

**CORONATION**

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# Mutual Funds Factsheet

May 2025

## Overview

Global uncertainty lingered in May, though things stayed relatively calm, with signs that June could bring fresh volatility. Still, the Naira held steady in the FX market, helped by some timely support from the CBN in the market and effects of uncertainties over the value of the US Dollar in the global market. Inflation cooled slightly to 23.71% in April from 24.23% in March, thanks to lower food and core components of the index. Given this, the Monetary Policy Committee (MPC) decided to keep the Monetary Policy Rate (MPR) unchanged at its May meeting.

## Fixed Income

The fixed income market maintained a broadly bullish tone in May, supported by sustained system liquidity and renewed demand, particularly across Open Market Operations (OMO) bills and Federal Government of Nigeria (FGN) bonds. Average system liquidity printed at N841.78bn, slightly lower than in April (N883.07bn) but still strong enough to drive activity. Liquidity was largely driven by increased placements at the CBN's Standing Deposit Facility (SDF), which averaged N1.66trn compared to N881.55bn in the prior month. The marginal decline in overall liquidity was mainly due to reduced net OMO inflows of N232.40bn, down from N651.86bn in April. Other key drivers of liquidity included increased FAAC disbursements later in the month, bond and bill maturities, and auction inflows. Market sentiment was further buoyed by policy stability, as the MPC held the MPR steady at 27.50%, reinforcing investor confidence.

In the T-bills segment, the CBN conducted auctions totalling N1.05trn in May, slightly below the N1.20trn offered in April. Market participation moderated, with total subscriptions declining to N2.26trn (vs. N2.67trn in April), although total allotments rose marginally to N1.21trn from N1.14trn in the prior month. Investor interest remained concentrated at the longer end of the curve, particularly the 364-day tenor, though total bids at this tenor moderated to N2.01trn, down from N2.29trn in April. Stop rates at the final auction trended lower across all tenors, with the 91-day, 182-day, and 364-day bills clearing at 18.00% pa, 18.50% pa, and 19.56% pa.

In the OMO primary market, the CBN intensified its liquidity management efforts, conducting five auctions in May (vs. two conducted in April). Total OMO offerings rose sharply to N2.20trn (vs. N1.00trn in April), with aggregate bids increasing to N3.35trn (from N2.45trn), and total allotments expanding to N3.02trn (vs. N1.81trn). At the final auction for the month, effective yields declined to 25.30% pa and 27.61% pa for the 104-day and 139-day tenors, respectively, reflecting sustained demand. In the FGN bond space, the Debt Management Office (DMO) offered N300bn at the May auction (vs. N350bn previously). Demand moderated slightly, with total bids at N436.41bn (down from N495.95bn), and allotments declined to N300.69bn from N397.90bn in April. Despite reduced volumes, stop rates on the APR-29 and MAY-33 maturities declined by 2bps and 15bps, settling at 18.98% pa and 19.84% pa, respectively, indicating mild yield compression amid persistent investor interest.

In the secondary market, average yields on T-bills and OMO instruments declined by 56bps to 23.04% pa, largely driven by strong demand in the OMO segment, which offset the marginally bearish tone in the T-bills market. Specifically, average T-bill yields edged up by 1bp to 20.74% pa, reflecting a mixed performance across the curve. In contrast, OMO yields compressed significantly, declining by 128bps to 25.70% pa, supported by renewed buying interest, most notably at the short end, where yields fell by 201bps. Meanwhile, the FGN bond market saw average yields decline by 21bps, underscoring renewed investor demand across the curve, particularly in the short-to mid-duration tenors.

Despite the moderation in subscription levels at primary market auctions, average yields in the secondary market declined across all segments, reflecting renewed investor interest. Looking ahead, we expect investor sentiment to remain guided by upcoming maturities, coupon inflows, and scheduled auctions across the fixed income curve. Additionally, inflation dynamics will remain a key driver of market positioning, particularly as the MPC maintained its policy stance at the last meeting in response to the slight deceleration in April inflation figures.

