

OLD SHOREHAM RESEARCH

The return you keep

Investor Returns in Nigerian Mutual Funds, 2026

Over three years, investors in price-risk funds earned slightly less than their funds. Money-market timing reversed the industry aggregate.

Four conclusions

The report measures one thing: whether the money actually invested earned more or less than the funds themselves.

01

Price-risk investors lagged their funds

Over the three years to December 2025, price-risk funds returned **13.8% a year** and the pooled investor return was **13.4%**. The return gap was about **-0.5 percentage points a year**.

02

Money market reversed the aggregate result

Money-market funds returned **16.7%**; the pooled investor return was **18.6%**, a gap of about **+1.8 points**. Money market was **82.7% of naira-fund assets** at December 2025, so the all-naira gap is positive.

03

Equity 2025 was an outlier

Equity funds returned **55.2%** in 2025; the pooled investor return was **49.1%**. Under month-end dating, **₦21.3bn**, or **79%** of the year's net new money is dated July or later, producing a **-6.18 point gap**.

04

The signs survive the robustness checks

Across nine fund screens, **60.8–65.1%** of price-risk funds and **72.2–84.6%** of equity funds had negative gaps. Missing-month, imputation and fund-exit checks preserve the same headline signs.

Bottom line: Nigerian price-risk funds show a negative return gap. The positive all-naira aggregate is a money-market composition effect.

What the return gap means

EXHIBIT 1 · THREE-YEAR FUND RETURN, POOLED INVESTOR RETURN AND RETURN GAP

The report compares two annualised returns calculated from the same underlying fund data.

THREE YEARS TO DEC 2025	FUND RETURN	INVESTOR RETURN	GAP
Funds with price risk	13.81%	13.35%	-0.45pt
Money market	16.74%	18.58%	+1.84pt
All naira funds	15.54%	16.78%	+1.23pt
Dollar funds · US\$	6.12%	5.97%	-0.15pt

01 **Fund return** is the geometric, time-weighted return produced by the fund.

02 **Investor return** is the annualised IRR on the pooled category cash flows.

03 **Return gap = investor return – fund return.** It is a relative implementation measure; purchasing power and cash-market context are shown separately on page 16.

The sign and size of the gap depend on when the pooled cash flows were exposed to the fund returns.

What happened in equity in 2025

EXHIBIT 2 · EQUITY 2025 RETURN AND CASH-FLOW TIMING

The large equity gap is a timing result. The source data show exactly where it came from.

55.2%
EQUITY FUND RETURN

49.1%
POOLED INVESTOR RETURN

-6.18pt
2025 RETURN GAP

O1

July was the strongest month. The equity-fund category returned **20.6%** in July. The NGX All-Share Index gained about **16.5%**. All 18 reporting equity funds were positive; the median fund return was 19.6%.

O2

Most of the year's flow is dated July or later. Net new money through June was ~~₦5.8bn~~; July–December contributed ~~₦21.3bn~~. Under month-end dating, July's ~~₦8.5bn~~ flow enters after July's 20.6% return.

O3

Mid-month dating narrows the estimate. Month-end dating gives a 49.06% pooled investor return and a -6.18 point gap; mid-month re-inference gives 50.73% and -4.50 points.

Conclusion: 2025 shows a large pooled cash-flow timing gap, concentrated around the July return and the flows dated July onward.

What this report sets out

- | | |
|----|---|
| 01 | Introduction
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OI

Introduction

Two returns from the same fund.

One fund, two returns

EXHIBIT 3 · FUND RETURN, POOLED INVESTOR RETURN AND THE RETURN GAP

FUND RETURN

What the fund produced

The fund return compounds each month's return geometrically. It answers: what would one naira invested at the start and left in the fund have earned?

Example: +30% followed by 0% compounds to a two-year annualised return of $\sqrt{1.30} - 1 = 14.0\%$; the arithmetic average is 15%.

INVESTOR RETURN

What the invested money experienced

The investor return is the annualised IRR on the pooled category cash flows. Months with more money invested have more influence on the result.

It is a category-level money-weighted return calculated on the pooled cash flows.

RETURN GAP

Return gap = investor return – fund return. The report uses it as an implementation measure; behaviour, real return and suitability are separate questions.

Only the order of returns changes

EXHIBIT 4 · SAME TWO ANNUAL RETURNS, DIFFERENT ORDER

Assumptions. ₦1 million is invested at the start. A second ₦1 million is added exactly at the end of Year 1. There are no withdrawals, fees or taxes. The contribution timing is identical in both cases; only the order of the fund's two annual returns changes.

CASE A

+30% first, then 0%

Start: ₦1.00m

After Year 1: ₦1.30m

Add ₦1.00m: pool becomes ₦2.30m

Year 2 return: 0% → final pool ₦2.30m

Fund annualised return	14.0%
Pooled investor IRR	9.7%
Return gap	-4.3pts

CASE B

0% first, then +30%

Start: ₦1.00m

After Year 1: ₦1.00m

Add ₦1.00m: pool becomes ₦2.00m

Year 2 return: +30% → final pool ₦2.60m

Fund annualised return	14.0%
Pooled investor IRR	18.8%
Return gap	+4.8pts

The fund earns the same 14.0% a year in both cases. The investor return changes because the larger pool of money is exposed to a different year's return.

