the potential impact on oil prices, for one, could significantly affect the 2025 budget given that oil revenues are expected to contribute a large share of Non-Naira denominated revenues.

### Fixed Income

The fixed-income market sustained a bullish trend throughout February, with strong buying interest across Treasury Bills (T-Bills), Open Market Operations (OMO), and Federal Government Bonds (FGN Bonds). Investors positioned ahead of anticipated rate declines, driving a consistent drop in yields across all segments despite fluctuations in market liquidity.

In the T-Bills market, average yields declined from 23.43% pa. at the start of the month to 19.89% pa. by month-end, reflecting heightened demand across all maturities. The CBN conducted multiple NTB auctions, which attracted significant investor participation, with bid-to-offer ratios reaching 4.11x. The 364-day instrument, which began the month with a yield of 27.86% pa, closed lower at 22.58% pa, signaling expectations of further rate moderation. The OMO market followed a similar trajectory, with yields dropping from 29.19% pa to 27.25% pa, particularly in the mid and long-end segments, due to aggressive demand.

The FGN bond market also saw a sustained yield decline, with the average yield falling from 20.69% pa to 18.53% pa as investors sought stable long-term returns. The Debt Management Office (DMO) bond auction for the month recorded strong oversubscriptions (N1.28tn), with allocations significantly exceeding initial offers (N910.39bn). The removal of the 2035 bond from the auction calendar further fueled a rally, as investors shifted focus to other maturities.

Market liquidity was volatile, starting the month in negative territory but improving towards month-end, supported by OMO maturities (N813.25bn), Coupon payments, and FAAC inflows. With expectations of a dovish policy stance coming into effect as soon as Q2 2025, particularly after the rebasing exercise has provided a lower inflation number, we expect additional yield compression in the coming weeks as investors continue to lock in funds at the current attractive rates.

### Equities

The equities market maintained its positive momentum in February, with the NGX All-Share Index closing at 107,821.39 points, reflecting a 3.18% month-on-month gain, pushing the year-to-date return to 4.76%. The performance was primarily driven by gains in Dangote Cement (+21.83% m/m), MTN Nigeria (+5.68% m/m), and Guaranty Trust Holding Company (+0.24% m/m), outweighing selloffs in Zenith Bank (-4.45% m/m), United Bank for Africa (-2.39% m/m), and First Holdco (-2.17% m/m).

Sectoral performance across was mixed. The NGX Industrial Goods Index led with a 10.78% m/m gain, driven by strong investor demand for Dangote Cement (+21.83% m/m) and Lafarge Africa (+5.63% m/m). The NGX 30 Index followed with a 3.35% m/m gain, reflecting blue-chip stock resilience, while the NGX Consumer Goods Index rose 1.70% m/m. The NGX Pension Index (1.00% m/m) and the NGX Insurance Index (0.87% m/m) posted modest gains. In contrast, the NGX Banking Index declined 2.07% m/m amid profit-taking, while the NGX Oil & Gas Index was the worst performer, dropping 4.00% m/m.

We expect the bullish momentum to continue, particularly driven by anticipated full year earnings releases from the financial services sector, however we do not rule out the possibility of profit taking activities which may dampen some of the expected gains in the market.

### Oil

Oil prices were under pressure in February, driven by geopolitical tensions, trade war fears, and supply disruptions. President Trump's announcement of 25% tariffs on Canadian and Mexican goods and an additional 10% duty on Chinese imports raised concerns over slower global growth and weaker oil demand. Additionally, US sanctions on Iranian oil transporters and despite a stalled ceasefire discussion between the US and Ukraine there was still speculation that Russia could increase oil supply in the near future if a ceasefire does come into effect.

Despite some supply disruptions, including a Ukrainian drone attack on Russia's Caspian Pipeline Consortium (CPC) facilities and extreme cold weather cutting US oil output, market losses were contained by Kazakhstan's increased production and Iraq's decision to resume 185,000bpd exports from Kurdistan. By month-end, Brent crude closed at US\$72.81/bbl, down 3.78% for the month and 2.45% y-t-d, with the average year-to-date price at US\$74.37/bbl—6.87% lower than 2024's average of US\$79.86/bbl.

