



FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	LEGACY DEBT FUND
PERIOD	AUGUST 2019

FUND INFORMATION

Investment Objective: The Fund seeks to preserve capital and generate stable income.

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	₦2.35billion	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦3.51 / ₦3.51	Settlement	Trade date + 5
Total Expense Ratio	1.24%	Fund Year End	June

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 11.17% annualised in August, compared with 12.60% for the benchmark. Part Payment of Audit fees (N1.029million), reduced the Fund's performance by 0.52%. However, the Fund's 11.17% annualised return was 5.32% higher than the net return on a normal ₦250,000 1-year Fixed Deposit. Total allocation to triple A (Aaa) rated instruments was over 93% of the portfolio. Fund duration was 1.37 years versus 1.32 years for the benchmark, reflecting the impact of the 49% allocation to Federal Government of Nigeria (FGN) bonds. The investments in FGN bonds should minimise reinvestment risk, should interest rates fall.

Inflation data released by Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index rose by 11.08% y/y in July 2019, compared with 11.22% in the previous month. Month-on-month, the Headline index increased by 1.01% in July, versus 1.07% previously. Core inflation, which excludes the prices of volatile food produce, fell by 0.04% in July, to 8.80% y/y. Also, Food inflation fell from 13.56% in the previous month, to 13.39% y/y. In the domestic sovereign bond market, yields increased across all maturities. The yield on the 3-year government bond increased by 130 basis points, to 14.09%, and that on the 20-year bond rose by 59 basis points, to 14.30%, reflecting a flattening of the yield curve. The DMO reopened the FGN bonds 12.75% APR 2023s, 14.55% APR 2029s, and 14.80% APR 2049s. The bonds were undersubscribed, with bid-to-cover ratios of 0.26 times, 0.75 times, and 0.86 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 1.32 times, 2.48 times, and 2.26 times, respectively. Ongoing trade tensions between the US and China, has had a negative impact on global economic growth and offshore investors' appetite for FGN Bonds. In addition, the award of a court judgement of over US\$9billion against the Nigerian government, which could significantly reduce the country's foreign reserves of over US\$43 billion, has also curtailed investors' appetite for Nigeria risk.

AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	12.1700	13.0280	11.08
Kenya	8.7130	9.8470	5.00
South Africa	6.4110	7.2670	4.00
Brazil	5.5672	6.5180	3.22
Russia	6.6905	7.4900	4.60
India	6.1075	6.0400	3.15
China	2.4530	2.8030	2.80
USA	1.9765	1.4483	1.80
Germany	-0.7100	-0.9560	1.40
UK	0.7870	0.3380	2.10
Japan	-0.1696	-0.3000	0.50

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

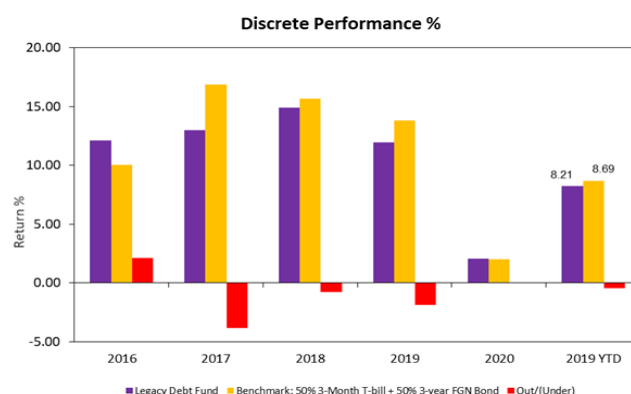
Agusto & Co. Ratings

Fund Credit Quality: A+(f) investment grade
Fund Volatility: FV3

PERFORMANCE

	Legacy Debt Fund Return (%)	Benchmark Return (%)
August Return (Annualised)	11.17	12.60
Inflation-adjusted (based on July CPI y/y)	0.08%	1.37%
Duration (Interest rate risk)	1.37	1.32
Weighted Average Maturity	1.75	1.62

Investment Performance relative to benchmark: Fund Year is July - June



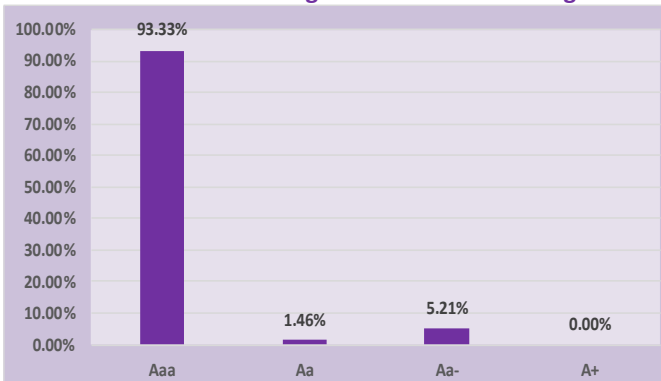
Performance returns (including dividend yield) are calculated on an annualised basis and shown Net-of-Fees. Annual payments for renewal of Fund rating & Audit fee, plus NSE Fund listing cost, reduced Fund performance. The Fund paid 11kobo per unit in January 2018, as dividend for Fund year-ended 30 June 2017, representing a Fund year dividend yield of 4.48%.

FUND STRUCTURE

Asset Allocation

Asset	Range
Cash on call	0 to 100%
T-Bills	0 to 60%
Fixed deposits, Commercial papers, Bankers Acceptances & other MMI	0 to 50%
Federal Government Bonds	0 to 60%
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%

Fund Allocation based on Agusto & Co Credit Ratings



DISCLAIMER NOTICE

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.