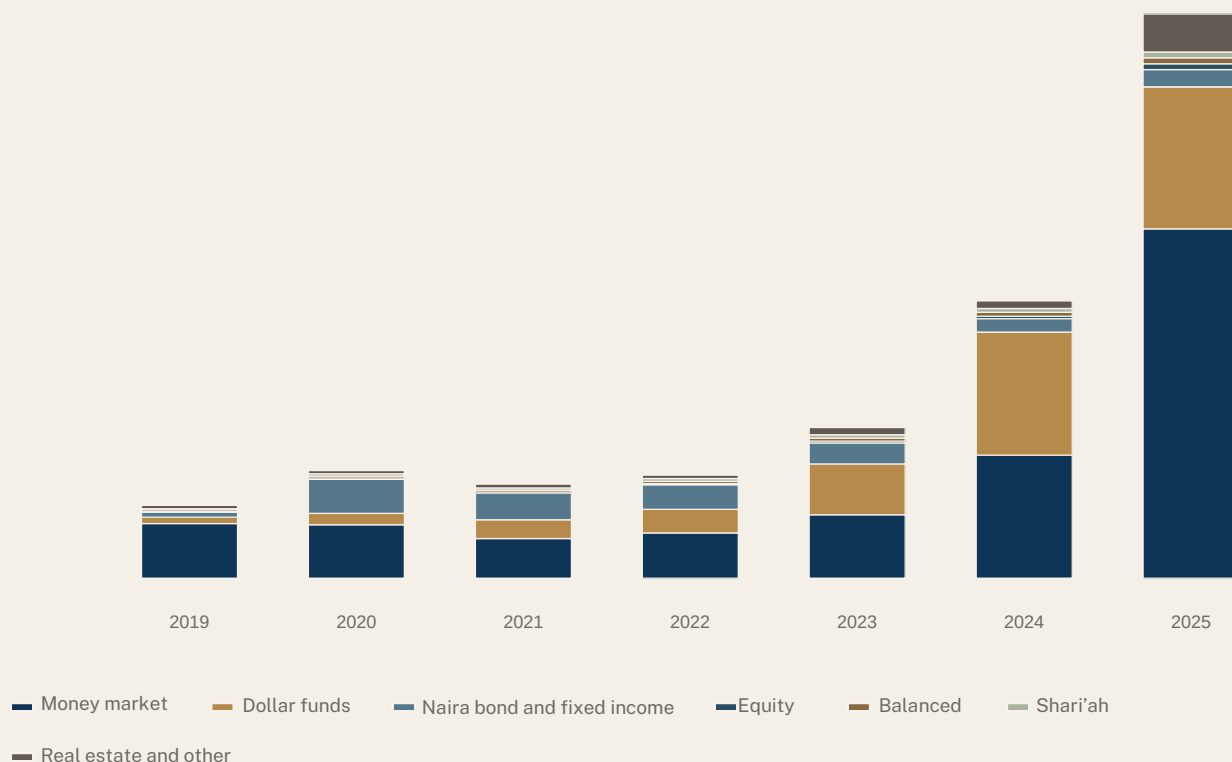
02

The market, 2019 to 2025

Seven years in which the industry grew twelvefold.

Assets rose from ₦650 billion to ₦7.79 trillion

EXHIBIT 5 · ASSETS BY CATEGORY AT EACH DECEMBER · ₦BN; DOLLAR FUNDS AT THE SEC EXCHANGE RATE



₦650bn → ₦7.79tn

JAN 2019 → DEC 2025

1.05m

UNIT-HOLDER ACCOUNTS · NOT UNIQUE INVESTORS

Money market held ₦4.83 trillion at December 2025. Dollar funds held US\$1.36 billion, translated to ₦1.96 trillion at the study's December FX rate. Part of the apparent growth in naira industry assets therefore reflects currency translation as well as growth in underlying dollar assets.

December 2025 composition: money market ₦4.83tn; dollar funds ₦1.96tn equivalent (US\$1.36bn); all other categories about ₦1.01tn.

Where the new money went

EXHIBIT 6 · NET INVESTOR FLOWS BY CATEGORY AND YEAR · ₦BN; DOLLAR FUNDS IN US\$ MILLION

CATEGORY	2019	2020	2021	2022	2023	2024	2025	2019 TO 2025
Money market	198	(55)	(223)	32	178	625	2,507	3,262
Naira bond and fixed income	21	386	(126)	(49)	(76)	(119)	31	67
Equity	(1)	0	(0)	(1)	1	1	27	27
Balanced	4	1	(2)	(2)	2	0	9	13
Shari'ah	4	22	(3)	6	6	3	21	59
Real estate and other	(9)	(1)	7	(0)	47	(1)	394	438
All naira funds	216	354	(347)	(15)	158	511	2,989	3,866
Dollar funds (US\$ million)	189	108	194	61	68	218	193	1,030

What stands out. Money market funds took ₦2.5 trillion of new money in 2025 alone, while naira bond funds saw net redemptions in every year from 2021 to 2024. Dollar-fund flows were uneven in dollars: they fell in 2022–23 and rebounded in 2024–25.

Net flow: the change in each fund's assets over the month that its return does not explain. Figures in brackets are net redemptions. Source: SEC Nigeria, monthly update on registered mutual funds; Old Shoreham analysis.

What the funds returned, year by year

EXHIBIT 7 · FUND RETURN BY CATEGORY AND CALENDAR YEAR · % IN EACH FUND'S OWN CURRENCY

CATEGORY	2019*	2020	2021	2022	2023	2024	2025
Money market	12.8%	4.9%	6.3%	8.0%	9.7%	18.3%	22.6%
Naira bond	11.2%	7.6%	4.8%	6.5%	8.8%	6.7%	10.8%
Equity	-4.4%	28.1%	7.3%	9.1%	47.1%	28.0%	55.2%
Balanced	0.9%	14.1%	8.3%	9.3%	34.1%	27.1%	36.8%
Shari'ah	3.6%	3.9%	2.9%	3.0%	6.0%	5.8%	7.6%
Real estate and other	13.4%	-3.1%	0.8%	-7.2%	7.0%	4.8%	11.7%
All naira funds	12.5%	5.5%	5.4%	6.7%	10.2%	15.6%	21.1%
Dollar funds (US\$)	4.1%	6.0%	5.0%	3.0%	7.4%	6.1%	4.9%

What stands out. Returns rose sharply from 2023. Equity funds gained 47.1% in 2023 and 55.2% in 2025, while money market funds rose from single digits to 22.6% in 2025.

* February to December 2019, annualised from 11 monthly intervals. Naira funds in naira; dollar funds in US dollars. Source: SEC Nigeria, monthly update on registered mutual funds; Old Shoreham analysis.

