

<b>FUND MANAGER</b>	FIRST CITY ASSET MANAGEMENT LTD
<b>FUND TYPE</b>	LEGACY SHORT MATURITY (NGN) FUND
<b>PERIOD</b>	APRIL 2016

## FUND INFORMATION

**Investment Objective:** The Fund seeks to preserve capital and minimize volatility by investing in short maturity instruments.

<b>Domicile</b>	Nigeria	<b>Min initial purchase</b>	25,000 units
<b>Fund Incorporation</b>	2015	<b>Min additional purchase</b>	5,000 units
<b>Bloomberg Ticker / ISIN</b>	FCAMLSF NL / BBG009KJ25W7	<b>Entry/Exit fee</b>	Nil / 25%, if within 6-months
<b>Base currency</b>	Nigerian Naira (NGN)	<b>Annual Management fee</b>	1%
<b>Fund size</b>	₦704.3million	<b>Performance Fee</b>	30% of excess return over target
<b>Benchmark</b>	50% 3month T-bill + 50% 3year FGN Bond	<b>Trading frequency</b>	Daily
<b>Bid / Offer Price</b>	₦2.40 / ₦2.40	<b>Settlement</b>	Trade date + 5

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 14.86% annualised, compared with 9.77% for the benchmark, representing an outperformance of 5.09%. The Fund benefitted from the remittance of previously uncredited sums from the old IMB Energy Master Fund; net addition of 7.20% to performance.

The Fund's 14.86% return was significantly higher than the rate 5.85% net return on a ₦5m fixed placement. In addition, the Fund carried significantly less interest rate risk than the benchmark.

Based on data from Nigeria's National Bureau of Statistics, the Consumer Price Index (CPI) increased by 12.8% y/y in March, compared with 11.40% in the previous month. The increase of 1.4% in the inflation rate was due to fast rising prices across all components of the CPI; imported inflation from a weakening of the Nigerian currency in the parallel market, was a major driver of increased inflationary pressure. In the domestic sovereign bond market, yields increased across all maturities. The yield on the 3-year government bond increased by 257 basis points, to 12.55%, compared with an increase of 97 basis points, to 13.34%, for the 20-year bond. The DMO reopened the FGN bond 15.54% Feb 2020s, 12.5% FGN Jan 2026s and 12.40% Mar 2036s. Bids-to-cover were 2.93 times, 1.96 times and 1.74 times, compared with the previous 3.63 times, 2.23 times and 2.51 times recorded in March.

## AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	7.2733	12.2700	12.80
Kenya	8.5260	13.1200	6.50
South Africa	5.8820	8.1960	6.30
Brazil	14.2949	12.6590	0.43
Russia	10.1977	3.1040	7.30
India	6.8055	7.2660	4.83
China	2.2100	2.5800	2.30
USA	0.1983	0.9287	0.10
Germany	-0.6090	-0.4740	0.30
UK	0.5090	0.7140	0.50
Japan	-0.2850	-0.2250	-0.10

## MAIN RISK FACTORS

**MARKET RISK:** Risk that an investor could experience losses as a result of changes in factors that impact the whole market, such as interest rates and foreign exchange rates

**DEFAULT RISK:** Risk that a company will not be able to honour its debt and may be forced to stop trading

**DOWNGRADE RISK:** Risk that a company's credit rating may be cut, which could affect its market value

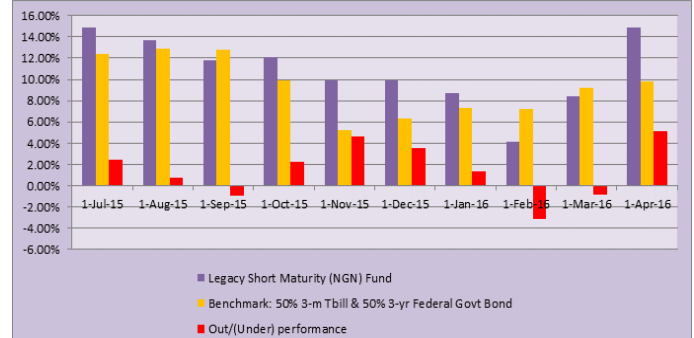
Agusto & Co. Rating: Bbb(f) investment grade

## PERFORMANCE

	LSM (NGN) Fund Return (%)	Benchmark Return (%)
<b>April Performance (Annualised)</b>	14.86	9.77
<b>Inflation-adjusted (based on March CPI y/y)</b>	1.83	-2.69
<b>Duration (Interest rate risk)</b>	0.37	1.32
<b>Weighted Average Maturity</b>	0.42	1.62

\*The sum of ₦59,168 (the minimum amount to buy into the Fund as at beginning of April 2016) in a Savings Account, would have returned, at most, 2.25% per annum.

## Investment Performance relative to benchmark



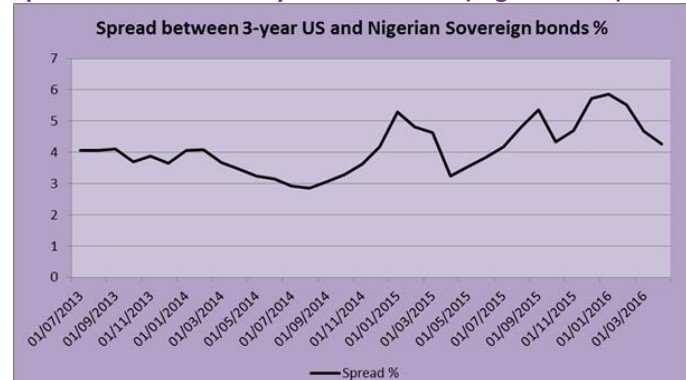
Performance returns are calculated on an annualised basis and shown Net-of-Fees. Payment of 6 months' outstanding outperformance fees reduced Fund return by 4.13% in Feb 2016. Previously unremitted amount of ₦5.1million boosted performance in April 2016

## FUND STRUCTURE

### Asset Allocation

Asset	Range
Cash on call	0 to 100%
T-Bills	0 to 50%
Fixed deposits, Commercial papers, Bankers Acceptances & other MMI	0 to 50%
Federal Government Bonds	0 to 50%
State and Local Government Bonds	0 to 40%
Government guaranteed & Agency Bonds	0 to 40%
Supranational Bonds	0 to 40%
Corporate Bonds	0 to 40%

## Spread between USD 3-year Govt bonds (Nigeria vs US)



### DISCLAIMER NOTICE

FCAM has not considered the suitability of this investment against your individual risk and return targets. Past performance is not a reliable indicator of future returns, the value of investments may fall as well as rise, and investors may not get back the original amount invested.