## Global Economy

Global trade tensions eased a bit in May following the US's reversal of some tariffs, driven partly by China's firm retaliation and its strategic export shifts to ASEAN and the Eurozone. Despite a 21% drop in exports to the US, China's overall exports rose, and it imposed rare earth restrictions, putting additional pressure on the US to dial back its 30% tariff hikes. China also introduced monetary easing, though it's still expected to miss its 5% growth target. In the Eurozone, fiscal support is rising—especially in Germany—while France and Italy remain constrained in their ability to act by deficits. A mild Eurozone recession is possible if US tariffs persist, and the ECB may keep rates below neutral to support the economy.

## Crude Oil

Brent Crude closed at US\$62.78/bbl in May, falling by 0.54% from US\$63.12/bbl in April. This brought its year-to-date loss to 15.89%, with an average trading price of US\$69.36/bbl, 13.15% lower than its 2024 average of US\$79.86/bbl. Similarly, Bonny Light Crude also closed weaker at US\$65.73/bbl, declining by 0.84% from US\$66.29/bbl in April. However, it maintained a premium of US\$2.95/bbl on Brent, up from US\$1.76/bbl in the previous month. Bonny Light has recorded a year-to-date loss of 15.89%, with an average trading price of US\$71.39/bbl so far this year.

During the month, crude prices edged lower as the oil market faced a mix of growing supply and a shaky demand outlook, despite reaching an intramonth high of US\$66.63/bbl. This brief uptick in the second week of the month was largely fueled by escalating tensions in the Middle East, including US airstrikes on Yemen's Ras Isa oil terminal and increasing rhetoric involving Iran and Israel, and short-lived expectations of a potential pause in OPEC+ output increases. However, these gains quickly faded as the market refocused on more persistent bearish fundamentals, stemming from OPEC+'s firm decision to raise production quotas by an additional 411,000 bpd. Simultaneously, demand-side sentiment deteriorated amid re-igniting global trade tensions, particularly between the US and China, which revived fears of a slowdown in global economic activity and, by extension, oil demand.

## Equities

The Nigerian equities market continued on a positive trajectory in the month of May, as the All-Share Index advanced by 5.62% m/m to close at an all-time high of 111,742.01 points, thus increasing the year-to-date return on the index to 8.56% from 2.79%. During the month, buy interest in Airtel Africa (+10.00% m/m), MTN Nigeria (+12.04% m/m) and Honeywell Flour Mill (+61.54% m/m) drove the market's positive performance, overriding losses in Seplat Energy (-12.91% m/m), United Bank for Africa (+0.86% m/m), and Access Holdings (-2.22% m/m). Accordingly, the market capitalisation gained N3.97tn to close at N70.46tn.

Sectoral performances were mixed. The NGX Consumer Goods Index topped the list, returning 18.71% over the month, buoyed by strong interest in Honeywell Flour Mill (+61.54% m/m), Nestle Nigeria (44.59% m/m), and Cadbury Nigeria (27.59% m/m). The NGX Pension Index followed with gains reaching 5.94% m/m, the NGX 30 Index returned 4.99% m/m, while the NGX Industrial Goods Index gained 2.39% m/m, the NGX Banking Index was able to return 1.86% m/m, and the NGX Insurance Index with a return of 1.60% m/m. Contrarily, the NGX Oil and Gas Index (-1.17% m/m) closed as the only laggard.