03

Key findings

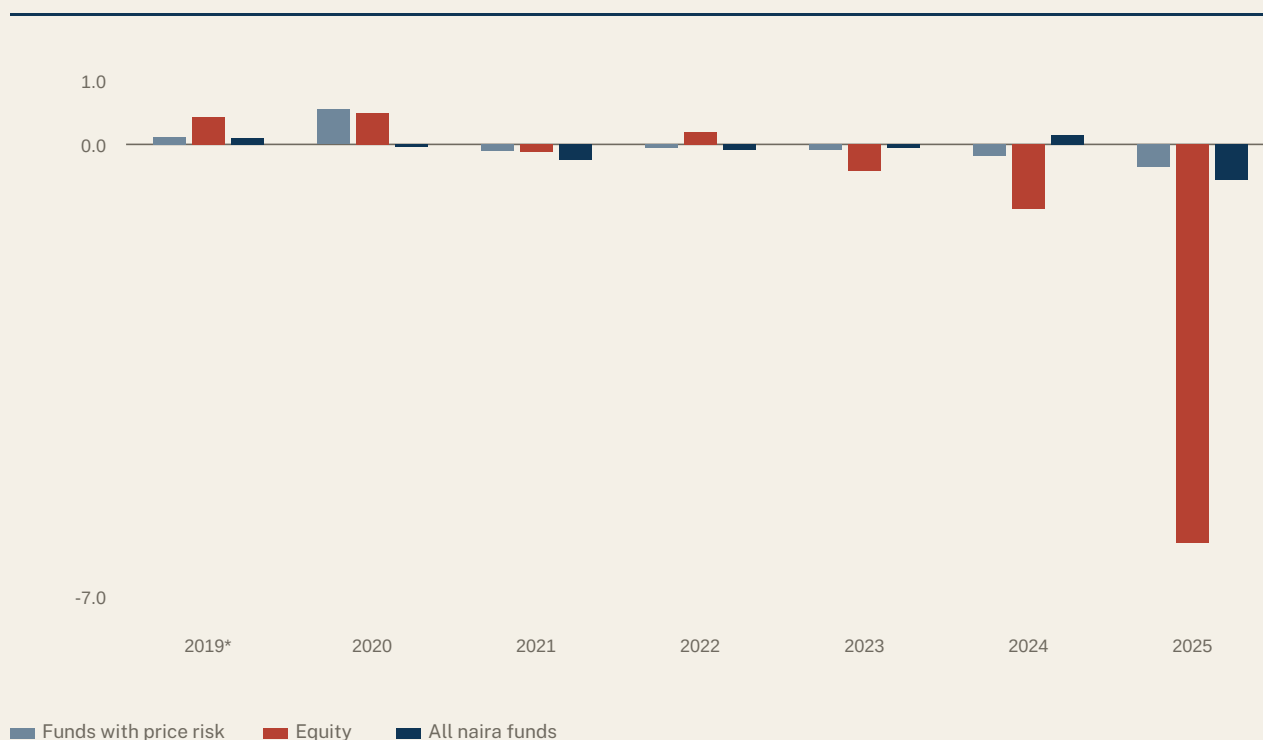
The gap overall, by category, over time and fund by fund.

KEY FINDINGS: OVERALL

The aggregate and price-risk results differ

- ▶ Across all naira funds the three-year gap is +1.2 points, but this is a composition result: money market represented 82.7% of naira-fund assets and produced a +1.8 point gap.
- ▶ In funds with price risk the gap was negative at every reported horizon: -0.34 points over one year, -0.45 over three, -1.18 over five and -0.41 over the full period.
- ▶ The largest one-year exception is equity in 2025. Its -6.2 point estimate is concentrated around July and narrows from -6.18 points under month-end dating to -4.50 points under a mid-month re-inference.

EXHIBIT 8 · RETURN GAP BY CALENDAR YEAR · PERCENTAGE POINTS



The all-naira line is dominated by money market. The price-risk aggregate is negative across the reported one-, three-, five-year and full-period horizons, while individual calendar years can be positive or negative.

* February to December 2019, annualised from 11 monthly intervals. Source: SEC Nigeria, monthly update on registered mutual funds; Old Shoreham analysis.

KEY FINDINGS: BY CATEGORY

The three-year result by category

EXHIBIT 9 · THREE YEARS ENDED 31 DEC 2025 · % A YEAR UNLESS STATED

CATEGORY	FUNDS	FUND RETURN	INVESTOR RETURN	GAP PTS	NET NEW MONEY ₦BN*	GAP IN MONEY ₦BN*
Equity	20	42.99%	41.15%	-1.84	29.5	(2.0)
Balanced	31	32.59%	31.87%	-0.72	11.6	(1.2)
Naira bond	40	8.76%	8.61%	-0.15	(164.6)	(1.2)
Shari'ah	20	6.46%	6.67%	+0.21	30.3	0.3
Funds with price risk	111	13.81%	13.35%	-0.45	(93.3)	(5.9)
Money market	45	16.74%	18.58%	+1.84	3310.3	96.3
Real estate and other	11	7.79%	7.54%	n.m.†	440.7	(1.2)
All naira funds	167	15.54%	16.78%	+1.23	3657.7	87.2
Dollar funds · US\$	37	6.12%	5.97%	-0.15	US\$0.48bn	(US\$0.004bn)

Scale matters. Money market adds about **₦96.3 billion** relative to the fund-return counterfactual, equal to about 2.0% of December 2025 assets. Equity is about **-₦2.0 billion**, or -2.5% of closing assets. The money figure therefore measures economic scale as well as timing.

Gap in money = actual closing assets minus the value the same dated cash flows would have reached at the category fund return. * Dollar-row money figures are in US\$bn. † Real estate and other contains material listing and entry effects; see Limitations, p.38. Source: SEC Nigeria; Old Shoreham analysis.

Implementation, inflation and the cash benchmark

EXHIBIT 10 · 2025 NOMINAL RETURN CONTEXT

The return gap measures implementation. Inflation provides purchasing-power context and the Treasury-bill rate provides a dated cash-market reference.

EQUITY · 2025

55.2% / 49.1%

Fund return / pooled investor return. The implementation gap was -6.2pts.

MONEY MARKET · 2025

22.6% / 22.0%

Fund return / pooled investor return. The one-year gap was -0.5pts.

HEADLINE INFLATION · DEC 2025

15.15%

Year-on-year purchasing-power context.

364-DAY NTB · 17 DEC 2025

17.51%

Year-end cash-market reference.

Read the three measures separately: implementation, purchasing power and the cash-market reference.

*The main conclusions survive the
available checks*

KEY FINDINGS: OVER TIME

Return gaps across four horizons

EXHIBIT 11 · RETURN GAP BY CATEGORY AND PERIOD · PERCENTAGE POINTS A YEAR

CATEGORY	1 YEAR	3 YEARS	5 YEARS	FEB 2019 TO DEC 2025
Equity	-6.2	-1.8	-0.2	+0.1
Balanced	-0.9	-0.7	-0.4	-0.3
Naira bond	+0.1	-0.1	-0.6	-1.0
Shari'ah	+0.3	+0.2	+0.4	+0.6
Funds with price risk	-0.3	-0.5	-1.2	-0.4
Money market	-0.5	+1.8	+2.7	+2.0
Real estate and other	n.m.†	n.m.†	n.m.†	n.m.†
All naira funds	-0.6	+1.2	+1.5	+1.2
Dollar funds (US\$)	0.0	-0.1	0.0	+0.1

O1

Equity 2025 is concentrated

The -6.18 point one-year gap narrows to -4.50 points under a mid-month flow convention.

O2

Money market drives the aggregate

The three-year +1.84 point gap reflects the shift of assets into later, higher-yield years.

