

CORONATION

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Mutual Funds Factsheet

January 2025

Macroeconomic and Market Review

January 2025

Overview

Yields began to moderate as expected in January, particularly in the Treasury bills market, while significant demand at the series of primary market auctions saw moderation in rates as well. The FX market started the year fairly stable with continued efforts by the Central Bank of Nigeria to enforce regulations and improve transparency within that space. On the global scene, oil prices are being affected by uncertainties around global trade amidst new tariffs being announced by the new administration in the US, as well as an improved supply outlook.

Fixed Income

System liquidity was robust in January, with the average liquidity for the month closing at N276.39bn, a notable increase compared to -N232.13bn in December due to inflows from maturing bills, coupon payments, FAAC allocations and reallocation of funds from the equity market, possibly due to the absence of the typical rally we normally observe at the beginning of the year, in favor of securing returns in high yielding fixed-income investments. The effect of this was reduced rates across the two Open Market Operations (OMO) auctions and two Treasury Bills Primary Market Auctions as demand rose significantly at the auctions, while the FGN Bonds saw a moderate uptick in rates.

A total of N1.10tn in OMO bills was offered across two auctions, with maturity periods of 350 days and 364 days for the first auction and 347 days and 361 days for the second. This was 31.35% lower than the amount offered in December. Despite this, demand remained strong, with subscriptions reaching N4.45tn, although lower than the N4.75tn in December, resulting in a bid-to-offer ratio of 4.05x, up from 2.96x in December. However, only N1.50tn was allotted across both auctions. The stop rates for the 347-day and 361-day bills were set at 22.50% and 23.65%, respectively, at the latest auction.

At the Treasury Bills' primary market auctions, the CBN sold a total of N1.27tn, including an excess of N226.01bn above the offer amount, across the 91-day, 182-day, and 364-day maturities during the two auctions held throughout the month. The stop rates remained unchanged for the 91-day and 182-day maturities at 18.00% and 18.50%, respectively, in the latest auction, while the stop rate for the 364-day bill moderated by 82 basis points to 21.80%.

The Debt Management Office reopened the Apr-29 and Feb-31 FGN bonds and issued a new Jan-35 bond to raise N450.00bn. The auction was oversubscribed, with subscriptions totaling N669.94bn, reflecting a 1.40% increase compared to December, buoyed by healthy liquidity in the system at the time. However, only N601.14bn was allotted with stop rates on Apr-29 and Feb-31 bonds rising by 65bps and 50bps, to 21.79% pa and 22.50% pa, while the rate for the Jan-35 bond settled at 22.60% pa.

The sentiment in the secondary fixed-income market was mixed for the month. Average yields in the T-bills market decreased, particularly in the mid and short ends of the yield curve, leading to a 212bps decline to 23.43% pa. In contrast, average yields in the OMO bills market rose by 46bps to 27.55% due to maturities at the short end (+317bps to 28.17% pa). The FGN bonds market also saw a rise in average yields, up by 93bps to 20.69%, with the mid-end of the curve experiencing a 105bps increase to 20.91% pa. Although rates have moderated in line with expectations that inflation will ease, especially post the expected rebasing, the CBN's forthcoming Monetary Policy meeting in February is expected to provide further insight into the market's possible direction going forward.

Equities

The bulls dominated as the NGX All-Share Index advanced by 1.53% m/m to 104,496.12 points, with the year-to-date return at 1.53%. The overall market performance was fueled by investor reaction to several key factors: the approval of a 50% tariff hike in telecommunication services by the NCC, earnings updates from various companies, and heightened interest for banking stocks.

During the month, buying interest in MTN Nigeria (+25.00% m/m), Zenith Bank (+11.21% m/m) and United Bank for Africa (+10.88% m/m) drove the market's positive performance, overriding losses in Dangote Cement (-17.71% m/m), Aradel Holdings (-4.80% m/m), and Lafarge Africa (-1.50% m/m). Accordingly, the market capitalisation gained N1.95tn to close at N64.71tn.

Sectoral performance was mixed. The NGX Banking Index topped the list, returning 9.76%; the NGX Pension Index followed with gains of 5.87%; the NGX Consumer Goods Index returned 4.47%; and the NGX30 Index gained 1.62%. Sectors that ended the month in the red were the NGX Industrial Goods Index (-8.52%), the NGX Oil and Gas Index (-1.61%) and the NGX Insurance Index (-1.10%).

Oil

The Brent oil price ended the month at US\$75.67/bbl, gaining 1.38% m/m from US\$74.64/bbl in December. The average trading price settled at US\$75.80/bbl, down from US\$79.86/bbl at the close of the year 2024.