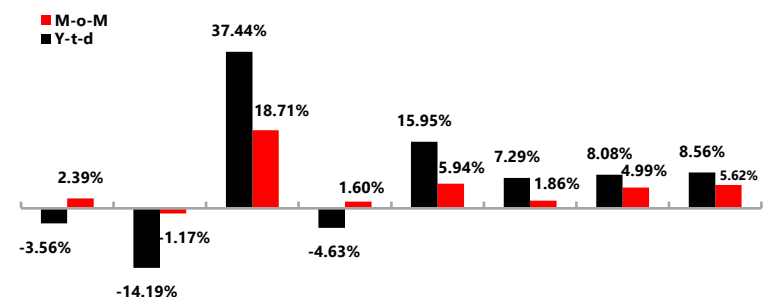
## Exchange Rate

At the Nigerian Autonomous Foreign Exchange Market (NAFEM) window, the naira showed weakness against the dollar in the first half of the month, depreciating against the previous reference rate close in April. However, the Naira gained momentum in the second half of the month, gaining 0.66% on m/m, closing at N1,586.15/US\$1 against N1,596.69/US\$1 in the previous month, reducing the year-to-date depreciation to 3.02% from 3.66% in April. While the parallel market traded mostly at a premium to the official rate, however, it still depreciated by 0.93% on a m/m basis and closed at N1,620/US\$1.

The Naira strengthened against the US dollar, supported by the broader decline of the US dollar against major currencies. Market sentiment shifted sharply when the US announced surprise tariffs in April, sparking market volatility. Although the immediate impact was more visible in global markets, the ripple effects on emerging currencies, such as the Naira, took some time to materialise. The Naira depreciated in April amid this uncertainty, but by May, it began to recover as sustained concerns over the US economy and its growing deficit, and ongoing trade tensions continued to weigh on the dollar, pushing it to a three-year low.

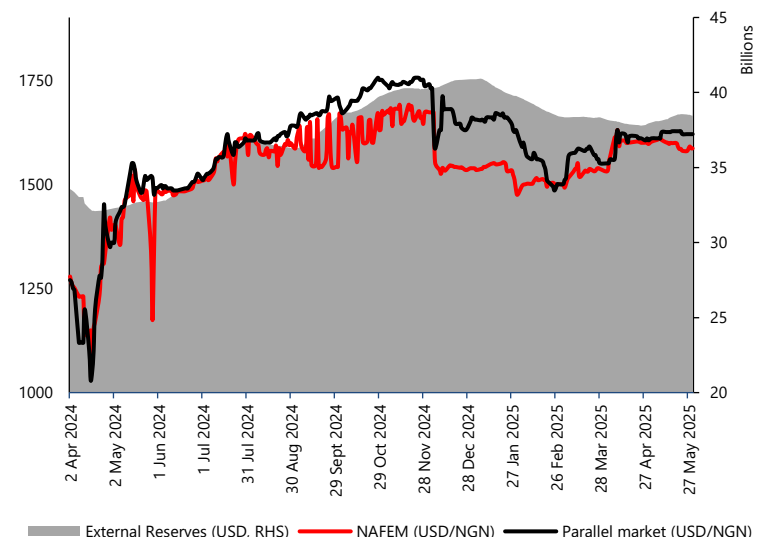
The gross foreign exchange reserves increased by US\$514.88mn (or 0.30%) in the month, closing at US\$38.45bn, moderating the year-to-date decline to 5.94% (from 7.01% in the previous month). The overall increase was buoyed by consistent rises in the first three weeks of the month; however, the reserves declined consistently on a day-to-day basis in the final week of the month.

## NGX Sub-Indices Return (YTD – May 2025)



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

## CBN Gross Reserves vs Exchange Rate



Source: CBN, NGX, Bloomberg, Coronation Research

# 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:

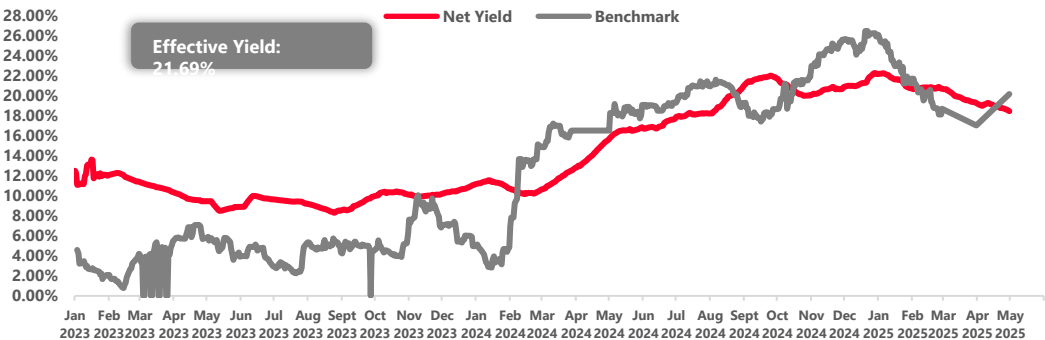
- High-quality issuer selection
- Duration limits
- Issuer concentration limits
- Rigorous selection criteria
- Independent risk and compliance review.