O3

Real estate reflects structural entries

Listing and first-reporting flows dominate several periods; the category is shown as n.m. in the gap tables.

Dollar funds in US dollars. * 2019 is February to December, annualised from 11 monthly intervals. Source: SEC Nigeria; Old Shoreham analysis.

Negative gaps persist across fund screens

EXHIBIT 12 · SHARE OF SCREENED FUNDS WITH A NEGATIVE THREE-YEAR GAP

FUNDS WITH PRICE RISK

MIN AVG ASSETS	6 MONTHS	12 MONTHS	24 MONTHS
₦50m	61.6% · n=99	61.7% · n=94	60.8% · n=79
₦100m	63.0% · n=92	63.2% · n=87	62.7% · n=75
₦200m	65.1% · n=83	65.0% · n=80	64.3% · n=70

EQUITY FUNDS

MIN AVG ASSETS	6 MONTHS	12 MONTHS	24 MONTHS
₦50m	72.2% · n=18	72.2% · n=18	73.3% · n=15
₦100m	75.0% · n=16	75.0% · n=16	78.6% · n=14
₦200m	80.0% · n=15	80.0% · n=15	84.6% · n=13

The baseline screen is ₦100 million average assets and 12 months of data: 63.2% of 87 price-risk funds and 75.0% of 16 equity funds have negative gaps. Fund size itself does not explain the price-risk result: Spearman $\rho = 0.02$, $p = 0.88$.

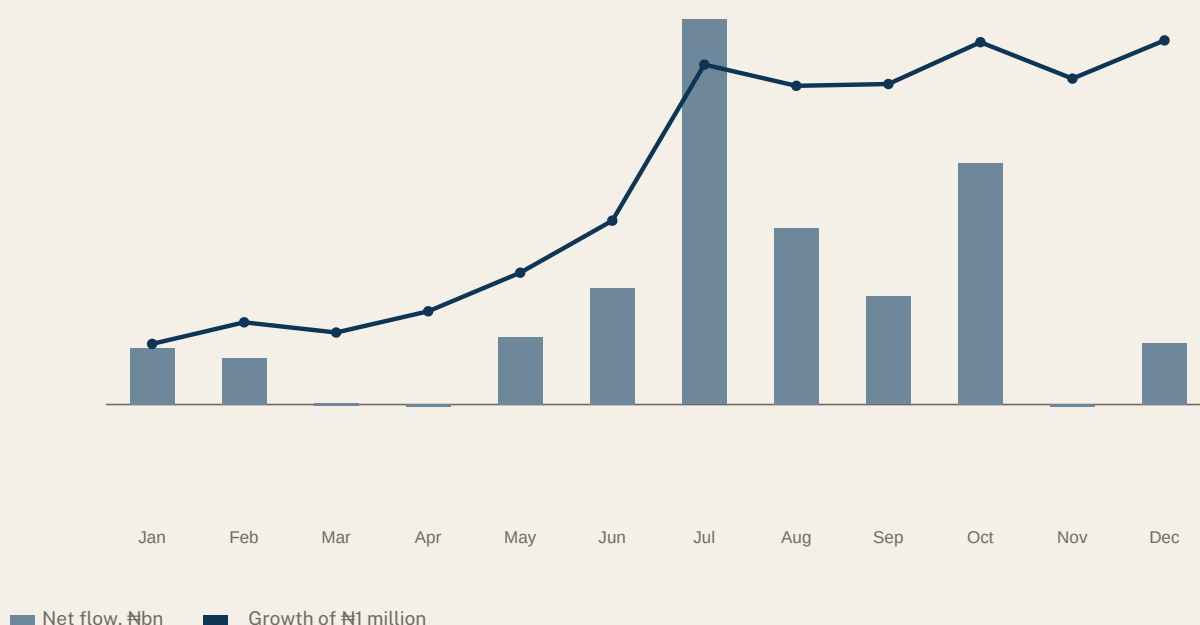
04

The category stories

Equity, money market, dollar funds and the other categories.

July's return was broad; the inflows were concentrated

EXHIBIT 13 · EQUITY FUNDS: MONTHLY NET FLOWS AND GROWTH OF ₦1 MILLION · 2025



All

REPORTING EQUITY FUNDS
GAINED IN JULY

+19.6%

MEDIAN JULY FUND RETURN ·
RANGE +11.5% TO +26.4%

71%

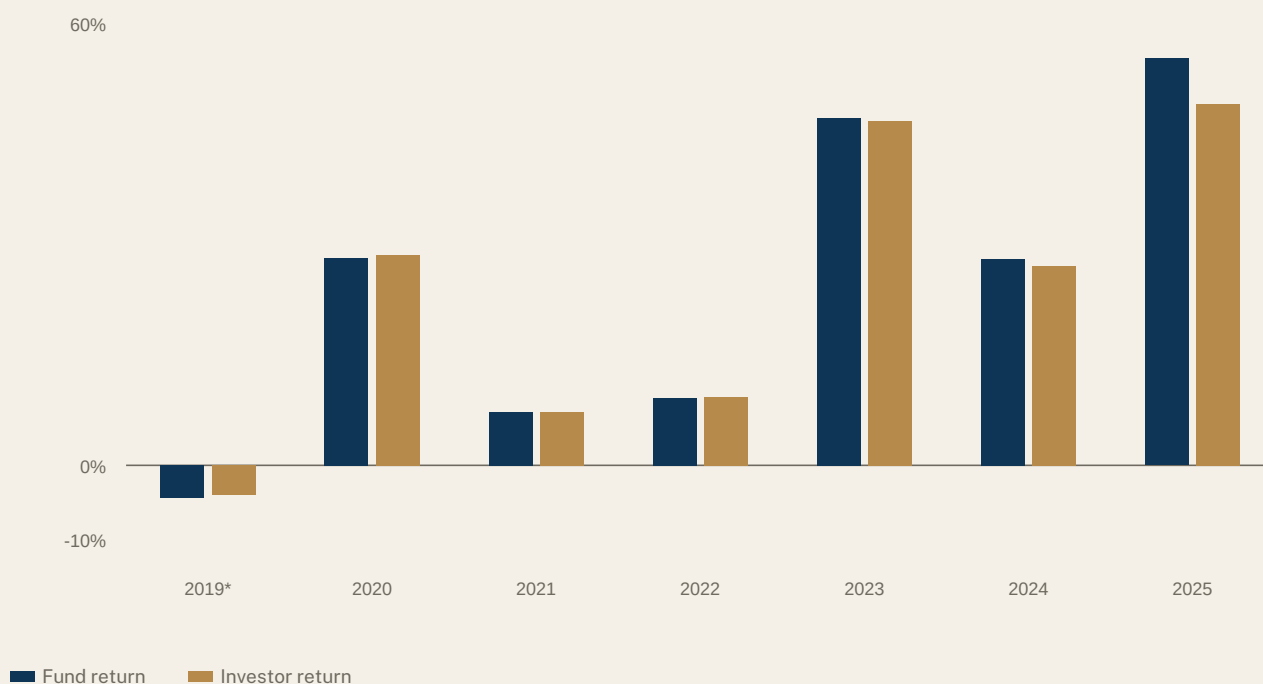
OF JULY POSITIVE INFLOWS
WENT TO THE TOP THREE
FUNDS

July's 20.6% equity-fund category return was therefore not a single-fund return outlier: every reporting equity fund rose. The cash flow was more concentrated. The top five funds received 83% of July's positive inflows; across June–December the top three received about 50% of positive inflows.

