

FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	LEGACY SHORT MATURITY (NGN) FUND
PERIOD	JUNE 2016

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	₦740.84million	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦2.46 / ₦2.46	Settlement	Trade date + 5

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 21.49% annualised, compared with 11.95% for the benchmark. 13.55% of the Fund return was as a result of remittance of previously uncredited sums belonging to the Fund under its old name. The Fund expects to benefit from rising interest rates, as existing investments are rolled-over and as new inflows are invested.

The Fund's return of 21.49% was significantly above net rate of 5.40% available on a ₦250,000 1-year fixed deposit. Also, the Fund's interest rate risk of 0.30 year was below the 1.32 years for the benchmark.

Based on data from Nigeria's National Bureau of Statistics, the Consumer Price Index (CPI) increased by 15.60% y/y in May, compared with 13.70% in the previous month. The increase of 1.9% in the inflation rate was due to fast rising prices across all components of the CPI. In the domestic sovereign bond market, yields increased across most maturities except at the 20-year point. The yield on the 3-year government bond increased by 126 basis points, to 14.35%, compared with a decrease of 53 basis points, to 12.80%, 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 1.49 times, 1.67 times and 1.44 times, compared with the previous 4.72 times, 2.59 times and 2.90 times recorded in May.

AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	10.0600	13.8300	15.60
Kenya	7.0450	12.6500	5.00
South Africa	6.0000	7.8860	6.10
Brazil	14.0457	12.4280	0.78
Russia	10.2079	2.2250	7.30
India	6.6519	7.1360	5.76
China	2.6300	2.5700	2.00
USA	0.2587	0.6931	0.20
Germany	-0.6820	-0.6600	0.10
UK	0.4620	0.1660	0.30
Japan	-0.2730	-0.2850	-0.40

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

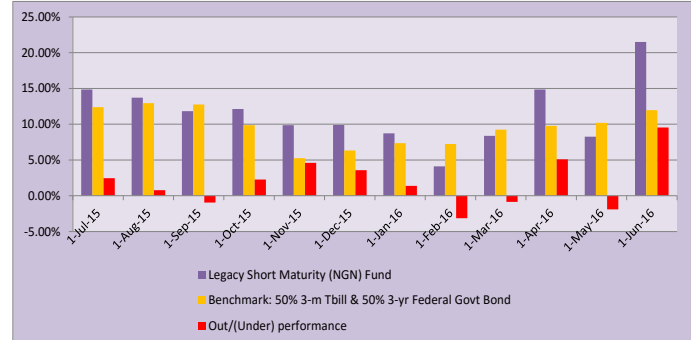
Agusto & Co. Rating: Bbb(f) investment grade

PERFORMANCE

	LSM (NGN) Fund Return (%)	Benchmark (%)	Return
June Performance (Annualised)	21.49	11.95	
Inflation-adjusted (based on May CPI y/y)	5.10	-3.60	
Duration (Interest rate risk)	0.30	1.32	
Weighted Average Maturity	0.33	1.62	

*The sum of ₦60,327.50 (the minimum amount to buy into the Fund as at beginning of June 2016) in a Savings Account, would have returned, at most, 3.24% per annum.

Investment Performance relative to benchmark



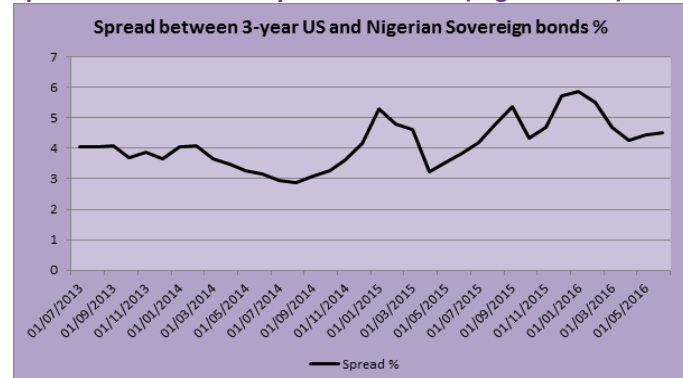
Performance returns are calculated on an annualised basis and shown Net-of-Fees. Payment of 6 months' outstanding outperformance fees reduced impacted Fund return by 4.13% in Feb 2016. Previously unremitted amounts of ₦5.1million and ₦8.1million boosted performance by 7.20% and 13.48% in April and June 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