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%	19.28%	18.46%	19.44%							
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	₦26.81 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

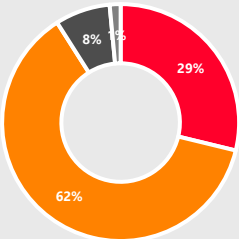
### FUND FEES

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 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:

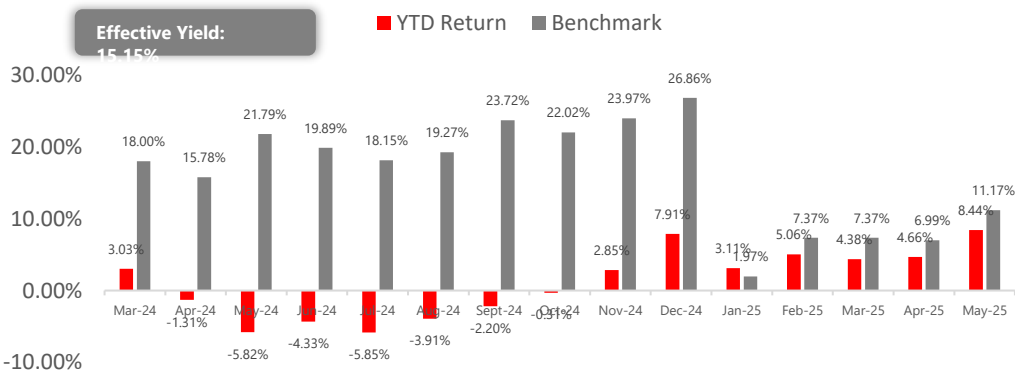
- High-quality issuer selection to reduce credit risk
- Duration limits to mitigate interest rate risk
- Rigorous selection criteria and research-based macro risk analysis
- Independent risk and compliance review
- Disciplined investment process with multiple level review

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%	4.66%	8.44%								8.44%
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	₦261 Million
Offer price	₦1.6693
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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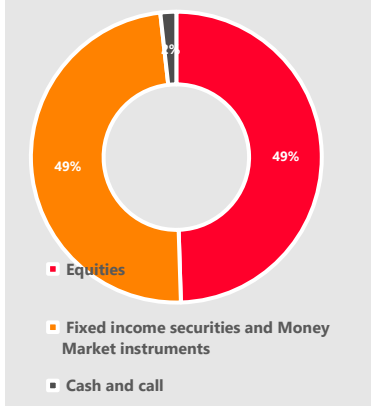
### FUND CHARGES

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

### FUND CHARACTERISTICS

Equities Holding by Sector	
Financials	20.62%
Industrials	7.91%
Consumers	6.24%
Agriculture	2.29%
Oil and Gas	5.67%
Telecommunications	6.77%
Total	49.50%