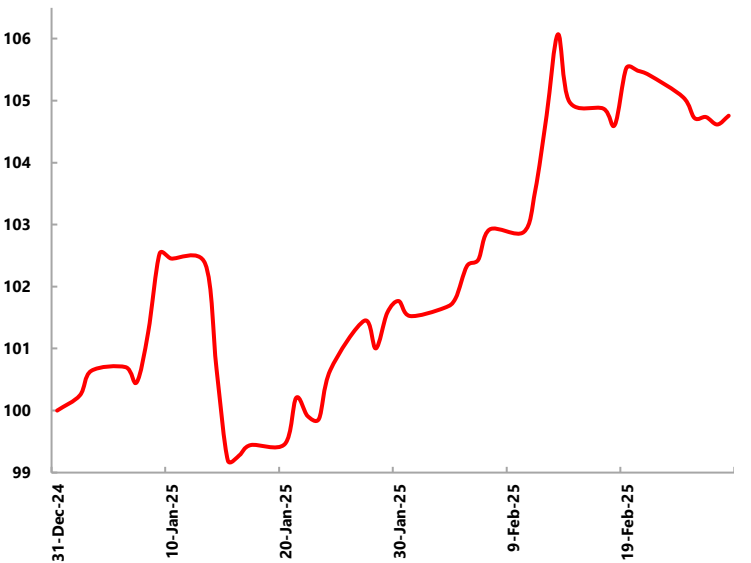
# CORONATION

### Foreign Exchange

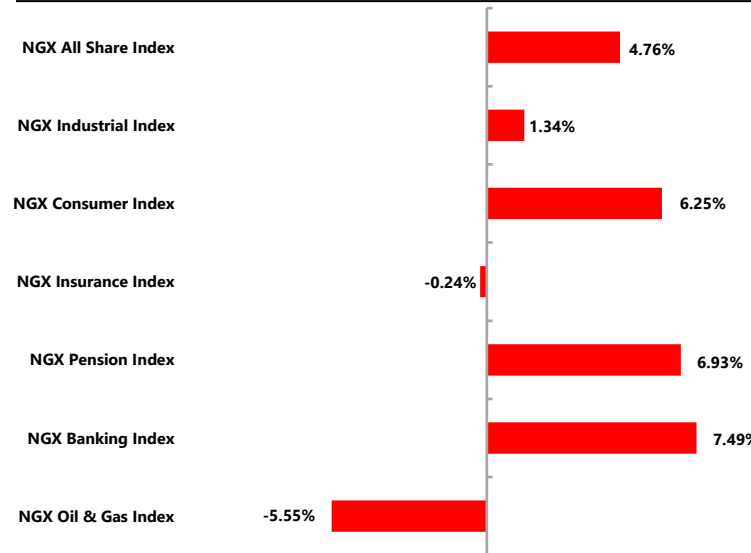
The Naira experienced slight volatility in February, with movements driven largely by market demand. In the official market (NAFEM), the currency appreciated mid-February, reaching N1,494.03/US\$1 but pushed back to N1,500.15/US\$1 by month-end (-1.69% m/m). The parallel market rate showed stronger performance, appreciating from N1,620.00/US\$1 at January's close to N1,500/US\$1 by the end of February (+8.00% m/m), narrowing the gap between both markets. Year-to-date, the Naira gained 2.54% against the US Dollar, despite mild fluctuations during the month.

The MPC decision to hold the Monetary Policy Rate (MPR) at 27.50%, despite a sharp drop in inflation from 34.80% to 24.48% following a rebasing exercise supported stability in the market and was expected. However, gross foreign exchange reserves declined for eight consecutive weeks, falling by US\$1.27bn in the month to settle at US\$34.46bn. This decline was in our view likely due to foreign debt servicing and FX interventions through sales to BDCs. Despite these pressures, the Naira's stabilisation toward month-end suggests that improved investor sentiment and policy interventions are helping to ease currency volatility.

### NGX ASI, rebased 31 Dec 2024 = 100



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



Source: NGX, Bloomberg, Coronation Research

### Global economic outlook

Trump's administration continues its incoherent roll-out of tariffs, with 25% duties on Canada and Mexico deferred for 30 days, while China faced a 10% additional hike on US\$525bn of goods, prompting limited retaliation initially. Additional steel and aluminum tariffs are set for March 12, but uncertainty remains over their full implementation. The tariffs appear revenue-driven, aimed at funding tax cuts while also advancing Trump's America First Trade Policy, with further measures expected against China and the Eurozone in Q2. Meanwhile, Trump's Ukrainian peace efforts have largely been seen to be stacked against Ukraine and European allies, hinting at reduced sanctions on Russia, which has lowered European gas prices by over 20%. This has sparked European concerns over US strategic alliances, accelerating defense spending discussions across NATO countries.