The price reached a four-month high of US\$81.01/bbl in early January, driven by intensified US sanctions on Iran and Russia and freezing temperatures that boosted heating demand. Also, supply concerns further supported the price due to weather-related issues in North America affecting output. However, prices began to relapse towards the end of the month, driven by news of planned tariffs on imports from Canada, Mexico and China to the US, which increased concerns about supply chain risks and price inflation.

Despite these risks, the OPEC+ Joint Ministerial Monitoring Committee reaffirmed its plan to gradually increase production, as agreed in December 2024. It also welcomed pledges from overproducing members to revert to their output commitments without pointedly addressing market conditions concerns or the public political pressure from the US administration.

We expect oil markets to remain volatile, with key risks including geopolitical tensions, US trade policies and reaction to them, and global economic conditions.

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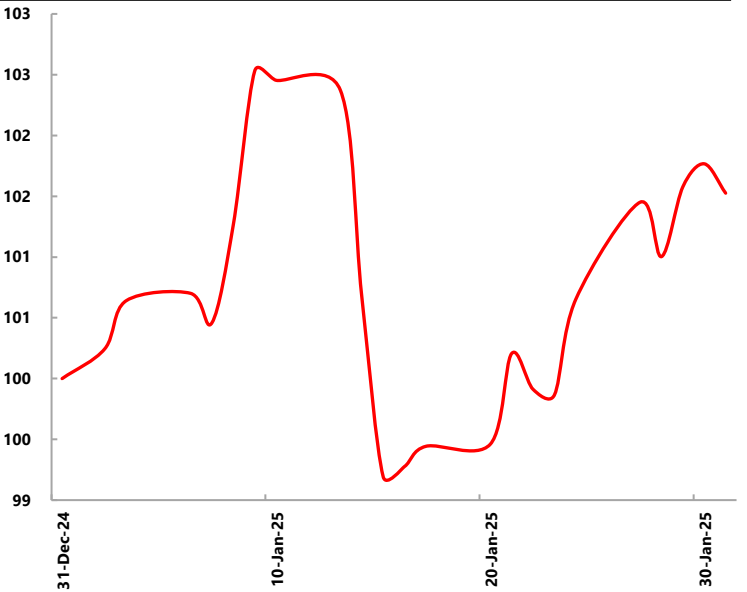
Foreign Exchange

The FX market started the year on a good note, the Naira has been fairly stable and by the end of the month the Naira had actually appreciated in both the official and parallel markets. The NAFEM market rate as published by the FMDQ appreciated by 4.30% m/m to N1,474.78/US\$1, this level was last seen in June 2024; while the parallel market rate ended the month at N1,620.00/US\$1 gaining 2.47% on the month.

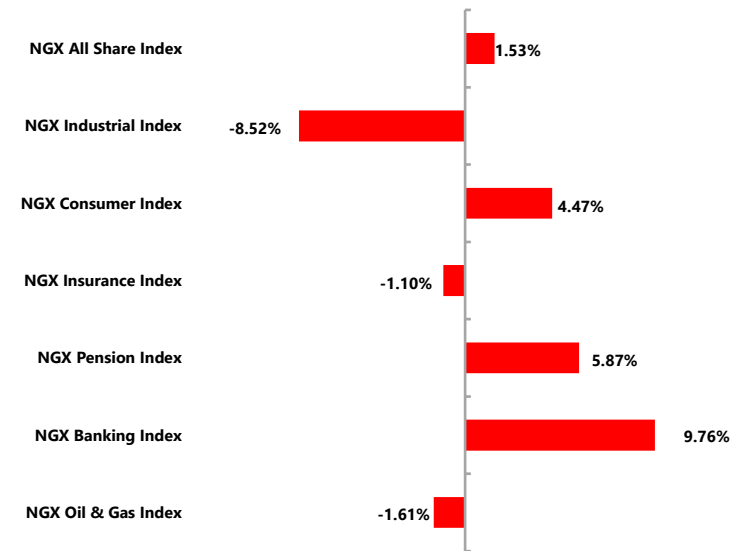
The appreciation is attributed to the continued efforts of the CBN to enforce regulations in the market.. The recent introduction of the Electronic Foreign Exchange Matching System (EFEMS), continued sales of US\$25,000 to authorised Bureau de Change operators, and the adoption of the FX code have all contributed to mitigating speculative demand and promoting improved transparency in the market.

The CBN's published gross foreign exchange reserve dipped by 2.71% m/m (or US\$1.11bn) to end the month at US\$39.77bn. The decline in the reserves, we believe this is due to the settlement of certain financial obligations by the CBN as happened in December.