### 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

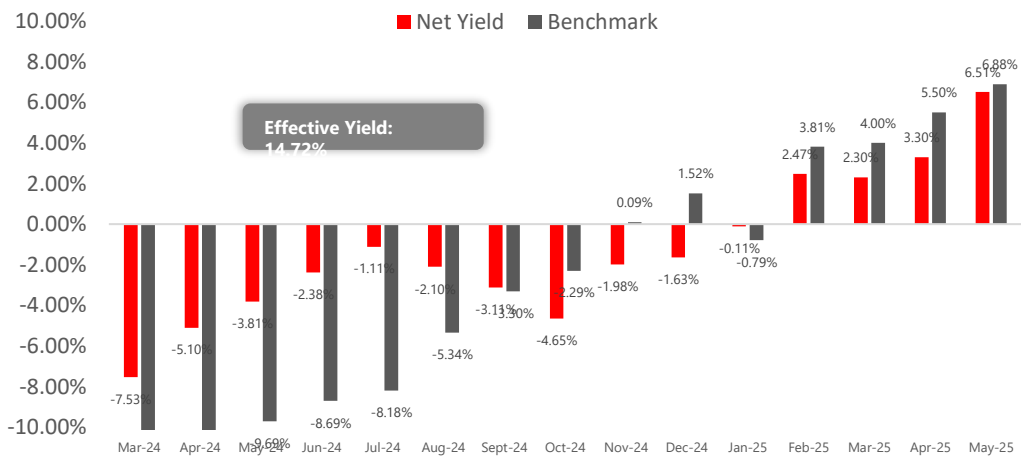
Risk management and controls are the foundation of the team's process integrated in the valuation, analytics, trading and portfolio management, which is vetted by research with market insight of the investment team to minimise risk exposure. Key risk management strategies include:

- 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%	3.30%	6.51%								6.51%
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
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	₦351 Million
Offer price	₦1.4118
Income distribution	Semi-annually
Minimum holding period	6 months
Minimum initial transaction size	₦10,000
Minimum additional transaction size	₦5,000

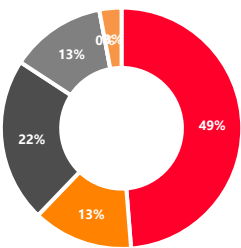
### FUND FEES

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



# 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:

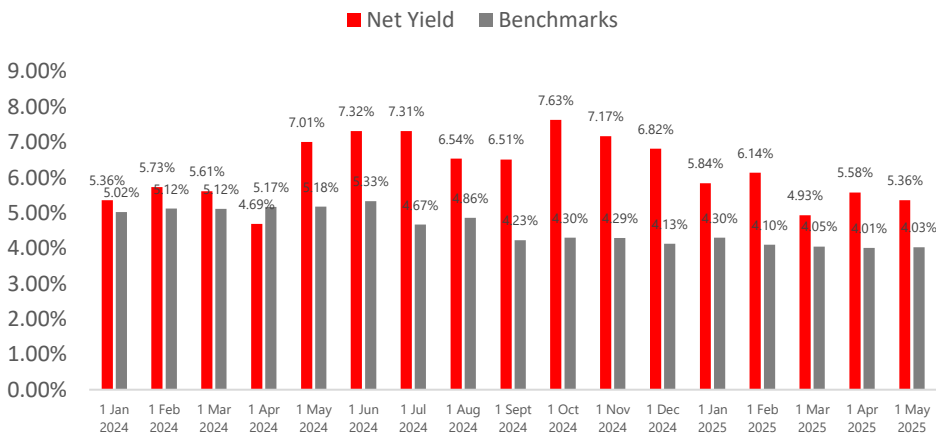
- Investing in high-quality issuers to reduce credit risk
- Employing strategies to limit interest rate risk through controlled durations
- Maintaining issuer concentration limits and adhering to stringent selection criteria
- Conducting in-depth macro risk analysis, multi-level reviews, and independent 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%	5.58%	5.36%							
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: 5.39%



## 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	\$5.26Million
Offer price	\$ 1.00
Income distribution	Annually
Minimum holding period	6 months
Minimum initial transaction size	\$1,000
Minimum additional transaction size	\$500

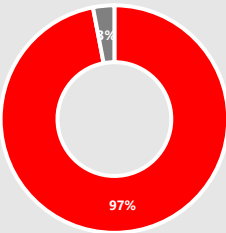
### FUND FEES

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

## DISCLOSURES & DISCLAIMERS

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