# 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:

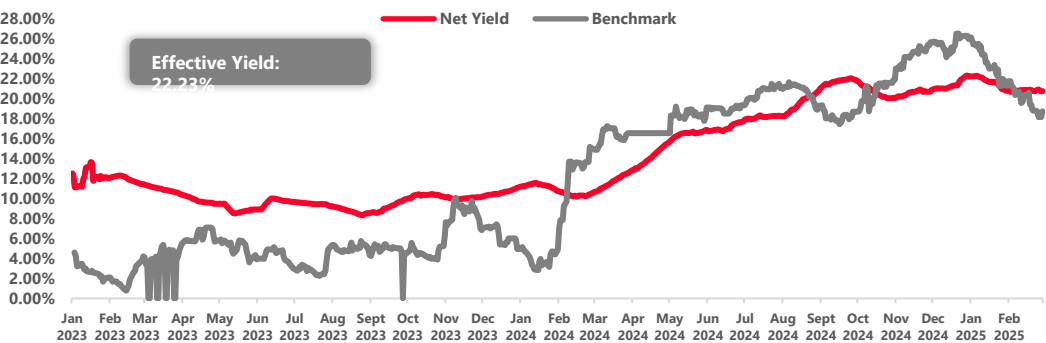
- High-quality issuer selection
- Duration limits
- Issuer concentration limits
- Rigorous selection criteria
- Independent risk and compliance review.

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



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	₦16.123 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

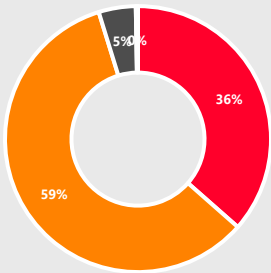
### FUND FEES

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
- Other Money Market Instruments

# 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

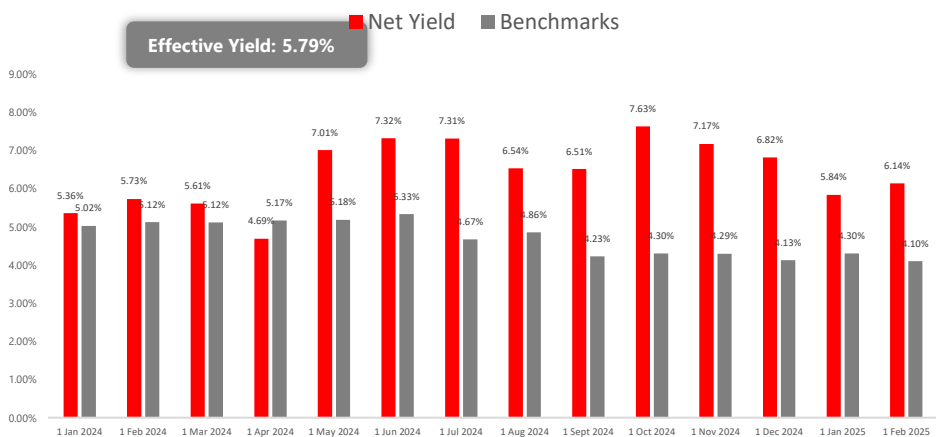
We prioritize risk management as a fundamental pillar of our investment process. To mitigate risk exposure, the Fund focuses on:

- 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%										
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



## RISK - REWARD PROFILE



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	\$4.38Million
Offer price	\$ 1.00
Income distribution	Annually
Minimum holding period	6 months
Minimum initial transaction size	\$1,000
Minimum additional transaction size	\$500

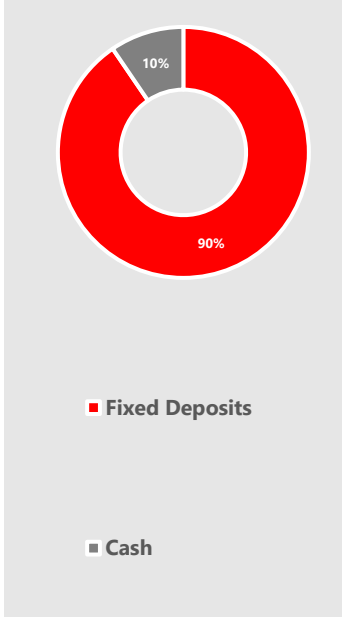
### FUND FEES

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:

