



## Global Economic Review

Rising global food protectionism risks worsen inflation. Indonesia which accounts for 58% of global supply, limits the sale of Palm Oil while India curbs the exportation of wheat.

In a bid to tame the persistent inflation, major central banks across the globe became more aggressive than ever to save their respective economies:

- The Federal Reserve increased rates twice during the review period by 50bps and 75bps respectively to 1.50% - 1.75%
- The Bank of England hiked rates by 25bps twice to 1.25%
- The European Central Bank decided to end its asset buyback program alongside raising rates for the first time by 25bps.

Crude Oil prices continued to trade strongly given the tight supply conditions. Bullish drivers for Oil in the quarter were:

- Low Oil inventories/production by OPEC members
- Reopening of lockdown in China and summer time demand
- Partial ban on Russian oil by the European Union.

## Macro-Economic Review

Inflation grew to 17.71% YoY in May 2022; 0.89% higher than 16.82% recorded in April 2022, food inflation inched to 19.50% YoY in May 2022; 1.13% higher than 18.37% in April 2022 and core inflation stood at 14.90% YoY in May 2022; 0.72% higher than 14.18% recorded in April 2022

CBN Monetary Policy Committee increased MPR to 13%, while they retained the Asymmetric Corridor at +100/-700 basis points, CRR at 27.5% & Liquidity ratio at 30% in May

Naira continues to weaken against the dollar in I & E window as the currency pair closed at \$1/ 420.25 in May and maintained its position in June

The non-oil sector remained resilient in its recovery as it printed a real growth of 6.08% y/y in Q12022 - higher than 0.79% and 4.03% recorded in Q1 2021 and Q4 2021

## Q3 2022 Outlook

Foreign Exchange environment is expected to remain relatively unchanged & CBN to continue its intervention to customers via SMIS retail, invisibles & SME interventions

Naira liquidity is expected to decline in the market as a result of a drop in inflows from coupon payments and maturing NTB securities. This might have an impact on deposit rates and CRR activities

An uptick in yields is expected in the fixed income space due to the likely decline in system liquidity. Continued CRR activities may pose moderation risk and volatility in the SSA Eurobond space is expected to remain in the near term

### Head Office

171, Moshood Olugbani Street, Off Ligali Ayorinde, Victoria Island, Lagos.  
Tel: 01-4481201 / 01-4481202

## Fund Overview

The Money Market Fund is an open-ended Fund authorized and registered by the Securities and Exchange Commission on November 28, 1990. Its diversified portfolio consists of quality money market instruments including short-term government securities, commercial papers and bank placements.

The Fund is most suitable for Investors with a short-term investment horizon and it offers an alternative to short-term deposits with the added benefit of enjoying decent returns from the professional management of the Fund's assets.

## Fund Manager's Remark

The Fund asset size increased during the quarter under review due to more subscriptions. The AuM of N17.37 billion in Q1'2022 grew by 18.08% to close at N20.51 billion in Q2'2022.

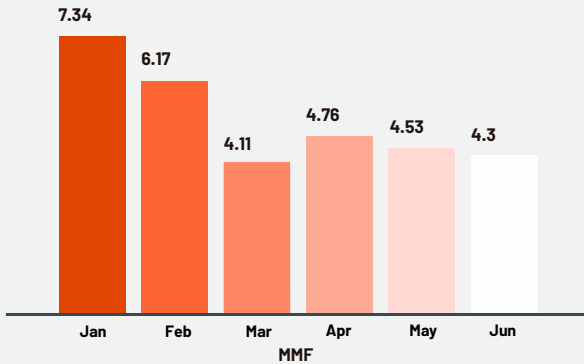
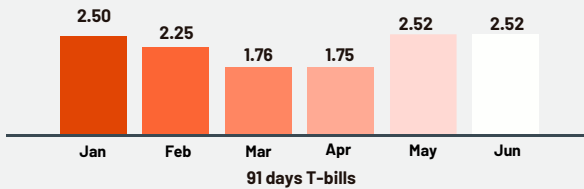
At the MPC meeting held in May 2022, the MPR (Monetary Policy Rate) was elevated from 11.5% to 13% and this positively impacted the money market rates especially long tenured bills offered at the NTB auction.

The net return for the Fund as at the end of Q2'2022 was 4.71% compared to 4.86% at the end of Q1'2022.