NGX ASI, rebased 31 Dec 2024 = 100



NGX sub-indices returns, 2025 year to 31 January



Source: NGX, Bloomberg, Coronation Research

Global economic outlook

In January 2025, the Federal Reserve kept interest rates unchanged, with the Chair, Jerome Powell, noting that the Fed is not rushing to cut rates following last year's reductions. This decision allows the Fed more time to assess the potential economic effects of President Trump's policies on immigration, tariffs, and taxes. President Trump's tariffs on Mexico, Canada, and China risked reigniting trade conflicts, with retaliatory measures in play from China in particular already though fairly muted. The U.S., however, delayed the implementation of the announced tariffs on Mexico and Canada for 30 days to allow for further negotiations. The European Central Bank cut rates for the fifth time due to slowing growth. In China, strong domestic demand was overshadowed by declining consumer spending and labor market instability, impacting profit margins in certain sectors.

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:

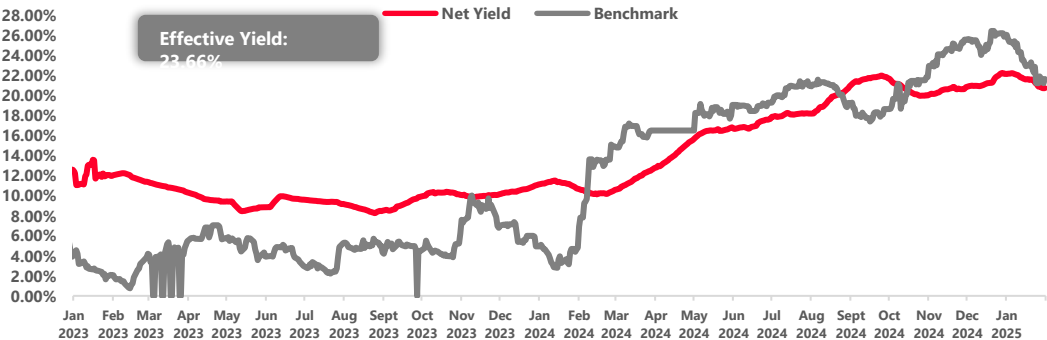
- High-quality issuer selection
- Duration limits
- Issuer concentration limits
- Rigorous selection criteria
- Independent risk and compliance review.

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	20.77%											
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



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	₦13.42 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

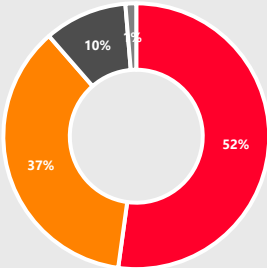
FUND FEES

Management fees	1.0% 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

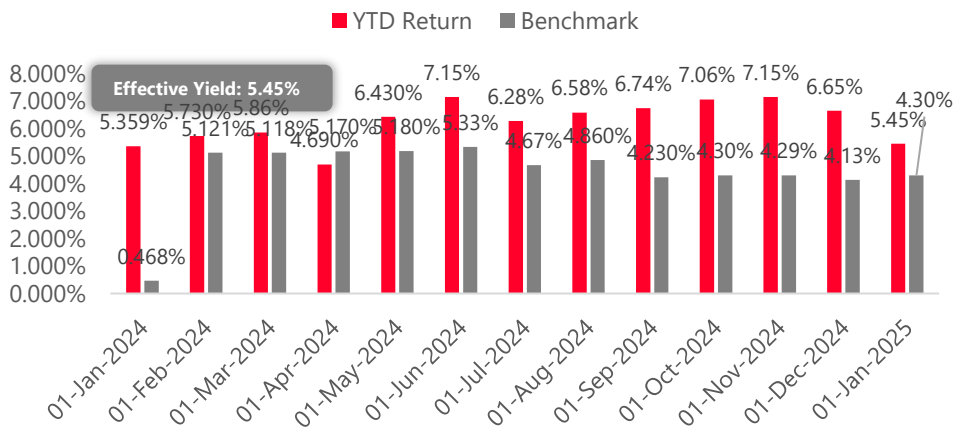
We prioritize risk management as a fundamental pillar of our investment process. To mitigate risk exposure, the Fund focuses on:

- 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%											
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

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	\$3.91Million
Offer price	\$ 1.00
Income distribution	Annually
Minimum holding period	6 months
Minimum initial transaction size	\$1,000
Minimum additional transaction size	\$500

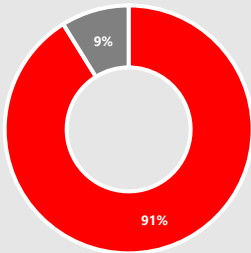
FUND FEES

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



■ Fixed Deposits

■ Cash

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 centred 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.