The July return was broad across equity funds, while positive cash inflows were much more concentrated among a small number of funds.

2023: why a strong market need not create a large gap

EXHIBIT 14 · EQUITY FUNDS: FUND RETURN AND INVESTOR RETURN BY CALENDAR YEAR · %



2023

47.1%

Fund return

Gap: -0.41pts

Net new money: ₦0.87bn

Net new money / opening assets: 5.5%

2025

55.2%

Fund return

Gap: -6.18pts

Net new money: ₦27.13bn

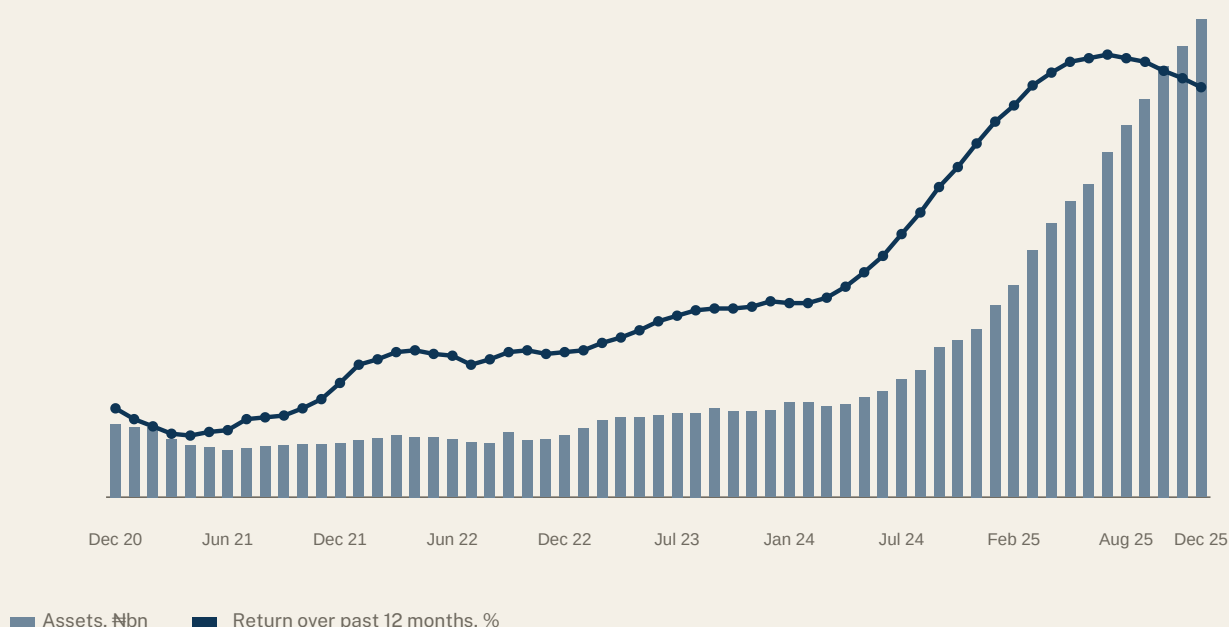
Net new money / opening assets: 83.3%

Both years delivered strong equity returns. The difference is the scale and timing of the money: 2025 brought new money equal to more than four-fifths of opening assets, versus about one-twentieth in 2023. Moving the missing April 2023 flow within its two-month interval changes the 2023 investor return by less than one basis point.

* February to December 2019, annualised from 11 monthly intervals. Source: SEC Nigeria; Old Shoreham source-level analysis.

Later money entered at higher yields

EXHIBIT 15 · ASSETS AND RETURN OVER THE PAST 12 MONTHS · DEC 2020 TO DEC 2025



+1.8

POINTS A YEAR · THREE YEARS

18.6%

INVESTOR RETURN · 2023-25

The three-year gap is +1.84 points even though the calendar-year gaps for 2023, 2024 and 2025 are small. The effect is mainly across-year reweighting: assets grew sharply in 2024–25, so a much larger share of invested money experienced the higher yields of those later years.

RISING YIELDS

8% → 20%

₦1m invested at start; another ₦1m added after Year 1.

Fund: 13.8% p.a.

Investor: 15.7% p.a.

Gap: +1.9pts

FALLING YIELDS

20% → 8%

Same contributions, same two annual yields, reversed in order.

Fund: 13.8% p.a.

Investor: 12.0% p.a.

Gap: -1.8pts

Illustration only. The fund's two-year annualised return is identical in both cases; the money-weighted result changes with the sequence of yields and the growth of invested capital.

Source: SEC Nigeria; Old Shoreham analysis. Illustration uses equal additional capital after Year 1.