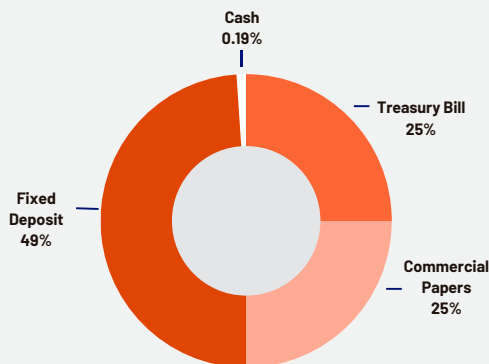
### Q3 Outlook

With the recent rate hike by the CBN, we expect the Committee will continue to raise the benchmark rate if the effect of the last rate hike on capital outflows and inflation is muted. We expect the Central Bank to continue the use of unorthodox methods (e.g use of special bills amongst others) to manage liquidity levels resulting in a generally higher interest rate environment.

## Fund Performance



## Fund Composition



## Fund Features

<b>Launch Date</b>	1990
<b>Net Assets</b>	₦20.21 billion
<b>Domiciliary</b>	Nigeria
<b>Currency</b>	NG Naira
<b>Objective</b>	Interest Income Guaranteed Principal
<b>Financial Year End</b>	December
<b>Minimum Initial Investment</b>	₦1,000
<b>Fund Rating</b>	A(f)
<b>Rating Agency</b>	Agusto & Co.
<b>Management Fee</b>	1.5% of Net Asset Value (NAV)
<b>Incentive Fee</b>	15% of Excess Return above 10%
<b>Risk Tolerance</b>	Low
<b>Permissible Asset Class</b>	Bank Placement (15% - 75%) Short Term Govt. Instr. (25% - 5%) Others* (0% - 60%)
<b>Composite Benchmark</b>	91D Treasury Bill
<b>Fund Price (30-Jun-22)</b>	Bid/Offer: N100/N100
<b>Custodian</b>	Citibank Nigeria Ltd
<b>Trustee</b>	United Capital Trustees Limited

\*Other refers to money market investments such as commercial papers, banker's acceptances, certificates of deposits, collateralised repurchase agreements

## Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Pension Fund Administrators
- Insurance Firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Manager

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# EQUITY INCOME FUND



Guaranty Trust Fund Managers Ltd  
RC 60025

## Fund Overview

The Equity Income Fund is a registered open-ended Unit Trust Scheme that was launched in 2018.

Its objective is to provide regular income and long-term capital appreciation from investments in high-quality equity instruments "Dividend Knights", quoted on The NGX, where the issuers have an investment grade rating from a credit rating agency registered by SEC and fixed income securities approved by SEC.

## Fund Manager's Remark

The Equities market NGX-ASI performance closed at 8.07% in Q2 2022 compared to 9.95% recorded in Q1 2021. The bearish performance in NGX-ASI is largely due to sell offs by investors and rotation into other asset classes e.g. Fixed income, as rates improved in that market.

The asset size for the period under review rose by 2.52% to N332.72million from N324.54 million recorded in the Q1'2021. The Fund invested 83.75% in equities, 15.05% in money market while 1.21% remained as cash.

### Q3 Outlook

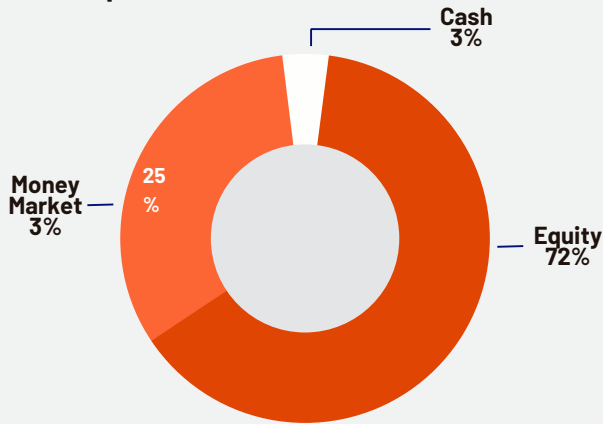
We anticipate a mildly positive performance in the market as we approach the H1 earnings season with expectations that earnings performance will remain impressive and investors will position ahead of interim dividend Yields.

The change in market structure as regards investor participation (domestic:93%, FPI:7%) should significantly reduce the headwind of market sell offs from FPIs that come with election seasons due to weak macro-economic conditions and political uncertainty.

