

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

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

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 / BGG009KJ25W7	Entry/Exit fee	Nil / 25%, if within 6-months
Base currency	Nigerian Naira (NGN)	Annual Management fee	1%
Fund size	₦587.63million	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦2.27 / ₦2.27	Settlement	Trade date + 5

PERFORMANCE

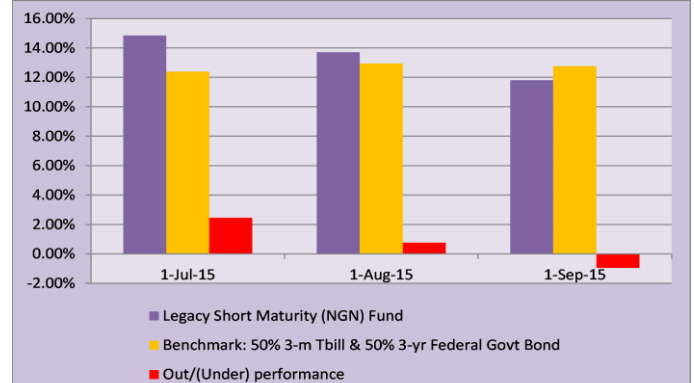
	LSM (NGN) Fund Return (%)	Benchmark Return (%)	Return
September Performance (Annualised)	11.81	12.76	
Inflation-adjusted (based on August CPI y/y)	2.26	3.13	
Duration (Interest rate risk)	0.13	1.31	
Weighted Average Maturity	0.16	1.65	

*The sum of ₦56,000 (the minimum amount to buy into the Fund as at beginning of September 2015) in a Savings Account, would have returned 3% per annum.

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

As at month-end, the Fund was 50% invested in Treasury Bills. Although the Fund returned 11.81%, compared with 12.76% for the benchmark, it carried significantly less risk; Fund Duration was 0.13 year versus 1.31 years for the benchmark. Based on data from Nigeria's National Bureau of Statistics (NBS), the Consumer Price Index rose from 9.2% y/y in July, to 9.3% y/y in August. The marginal increase was as a result of slower increases in alcoholic beverages, tobacco & kola, health, transport & recreation and culture divisions. The Monetary Policy Committee of the CBN voted to retain the MPR at 13% with a corridor of +/-200 basis points around the midpoint, and reduce the CRR from 31% to 25%. In the domestic sovereign bond market, yields decreased across most maturities. As at our cut-off, yield at the 2-year point remained at 15.26%, compared with a decrease of 61 basis points, for the 20-year bond, to 15.01%. The DMO reopened FGN bonds 15.54% February 2020s and 12.1493% July 2034s. Bids-to-cover were 3.36 and 2.16 times, compared with 2.21 and 2.17 times recorded in August. Internationally, the US Federal Reserve maintained rates at near zero, at their September meeting. Markets now expect a rate hike in 2016.

Investment Performance relative to benchmark



AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	10.5000	15.0300	9.30
Kenya	14.6990	14.5840	5.80
South Africa	6.6730	7.6130	4.60
Brazil	14.6600	15.9250	9.57
Russia	11.9500	12.1600	15.80
India	7.0420	7.4800	3.66
China	2.2750	2.8880	2.00
USA	-0.0080	0.9180	0.20
Germany	-0.3760	-0.2100	0.10
UK	0.4990	0.7560	0.00
Japan	-0.0230	0.0160	0.20

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%

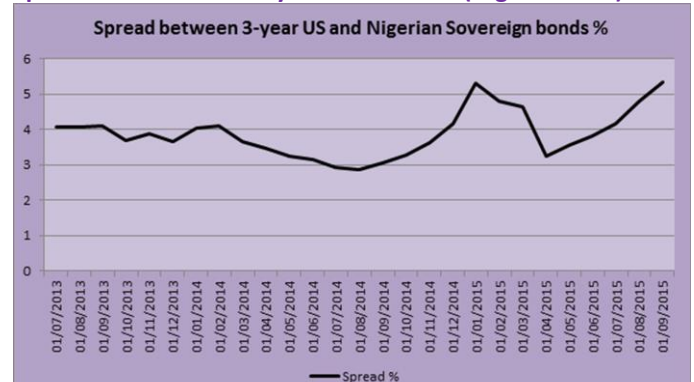
MAIN RISK FACTORS

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

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



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