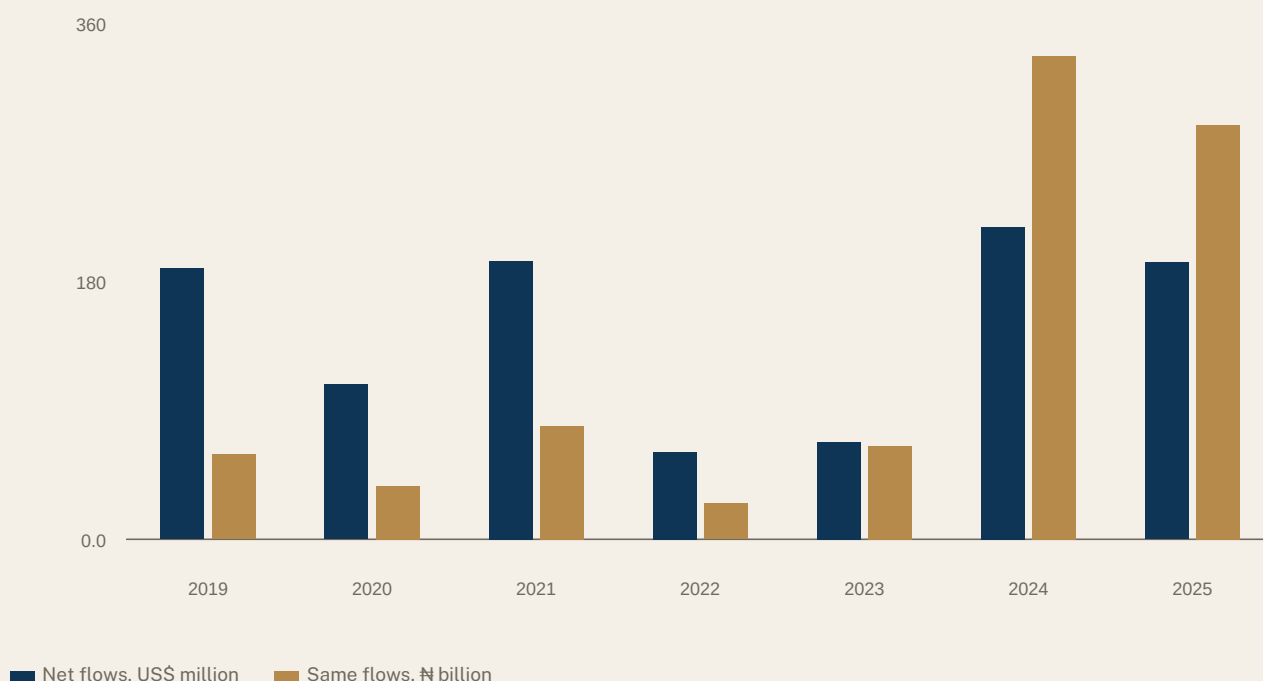
Measured in dollars, the three-year gap is close to zero

Dollar funds take in and pay out US dollars. Measured in dollars, the funds returned 6.1% a year over three years and the average dollar invested earned 6.0%. From February 2019, the funds returned 5.2% a year against 5.3% for investors.

Dollar inflows were uneven rather than steady: US\$194m in 2021, US\$61m in 2022, US\$68m in 2023, US\$218m in 2024 and US\$193m in 2025. The rebound in 2024–25 is real in dollars. In naira terms the increase looks much larger because exchange-rate translation is layered on top of the dollar flows.

Naira-liability perspective. Translating each dated cash flow at the study benchmark FX rate gives a three-year pooled investor IRR of 41.9% a year in naira. A dollar invested in the fund throughout combines the 6.12% annual dollar fund return with the benchmark FX move from ₦448.1/US\$ at December 2022 to ₦1,435.8/US\$ at December 2025, giving a 56.4% annualised naira time-weighted return.

EXHIBIT 16 · DOLLAR FUNDS: NET FLOWS IN US\$ MILLION AND THE SAME FLOWS IN ₦BN

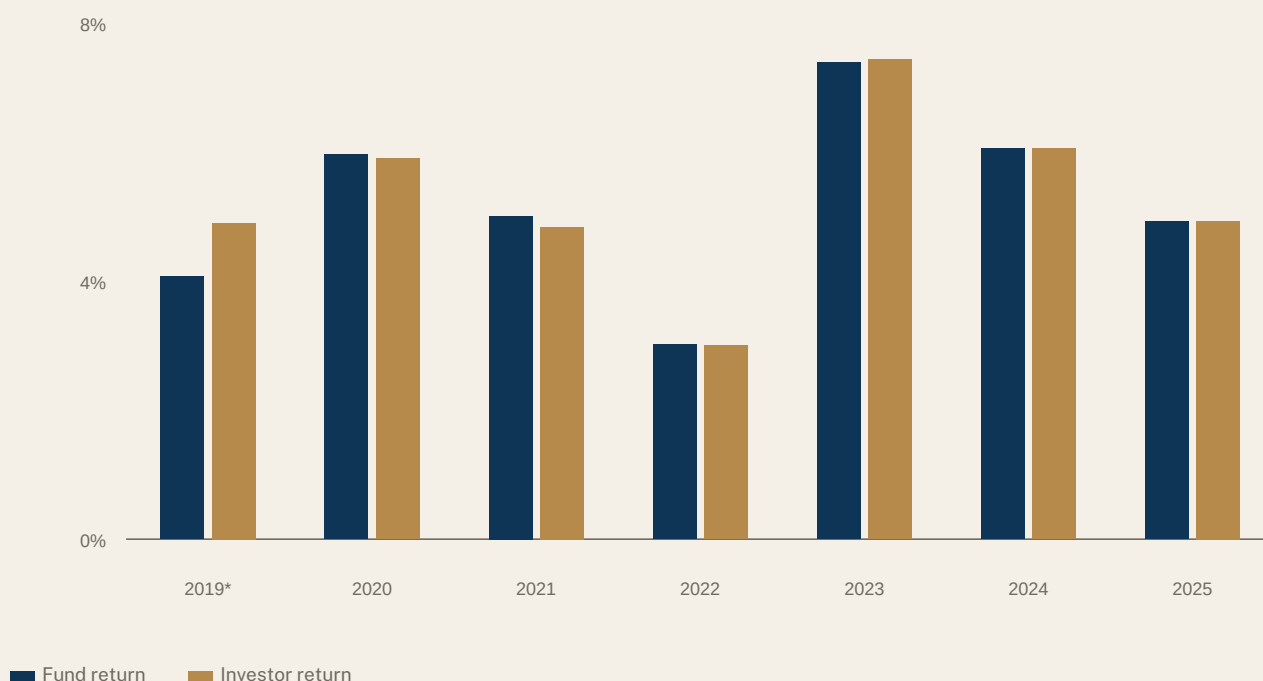


Dollar-fund flows show little relationship with benchmark naira depreciation. Monthly flow as a share of prior assets has a correlation of -0.14 with same-month depreciation ($p = 0.21$) and approximately 0.00 with depreciation over the prior three observed months ($p = 0.96$).

Source: SEC Nigeria; SEC/CBN FX series; Old Shoreham analysis.

Dollar-fund returns and concentration

EXHIBIT 17 · FUND RETURN AND INVESTOR RETURN BY CALENDAR YEAR · % IN US DOLLARS



–0.15pt

THREE-YEAR RETURN GAP

US\$1.36 billion

ASSETS, DECEMBER 2025

About half of screened dollar funds (52%) had a negative gap and half a positive one. At category level the three-year dollar gap was close to zero. The 2024–25 flow rebound coincided with dollar-fund returns of 6.1% in 2024 and 4.9% in 2025; the calendar-year gaps rounded to 0.0 points in both years.