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	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	₦215 Million
Offer price	₦1.5862
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

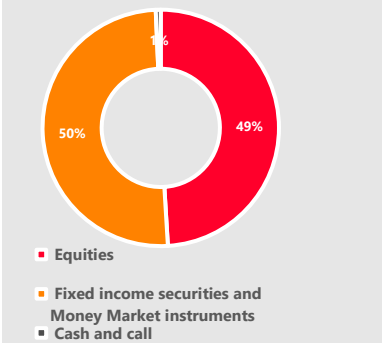
Entry charge	None
Exit charge	None
Early Redemption Charge	1.5% of net proceed

FUND CHARACTERISTICS

Equities Holding by Sector

Financials	22.53%
Industrials	8.22%
Consumers	4.25%
Agriculture	2.12%
Oil and Gas	4.44%
Telecommunications	7.47%
Total	49.04%

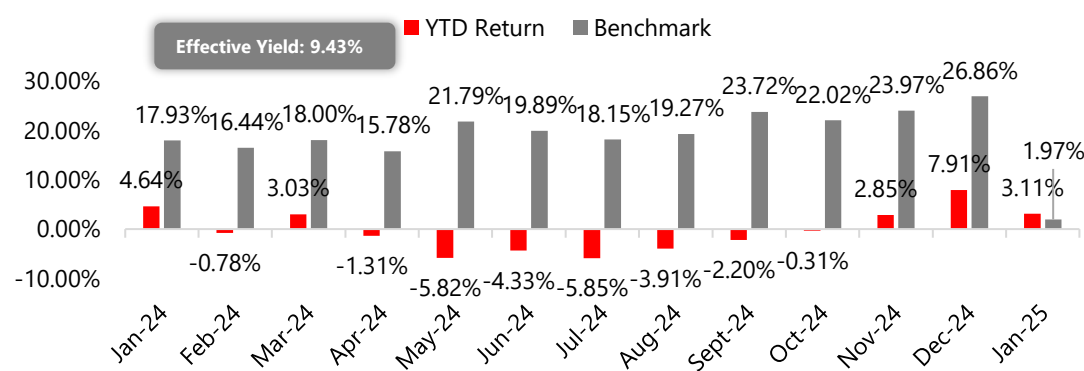
FUND ASSET ALLOCATION



HISTORICAL FUND PERFORMANCE

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2025	3.11%												3.11%
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



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

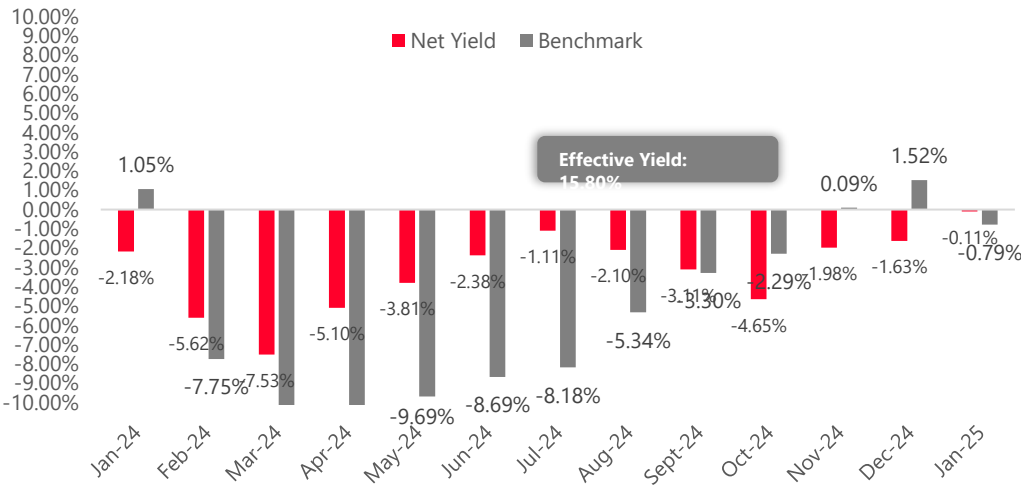
Risk management and controls are the foundation of the team's process integrated in the valuation, analytics, trading and portfolio management, which is vetted by research with market insight of the investment team to minimise risk exposure. Key risk management strategies include:

- 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%												-0.11%
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

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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	₦353 Million
Offer price	₦1.3652
Income distribution	Semi-annually
Minimum holding period	3 months
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

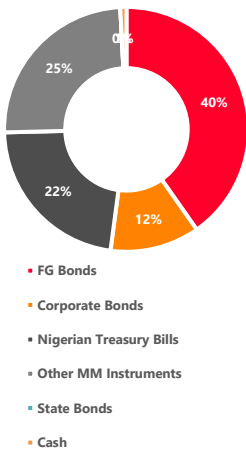
FUND FEES

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



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