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|---------------------|---------------------------|
| FUND MANAGER | FCMB ASSET MANAGEMENT LTD |
| FUND TYPE | LEGACY DEBT FUND |
| PERIOD | DECEMBER 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 | ₦5.47billion | Performance Fee | 30% of excess return over target |
| Benchmark | 50% 3month T-bill + 50% 3year FGN Bond | Trading frequency | Daily |
| Bid / Offer Price | ₦3.62/ ₦3.62 | Settlement | Trade date + 5 |
| Total Expense Ratio | 1.47% | Fund Year End | June |

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 9.73% annualised in December, compared with 6.65% for the benchmark, representing an outperformance of 3.08%. The Fund's Rating fee (₦2,100,000), and professional fee (₦50,000), both reduced Fund performance by 0.47%. In the absence of these, total return was 10.21% annualised. However, the Fund's 9.73% annualised return was 8.83% 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 1.53 years versus 1.32 years for the benchmark, reflecting the impact of the 50.91% allocation to Federal Government of Nigeria (FGN) bonds.

Inflation data released by Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index rose by 11.85% y/y in November 2019, compared with 11.61% in the previous month. Month-on-month, the Headline index increased by 1.02% in November, versus 1.07% previously. Core inflation, which excludes the prices of volatile food produce, increased by 0.11% in November, to 8.99% y/y. Also, Food inflation rose from 14.09% in the previous month, to 14.48% y/y. In the domestic sovereign bond market, yields decreased across all maturities. The yield on the 3-year government bond decreased by 144 basis points, to 9.80%, whilst that on the 20-year bond fell by 89 basis points, to 11.96%. The DMO reopened the FGN bonds 12.75% APR 2023s, 14.55% APR 2029s, and 14.80% APR 2049s. The Bonds were oversubscribed with bid-to-cover ratios of 1.05 times, 1.17 times and 1.06 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 2.17 times, 1.52 times, and 1.50 times, respectively.

AS AT OUR CUT-OFF

| Country | 3-Month T-bill % | 3-year Govt Bond yield % | Headline CPI % |
|---------------------|------------------|--------------------------|----------------|
| Nigeria | 3.5000 | 9.8000 | 11.85 |
| Kenya | 9.8870 | 10.7090 | 5.80 |
| South Africa | 7.4630 | 7.2500 | 3.60 |
| Brazil | 4.3695 | 5.5620 | 3.27 |
| Russia | 4.7875 | 6.4600 | 3.00 |
| India | 6.1075 | 6.2400 | 5.54 |
| China | 2.1920 | 2.7390 | 4.50 |
| USA | 1.5462 | 1.5895 | 2.10 |
| Germany | -0.7000 | -0.5790 | 1.10 |
| UK | 0.7890 | 0.5310 | 1.50 |
| Japan | -0.1099 | -0.1120 | 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

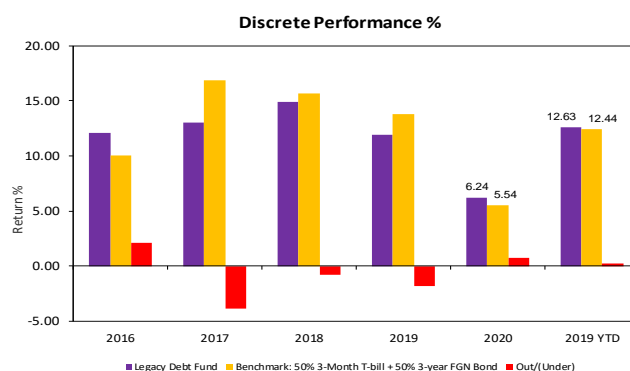
Fund Credit Quality: A+(f) investment grade

Fund Volatility: FV3

PERFORMANCE

| | Legacy Debt Fund Return (%) | Benchmark Return (%) |
|---|-----------------------------|----------------------|
| December Return (Annualised) | 9.73 | 6.65 |
| Inflation-adjusted (based on November CPI y/y) | -1.89% | -4.65% |
| Duration (Interest rate risk) | 1.53 | 1.32 |
| Weighted Average Maturity | 1.86 | 1.62 |

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



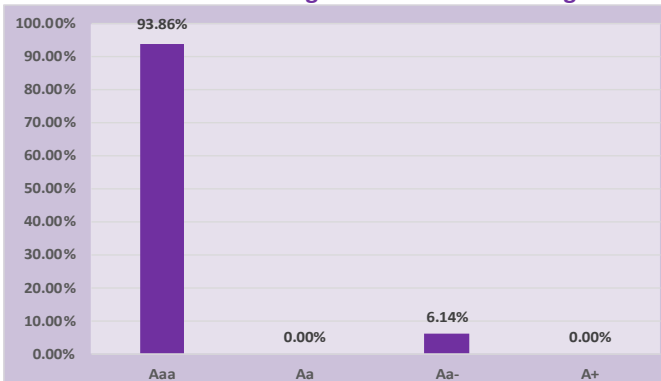
Performance returns (including dividend yield) are calculated on an annualised basis and shown Net-of-Fees. Annual payments for renewal of Fund rating & Audit fee, plus NSE Fund listing cost, reduced Fund performance. The Fund paid 11kobo per unit in January 2018, as dividend for Fund year-ended 30 June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