51.7%

OF DEC 2025 DOLLAR-FUND
ASSETS IN THE LARGEST FUND

84.0%

IN THE FIVE LARGEST FUNDS

–0.15pt

THREE-YEAR CATEGORY GAP

The concentration checks leave the three-year category result close to zero: excluding the largest fund moves the gap to +0.02 points, and excluding the five largest leaves it close to zero.

* February to December 2019, annualised from 11 monthly intervals. Source: SEC Nigeria; Old Shoreham analysis.

Balanced resembles equity at a smaller scale; Shari'ah is an aggregate exception

NAIRA BOND AND FIXED INCOME

−0.1

POINTS A YEAR · THREE
YEARS

Investors withdrew through the years of rising rates and returned in 2025; over the full period the timing cost is about one point a year.

BALANCED

−0.7

POINTS A YEAR · THREE
YEARS

2023 gap: −0.82pts with ₦1.8bn net new money, 6.1% of opening assets. 2025 gap: −0.90pts with ₦9.3bn, 17.1% of opening assets. Strong-return years therefore account for much of the three-year shortfall, but the effect is far smaller than equity in 2025.

SHARI'AH

+0.2

POINTS A YEAR · THREE
YEARS

Net flow was positive in 25 of 34 observed months from 2023–25 and totalled ₦30.3bn against ₦38.7bn of opening assets. Nine of 15 screened Shari'ah funds had negative individual gaps, so the positive category result reflects the pooled cash-flow pattern rather than a uniform fund-level outcome.

Three nominal illustrations

These illustrations use the unrounded study returns throughout, with wealth values rounded for display.

EQUITY FUNDS · 2025

₦1.55m

at the fund return of 55.24%

₦1.49m

at the investor return of 49.06%

— ~~₦62,000 NOT KEPT~~

FUNDS WITH PRICE
RISK · 2023–25

₦1.47m

at the fund return of 13.81%

₦1.46m

at the investor return of 13.35%

— ~~₦18,000 NOT KEPT~~

MONEY MARKET ·
2023–25

₦1.59m

at the fund return of 16.74%

₦1.67m

at the investor return of 18.58%

— ~~+₦76,000 ADDED~~

₦1 million compounded at each unrounded annual study return over the period shown. Source: SEC Nigeria; Old Shoreham analysis.

05 Takeaways and conclusion

For investors, advisers and fund managers.

Three findings

O1 **Price-risk funds show a negative gap.** Across the reported horizons, the pooled price-risk gap is negative. See Exhibit 9 (p.15) and Exhibit 11 (p.18).

O2 **Equity 2025 is a concentrated cash-flow timing episode.** Under month-end dating, 79% of the year's net new money is dated July or later, after the 20.6% July return is applied. See Exhibits 13–14 (pp.21–22).

O3 **Money market reverses the all-naira aggregate.** Most money arrived in later, higher-yield years, raising the three-year money-weighted return above the time-weighted return. See Exhibit 15 (p.23).

INTERNATIONAL CALIBRATION

Morningstar's 2026 *Mind the Gap* study found a –1.2 percentage-point annual gap across US mutual funds and ETFs over the 10 years ended Dec. 2025; US stock funds were closer, –0.4 points (12.8% investor return versus 13.3% fund return). Morningstar covers US mutual funds and ETFs over 10 years; this report covers Nigerian mutual funds over three years for the main comparison.

Source: Morningstar, *Mind the Gap 2026*, published August 2026.

Publisher perspective on implementation

PRACTICE

Report investor return beside fund return

Showing both numbers would distinguish the return produced by the fund from the return experienced by invested money.

SUITABILITY

Separate behavioural suitability from risk tolerance

A client can tolerate volatility and still invest at unhelpful moments. Old Shoreham's view is that these are different questions and should be assessed separately.

PRODUCT DESIGN

Use payoff clarity where it helps investors hold

Old Shoreham's product-design view is that clearer downside and upside terms can improve how investors understand and hold an investment.

CONCLUSION

The aggregate result is a composition story; price-risk funds retain a negative gap

Money market dominates naira-fund assets and experienced rising yields as assets grew, turning the all-naira gap positive. Funds with price risk show a negative gap across the reported horizons and across a majority of screened funds.

CATEGORY	MEASURED RESULT	MAIN DRIVER
Equity	–6.18pts in 2025; 75% of baseline-screen funds negative over three years.	Broad July rally followed by heavily concentrated July-onward flows.
Money market	+1.84pts over three years.	Rapid asset growth shifted more invested money into later, higher-yield years.
Funds with price risk	–0.45pts over three years; negative at every reported horizon.	Pooled cash-flow timing across equity, balanced, bond and Shari’ah categories.
Dollar funds	–0.15pts over three years in US dollars.	Category result remains close to zero under simple fund-concentration checks.
All naira funds	+1.23pts over three years.	Money market represented 82.7% of naira-fund assets at December 2025.

Across the baseline three-year screen, 63.2% of price-risk funds and 75.0% of equity funds have negative gaps. The estimated three-year gap-in-money effect is about + ₦96.3bn for money market and –₦2.0bn for equity.

Across nine incidence screens, 60.8–65.1% of price-risk funds and 72.2–84.6% of equity funds have negative gaps; the imputation and fund-exit checks leave the headline signs unchanged.

06

Appendix

Study synopsis, full results, methodology and limitations.

Funds, assets, flows and gains, three years

EXHIBIT 18A · NAIRA FUNDS · ₦ BILLION · THREE YEARS ENDED 31 DEC 2025

CATEGORY	FUNDS	ASSETS DEC 2022	NET NEW MONEY	INVESTMENT GAINS	ASSETS DEC 2025	AT FUND RETURN	GAP IN MONEY
Equity	20	15.9	29.5	34.8	80.1	82.2	-2.0
Balanced	31	30.1	11.6	41.9	83.6	84.8	-1.2
Naira bond	40	339.6	-164.6	64.3	239.3	240.6	-1.2
Shari'ah	20	38.7	30.3	10.2	79.3	78.9	+0.3
Funds with price risk	111	424.4	-93.3	151.2	482.3	488.2	-5.9
Money market	45	624.8	3310.3	893.7	4828.8	4732.5	+96.3
Real estate and other	11	48.1	440.7	36.9	525.7	526.9	-1.2
All naira funds	167	1097.3	3657.7	1081.8	5836.9	5749.6	+87.2

EXHIBIT 18B · DOLLAR FUNDS · US\$ BILLION

CATEGORY	FUNDS	ASSETS DEC 2022	NET NEW MONEY	INVESTMENT GAINS	ASSETS DEC 2025	AT FUND RETURN	GAP IN MONEY
Dollar funds	37	0.715	0.478	0.169	1.362	1.366	-0.004

Investment gains = closing assets + closing redemptions - opening assets - residual net flows. Pooled subtotal rows, including Funds with price risk and All naira funds, use their own pooled counterfactuals, so their gap-in-money figures need not equal the sum of component rows.