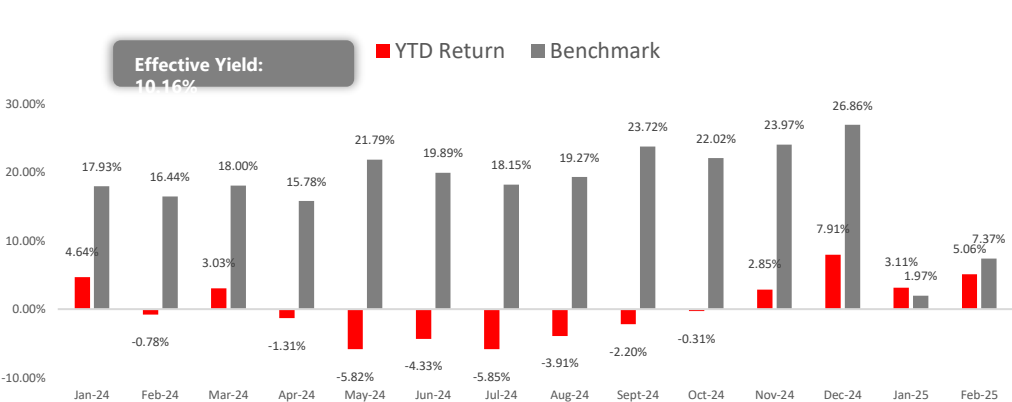
- High-quality issuer selection to reduce credit risk
- Duration limits to mitigate interest rate risk
- Rigorous selection criteria and research-based macro risk analysis
- Independent risk and compliance review
- Disciplined investment process with multiple level review

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%											5.06%
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	₦1.6175
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

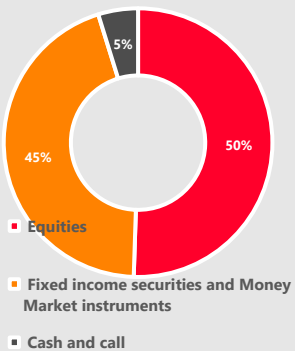
Entry charge	None
Exit charge	None
Early Redemption Charge	1.5% of net proceed

### 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

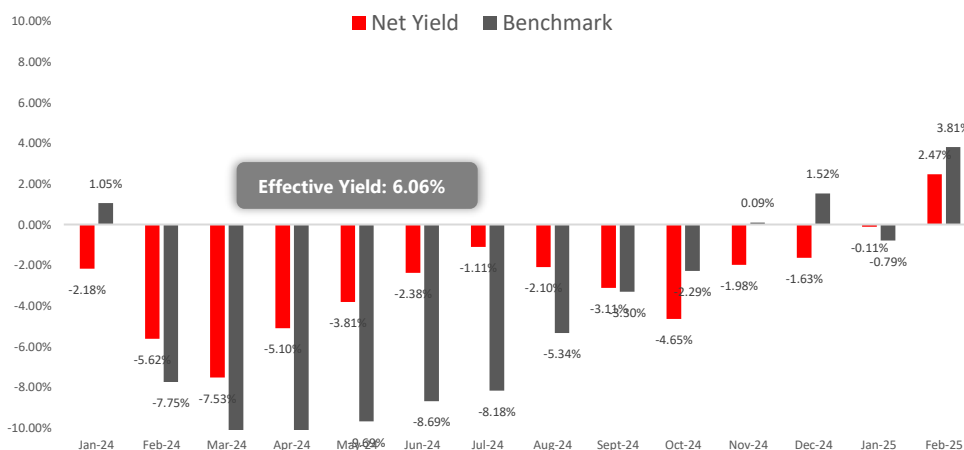
Risk management and controls are the foundation of the team's process integrated in the valuation, analytics, trading and portfolio management, which is vetted by research with market insight of the investment team to minimise risk exposure. Key risk management strategies include:

- 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%											2.47%
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	₦365 Million
Offer price	₦1.4005
Income distribution	Semi-annually
Minimum holding period	3 months
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

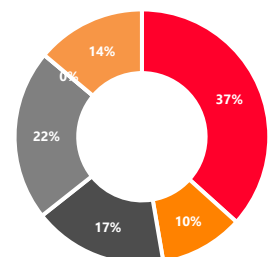
### FUND FEES

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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