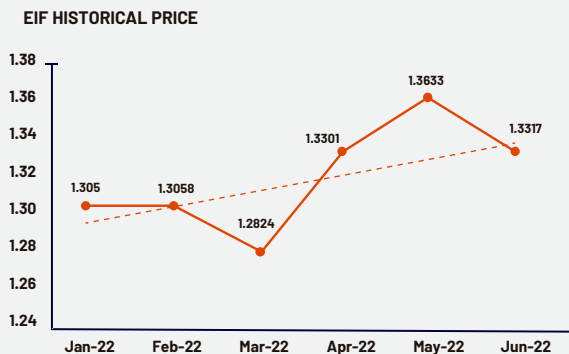
## Equity Sectoral Allocation

Sector	Exposure
Banking	99.32%
FMCG	0.24%
Oil & Gas	0.44%

## Fund Composition



## Fund Performance



## Fund Features

<b>Launch Date</b>	2018
<b>Net Assets</b>	N332.72 million
<b>Domiciliary</b>	Nigeria
<b>Currency</b>	Nigeria
<b>Objective</b>	Dividend Income Growth Stock
<b>Financial Year End</b>	June
<b>Minimum Initial Investment</b>	N5,000
<b>Subsequent</b>	Multiples of N1,000
<b>Management Fee</b>	1.5% of Net Asset Value (NAV)
<b>Risk Tolerance</b>	High
<b>Permissible Asset Class</b>	Fixed Income (5% - 30%) Equities (70% - 95%) Cash (0% - 5%)
<b>Composite Benchmark</b>	Equities (ASI) - 70% Fixed Income (WATBR) - 30%
<b>Fund Price (30-Jun-22)</b>	Bid: 1.2921 Offer: 1.3308
<b>Custodian</b>	Citibank Nigeria Ltd
<b>Trustee</b>	FBNQuest Trustees Limited

## Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora,
- Insurance firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Managers

### Head Office

171, Moshood Olugbani Street, Off Ligali Ayorinde, Victoria Island, Lagos.

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## Fund Overview

The Vantage Balanced Fund was launched in 2002 and is a fund focused on long term capital appreciation, which is achieved by maintaining a flexible diversified portfolio of equities, fixed income, money market and real estate investments.

Funds are deployed into quality equity instruments quoted on the NGX, while the bond issuers have an investment grade rating from a credit rating agency registered by SEC.

## Fund Manager's Remark

The Equities market NGX-ASI performance printed at 8.07% in Q2 2022 compared to 9.95% recorded in Q1 2021. The bearish performance in NGX-ASI is largely due to sell offs by investors and rotation into other asset classes e.g., Fixed income, as interest rates improved significantly (in response to rising inflation and benchmark rates) within the quarter.

At the end of the period under review, the fund's Asset under Management (AuM) remained flat N2.08 billion at the end of Q2'2022.

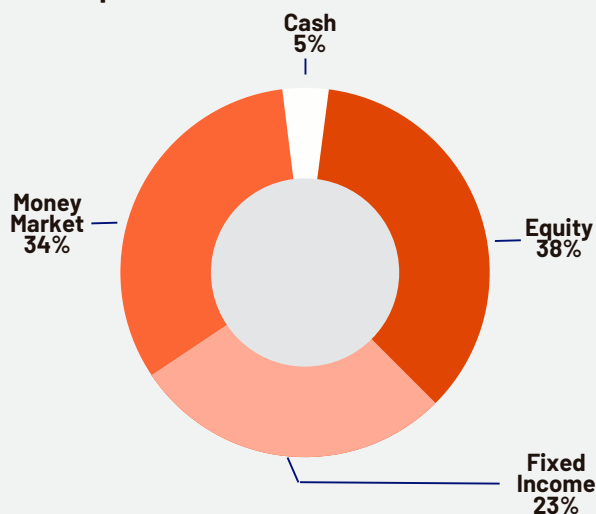
### Q3 Outlook

In the equities space, we anticipate a mildly positive performance in the market as we approach the H1 earnings season with expectations that earnings performance will remain impressive and investors will position ahead of interim dividend Yields. We forecast increased activities in the fixed income space as a result of the uncertainty in the political space which has the potential to drive investors apathy towards risky asset (equities).

