



FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	EQUITY FUND
PERIOD	MAY 2019

FUND INFORMATION

Investment Objective: The Fund seeks to achieve capital growth over economic cycles and generate stable returns. This is equivalent to a medium-to-long term investment outlook.

Domicile	Nigeria	Min initial purchase	10,000 units
Fund Incorporation	2005	Min additional purchase	1,000 units
Bloomberg Ticker / ISIN	FCAMLEF NL / BGG007670TX2	Entry/Exit fee	Nil / 2%, if within 3-months
Base currency	Nigerian Naira (NGN)	Annual Management fee	1.50%
Fund size	₦578million	Performance Fee	1% of excess return over 20%
Benchmark	NGSE All share Index	Trading frequency	Daily
Bid / Offer Price	₦1.13/ ₦1.15	Settlement	Trade date + 5
Total Expense Ratio	2.79%	Fund Year End	June

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

At the end of May, the Fund closed with allocations of 68% and 32% to Equities and Money Market Instruments. The Fund returned -2.78%, compared with 6.55% for the index. MTN shares (accounting for about 20.3% of the index), largely responsible for the bullish performance in the index, was illiquid after listing, in May. Eventually, the stock was purchased at a premium of 76% relative to its listing price. The allocation to MTN is a strategic investment, we expect the Fund to benefit from both future price appreciation and dividends. However, the 5-year annualised volatility for the Fund decreased from 17.10% in April to 16.80% in May, whilst that for the benchmark fell from 21.90% to 21.80%.

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.

Internationally, the Emerging Markets index decreased by 6.58%. Likewise, the Developed Markets index fell by 4.87%.

AS AT OUR CUT-OFF

Equity Index	Closing Price	Change % in Month (LCY)	Change % Year-to-date (LCY)	Change % Year-to-date (in USD)	P/E Ratio
Emerging Markets	837	-6.58	5.58		13.42
Developed Markets	506	-4.87	10.67		16.84
Nigeria	31069	6.55	-1.15	0.13	7.69
Kenya	150	-4.70	6.76	7.28	12.13
South Africa	55366	-5.40	4.99	3.07	16.61
Brazil	97248	0.93	10.65	8.74	17.81
Russia	2641	3.19	11.47	11.47	5.10
India	39714	1.75	10.11	10.21	28.21
Hong Kong	26901	-9.42	4.08	3.95	10.29
USA	2756	-6.45	9.93	9.93	18.04
Europe	368	-6.08	8.86	6.26	16.98
UK	3917	-3.71	6.59	5.33	17.96
Japan	1512	-6.53	1.22	2.03	13.20

*LCY – Local Currency

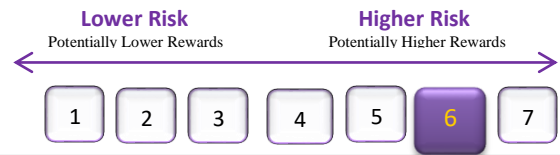
MAIN RISK FACTORS

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.

Synthetic Risk & Reward Indicator

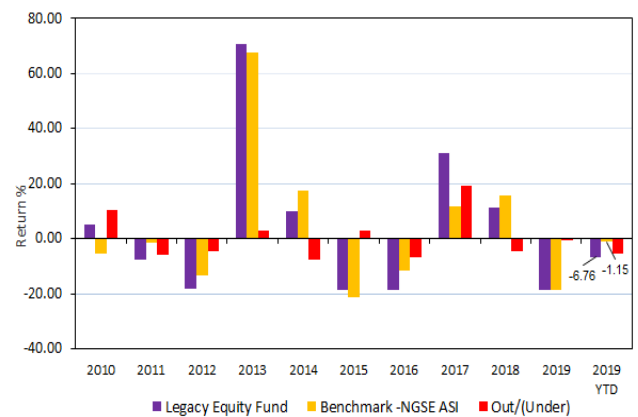


PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
May Performance	-2.78%	6.55%
Inflation-adjusted (based on April CPI m/m)	-3.68%	5.56%
Range of expected annual returns, based on 5-year historical performance	-20.49% to 13.11%	-25.22% to 18.38%
5-Year annualised	Tracking Error 12.42%	Information Ratio 0.01

Fund Year: July - June

Discrete Performance %



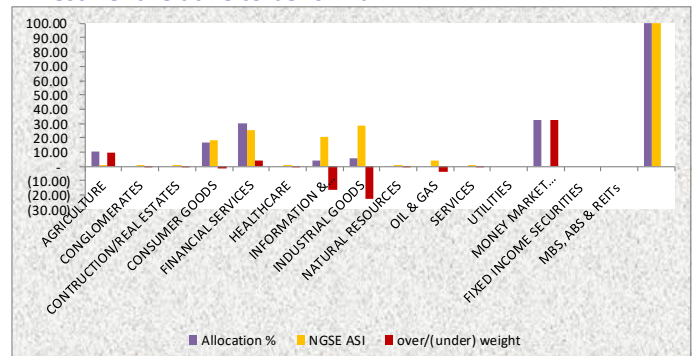
Performance returns are calculated on a Net-of-Fees basis. The Fund paid dividends of 5.38kobo, 8kobo, 8.7kobo and 12kobo per unit in June 2009, July 2014, July 2015 and January 2018. The 12kobo dividend that was paid in January 2018, for Fund year-ended 30 June 2017, implied a dividend yield of 12.38%.

FUND STRUCTURE

Asset Allocation

Asset	Range	Target
Money Market Instruments	0 to 40%	10%
Fixed Income Securities	0 to 40%	5%
Equities	60 to 100%	85%
Asset Backed and Mortgage Backed Securities & REITs	0 to 10%	0%

Investment relative to benchmark



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. The Synthetic Risk and Reward Indicator (SRRI) measures the volatility of returns. It ranks Funds between 1 to 7, where 1 is the lowest risk and 7 is the highest risk.