Fund return, investor return and gap across four periods

EXHIBIT 19 · % A YEAR; GAP IN PERCENTAGE POINTS

CATEGORY	1 YEAR			3 YEARS			5 YEARS			FULL PERIOD		
	FUND	INV.	GAP	FUND	INV.	GAP	FUND	INV.	GAP	FUND	INV.	GAP
Equity	55.2	49.1	-6.2	43.0	41.2	-1.8	27.9	27.7	-0.2	23.1	23.2	+0.1
Balanced	36.8	35.9	-0.9	32.6	31.9	-0.7	22.5	22.1	-0.4	18.2	17.9	-0.3
Naira bond	10.8	10.9	+0.1	8.8	8.6	-0.1	7.5	6.9	-0.6	8.0	7.0	-1.0
Shari'ah	7.6	7.9	+0.3	6.5	6.7	+0.2	5.0	5.4	+0.4	4.7	5.3	+0.6
Funds with price risk	19.0	18.7	-0.3	13.8	13.4	-0.5	10.5	9.3	-1.2	9.5	9.0	-0.4
Money market	22.6	22.0	-0.5	16.7	18.6	+1.8	12.8	15.5	+2.7	11.6	13.6	+2.0
Real estate and other	11.7	8.7	n.m.	7.8	7.5	n.m.	3.2	5.4	n.m.	3.5	6.2	n.m.
All naira funds	21.1	20.5	-0.6	15.5	16.8	+1.2	11.6	13.2	+1.5	10.8	12.0	+1.2
Dollar funds - US\$	4.9	4.9	0.0	6.1	6.0	-0.15	5.3	5.3	0.0	5.2	5.3	+0.1

F = fund return; I = pooled investor return. Returns are rounded to one decimal; gaps are calculated from unrounded returns and may not equal the subtraction of displayed figures. Real estate and other is shown as n.m. where structural entry effects dominate; see Limitations, p.38.

† Real estate and other contains material listing and entry effects; see Limitations, p.38. Dollar funds in US dollars. Source: SEC Nigeria; Old Shoreham analysis.

Return gap by category and year, points

EXHIBIT 20 · RETURN GAP BY CATEGORY AND CALENDAR YEAR · PERCENTAGE POINTS

CATEGORY	2019*	2020	2021	2022	2023†	2024†	2025
Equity	+0.4	+0.5	−0.1	+0.2	−0.4	−1.0	−6.2
Balanced	+0.4	0.0	−0.2	+0.1	−0.8	−0.5	−0.9
Naira bond	−0.2	−0.8	0.0	0.0	−0.1	0.0	+0.1
Shari'ah	+0.3	+1.0	−0.1	+0.1	0.0	+0.1	+0.3
Funds with price risk	+0.1	+0.5	−0.1	−0.1	−0.1	−0.2	−0.3
Money market	−0.1	0.0	−0.5	−0.1	−0.1	+0.3	−0.5
Real estate and other	n.m.	+0.6	n.m.	−0.1	0.0	0.0	n.m.
All naira funds	+0.1	0.0	−0.2	−0.1	0.0	+0.1	−0.6
Dollar funds (US\$)	+0.8	−0.1	−0.2	0.0	0.0	0.0	0.0

† April 2023 is absent, so the March–May 2023 interval spans two months. September 2024 has assets but no usable return, so the August–October 2024 interval spans two months. Source-level timing tests move the major three-year investor returns by less than 2.5 basis points.

* February to December 2019, annualised from 11 monthly intervals. Dollar funds in US dollars. Source: SEC Nigeria; Old Shoreham analysis.

How the two returns are calculated and checked

01 · DATA WINDOW

January 2019 to December 2025 contains 84 possible month-ends. The SEC source set contains 83 month-end files because April 2023 is absent; 82 months provide usable return observations because September 2024 reports assets without a usable monthly return.

03 · INVESTOR RETURN

The pooled investor return is the annualised IRR on opening assets, monthly net cash flows, closing redemptions and final assets. The published convention dates monthly flows at month-end.

05 · ENTRY, EXIT AND CURRENCY

New funds enter with first-reported assets as new money. Funds that disappear are included through their last return and last assets are treated as a closing redemption. Dollar funds are measured in US dollars.

02 · FUND RETURN

Each category's monthly return is weighted by opening assets, then geometrically chained. Calendar 2019 uses February–December and is annualised from the 11 measured intervals.

04 · NET FLOW

$\text{Net flow}_t = \text{Assets}_t - \text{Assets}_{t-1} \times (1 + R_t)$. It is a monthly residual and cannot separate gross subscriptions from gross redemptions.

06 · GAP IN MONEY

Each dated cash flow is compounded to period end at the category's annualised fund return. Gap in money is actual closing assets minus that counterfactual.

Independent flow check. On 3,784 fund-months where the return itself was not derived from units, the median absolute units-versus-residual flow discrepancy is 0.057% of opening assets; the 75th percentile is 0.689%, the 95th 5.71% and the 99th 13.68%.

Return treatment. Category-median returns are used in 504 of 10,139 non-first fund-months, 4.97%. A further 28 fund-months use the category return because the fund was not reported in that source month.

How the findings should be interpreted

01

Pooled IRR describes the category-level cash-flow experience. Asset growth, launches and reallocations can affect the result; investor motive and individual account returns remain unobserved.

02

Residual net flow is a monthly aggregate. Large subscriptions and redemptions can offset within the same month, and the units cross-check contains a material tail of reporting discontinuities.

03

Monthly flow timing is approximate. The published convention dates flows at month-end. For equity 2025, a mid-month convention narrows the gap from -6.18 to -4.50 points.

04

Real estate contains structural entry effects. Listings and first reporting materially affect the category, so its gap is shown as n.m. where those effects dominate.

05

External context uses separate benchmarks. Inflation provides purchasing-power context, while the 364-day NTB provides a dated cash-market reference. A matched risk-adjusted benchmark is outside the study.

06

The pooled-gap interpretation is debated. Fulkerson, Jordan, Riley and Yan (Financial Analysts Journal, 2026), using Morningstar's 2025 sample, estimate pure poor-timing cost at about 0.10% a year. This report interprets the pooled gap as an implementation and cash-flow measure.

Comments

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The return you keep

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