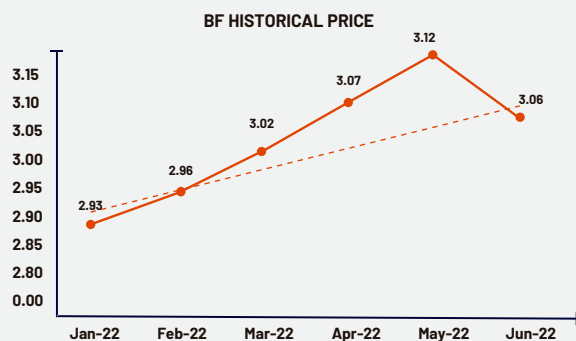
## Equity Sectoral Allocation

Sector	Exposure
Banking	99.91%
FMCG	0.09%

## Fund Composition



## Fund Performance



## Fund Features

<b>Launch Date</b>	2002
<b>Net Assets</b>	N2.08 billion
<b>Domiciliary</b>	Nigeria
<b>Currency</b>	NG Naira
<b>Objective</b>	Interest Income Capital Appreciation
<b>Financial Year End</b>	June
<b>Minimum Initial Investment</b>	N10,000
<b>Subsequent</b>	Multiples of N1,000
<b>Management Fee</b>	2.0% of Net Asset Value (NAV)
<b>Incentive Fee</b>	15% of Excess Return above 10%
<b>Risk Tolerance</b>	Moderate
<b>Permissible Asset Class</b>	Fixed Income (0% - 60%) Equities (0% - 70%) Money Market (0% - 40%)
<b>Composite Benchmark</b>	Equities (ASI) - 50% Fixed Income (WATBR) - 50% Real Estate (Inflation)
<b>Fund Price (30-Jun-22)</b>	Bid: 2.9854 Offer: 3.0368
<b>Custodian</b>	Citibank Nigeria Ltd
<b>Trustee</b>	FBNQuest Trustees Limited

## Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora,
- Insurance firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Managers

### Head Office

# GUARANTEED INCOME FUND



Guaranty Trust Fund Managers Ltd  
RC 60025

## Fund Overview

The Guaranteed Income Fund is designed to provide a pre-stated return on investment. It is a principal-guaranteed Fund and delivers a return equivalent to the Standing Deposit Facility rate (SDF).

This fund seeks to achieve its objective by investing a minimum of 70% in the Fixed Income market, maximum of 30% in money market instruments and 10% in fundamentally sound stock of blue chip organizations.

## Fund Manager's Remark

The Fund's Asset under Management (AuM) remained flat at ₦10.02 billion in Q2'2022

During the period, the portfolio was rebalanced in order to stay liquid for the optimization of high yielding opportunities both in the fixed income and money market space.

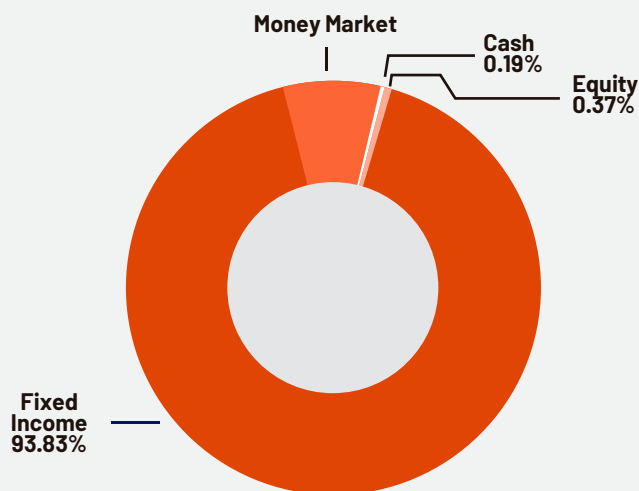
### Q3 Outlook

With the recent rate hike by the CBN, we expect the Committee will continue to raise the benchmark rate if the effect of the last rate hike on capital outflows and inflation is muted. We expect the Central Bank to continue the use of unorthodox methods (e.g. use of special bills amongst others) to manage liquidity levels. We also forecast increased activities in the fixed income space as a result of the uncertainty in the political space which is expected to drive investors apathy towards risky asset (equities)

## Fund Performance

DATE	GUARANTEED RETURN (P.A.)	ADDITIONAL YIELD (PAID AT FYE)
Jan - Jun, 2019	8.50%	3.43%
Jul - Dec, 2019	8.50%	3.15%
Jan - Jun, 2020	8.50%	0.84%
Jul - Dec, 2020	7.50%	0.54%
Jan - Jun, 2021	4.50%	N/A
Jul - Dec, 2021	4.50%	N/A
Jan - Mar 2022	4.50%	N/A
April - June 2022	4.50%	N/A

