



FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	LEGACY DEBT FUND
PERIOD	MAY 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 / BGG09KJ25W7	Entry/Exit fee	Nil / 25%, if within 6-months
Base currency	Nigerian Naira (NGN)	Annual Management fee	1%
Fund size	₦1.94billion	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦3.41/ ₦3.41	Settlement	Trade date + 5
Total Expense Ratio	1.96%	Fund Year End	June

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 12.30% annualised in May, compared with 12.37% for the benchmark. On February 22, 2019, the Fund was listed on the floor of the Nigerian Stock Exchange (NSE). Part payment of another ₦860,874.94 for the Fund's listing, and professional fee of ₦100,000, reduced performance by 0.60%. Therefore, total return was actually 12.90%. Also, the Fund's 12.30% annualised return was 5.55% 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. In addition, Fund duration was 1.41 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, as interest rates fall.

Inflation data released by Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index rose by 11.37% y/y in April 2019, compared with 11.25% in the previous month. Month-on-month, the Headline index increased by 0.94% in April, representing a 0.15% increase from the level recorded in March. Core inflation, which excludes the prices of volatile food produce, fell by 0.20% in April, to 9.30% y/y. However, Food inflation rose by 0.25%, to 13.70% y/y. In the domestic sovereign bond market, yields decreased across all maturities. The yield on the 3-year government bond decreased by 30 basis points, to 14.37%, whilst that on the 20-year bond fell by 4 basis points, to 14.51%. 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 1.31 times, 3.55 times, and 3.36 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 0.42 times, 1.31 times, and 4.02 times, respectively.

AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	10.5861	14.1490	11.37
Kenya	8.9090	10.8970	5.50
South Africa	6.3380	7.5960	4.40
Brazil	6.4002	7.3800	4.94
Russia	7.2769	8.0700	5.20
India	6.1075	6.6780	2.92
China	2.3440	2.9030	2.50
USA	2.3399	1.9331	2.00
Germany	-0.5400	-0.6890	1.40
UK	0.7610	0.5630	2.10
Japan	-0.1595	-0.1820	0.90

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

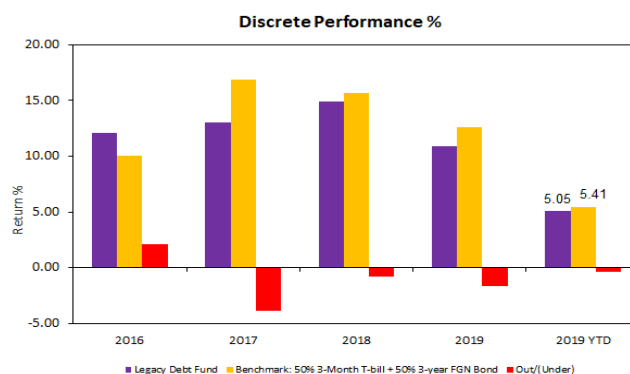
Agusto & Co. Ratings

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

PERFORMANCE

	Legacy Debt Fund Return (%)	Benchmark Return (%)
May Return (Annualised)	12.30	12.37
Inflation-adjusted (based on April CPI y/y)	0.83%	0.90%
Duration (Interest rate risk)	1.41	1.32
Weighted Average Maturity	1.80	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 and for Audit fee, 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

