

FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	LEGACY SHORT MATURITY (NGN) FUND
PERIOD	AUGUST 2015

FUND INFORMATION

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

Domicile	Nigeria	Min initial purchase	25,000 units
Fund Incorporation	2015	Min additional purchase	5,000 units
Bloomberg Ticker / ISIN	FCAMLSF NL / BBG009KJ25W7	Entry/Exit fee	Nil / 25%, if within 6-months
Base currency	Nigerian Naira (NGN)	Annual Management fee	1%
Fund size	₦582.10million	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦2.24 / ₦2.24	Settlement	Trade date + 5

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund maintained an allocation of 50% to Treasury Bills. The Fund outperformed the benchmark by 77 basis points, as it returned 13.71%, compared with 12.94% for the benchmark. Based on data from Nigeria's National Bureau of Statistics (NBS), the Consumer Price Index (CPI) rose by 9.2%y/y in July, unchanged from the 9.2% y/y rate, recorded in June. This came on the backdrop of muted rises in food prices. Consensus forecast is that inflationary pressure will continue to rise. In the domestic sovereign bond market, yields increased across all maturities. The curve steepened between the 2-year and 20-year points. As at our cut-off, yields at the 2-year maturities increased by 42 basis points, to 15.26%, compared with an increase of 127 basis points, for 20-year points, to 15.62%. The DMO reopened FGN bonds 15.54% February 2020s and 12.1493% July 2034s. Bids-to-cover were 2.21 and 2.17 times, compared with 2.75 and 2.65 times recorded in July. The market demand might be waning due to the prevailing system illiquidity. Also, the outstanding state government loans were converted to the FGN 2034 bonds. This resulted in excess supply, thereby shrinking demand for that bond.

AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	10.0000	15.8700	9.20
Kenya	13.2760	13.6740	6.60
South Africa	6.6470	7.5900	5.00
Brazil	14.2370	14.1600	9.25
Russia	11.9500	11.9450	15.60
India	7.3930	7.8150	3.78
China	2.2500	2.8750	1.60
USA	0.0410	1.0340	0.20
Germany	-0.3310	-0.1200	0.20
UK	0.5060	0.9070	0.10
Japan	0.0000	0.0040	0.20

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

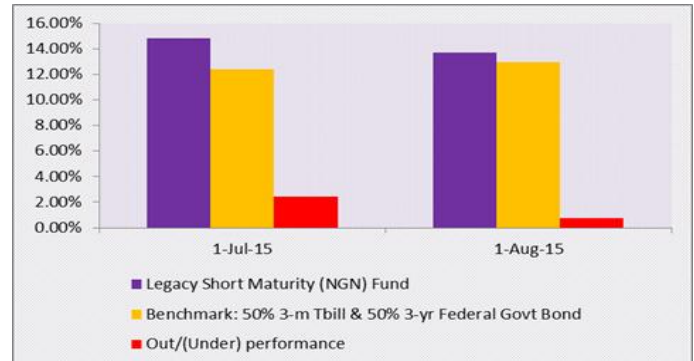
DOWNGRADE RISK: Risk that a company's credit rating may be cut, which could affect its market value

RISK PROFILE: LOW

PERFORMANCE

	LSM (NGN) Fund Return (%)	Benchmark Return (%)
August Performance (Annualized)	13.71	12.94
Inflation-adjusted (based on July CPI m/m)	4.13	3.42
Duration (Interest rate risk)	0.18	1.18
Weighted Average Maturity	0.24	1.46

Investment Performance relative to benchmark



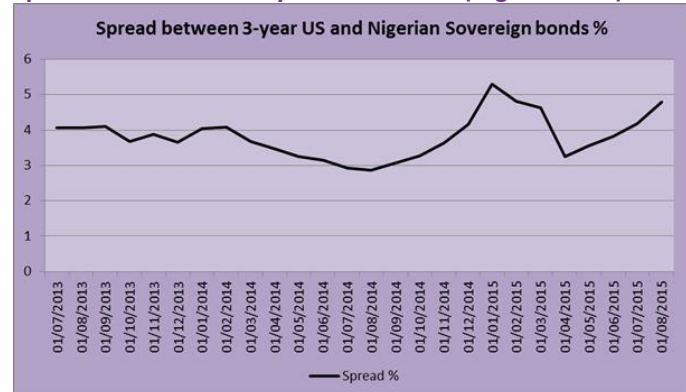
Performance returns are calculated on an annualised basis and shown Net-of-Fee

FUND STRUCTURE

Asset Allocation

Asset	Range
Cash on call	
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	

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.