## Fund Composition



## Fund Features

Launch Date	2007
Net Assets	₦10.02 billion
Domiciliary	Nigeria
Currency	Nigeria
Objective	Interest Income Capital Appreciation
Financial Year End	December
Minimum Initial Investment	₦50,000
Income Distribution	Bi-Annual
Guaranteed Return	4.50% p.a.
Management Fee	50% of Excess Return above SDF
Revenue Reserve	50% of Excess Return above SDF
Risk Tolerance	Moderate
Permissible Asset Class	Fixed Income (70% - 100%) Equities (0% - 10%) Money Market (0%-30%)
Composite Benchmark	Standing Deposit Facility (SDF)
Fund Price (30-Jun-22)	₦1.00
Custodian	Citibank Nigeria Ltd
Trustee	FBNQuest Trustees Limited

## Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Insurance Firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Managers

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## Fund Overview

The Dollar Fund is a SEC registered open-ended Unit Trust Scheme that was launched in 2018.

The Fund seeks to provide investors with a bias for Dollar denominated investments access to such securities, which ordinarily would be inaccessible to them by virtue of the minimum amount typically required to make such investments.

Funds are primarily deployed in Corporate and Sovereign Eurobonds of entities listed in Nigeria

## Fund Manager's Remark

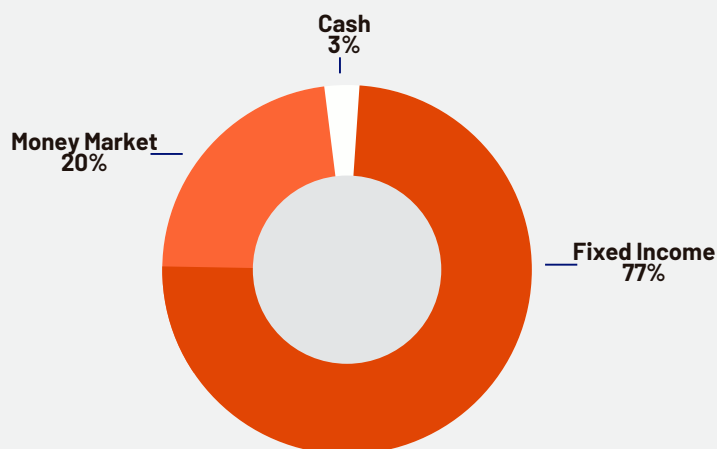
There was an uptick in Nigeria's Eurobond yield which was as a result of sell off by investors in the international debt market due to rise in US interest rates by the US Federal Reserves and continued Geo-political tension in the Eurozone.

Gross return on this fund has continued to grow y-o-y up to 7.59% as at June, 2022.

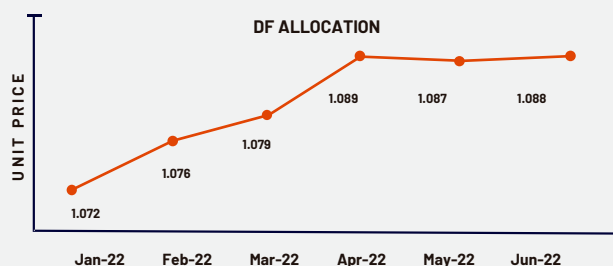
### Q3 Outlook

Despite the hike in policy rate, the likelihood of FPI inflows remains low due to slow the accretion in Oil earnings, weak macro environment, security challenges and electioneering uncertainties. We expect pressure to persist in the market on the back of tight dollar liquidity and speculative demand as electioneering activities commence in full.

## Fund Composition



## Fund Performance



## Fund Features

<b>Launch Date</b>	2018
<b>Net Assets</b>	\$4.30 million
<b>Domiciliary</b>	Nigeria
<b>Currency</b>	US Dollars
<b>Objective</b>	Interest Income Capital Appreciation
<b>Financial Year End</b>	June
<b>Minimum Initial Investment</b>	\$1,000
<b>Management Fee</b>	1.5% of NAV
<b>Incentive Fee</b>	20% of Excess Return above 10%
<b>Risk Tolerance</b>	Moderate
<b>Permissible Asset Class</b>	Eurobonds (70% - 100%) Money Market Products (0% - 75%)
<b>Asset Class Rating</b>	Eurobond - A (S&P) Money Market - BBB (Fitch)
<b>Fund Price (30-Jun-22)</b>	Bid: 1.0886 Offer: 1.0886
<b>Custodian</b>	Citibank Nigeria Ltd
<b>Trustee</b>	FBNQuest Trustees Limited

## Who Should Invest?

- Individuals in Nigeria such as employees
- Institutional investors
- Contributory schemes
- Funds and Trusts
- Insurance companies
- Government parastatals, etc.

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