



<b>FUND MANAGER</b>	FCMB ASSET MANAGEMENT LTD
<b>FUND TYPE</b>	LEGACY DEBT FUND
<b>PERIOD</b>	JANUARY 2020

## FUND INFORMATION

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

Domicile	Nigeria	Min initial purchase	25,000 units
<b>Fund Incorporation</b>	2015	<b>Min additional purchase</b>	5,000 units
<b>Bloomberg Ticker / ISIN</b>	FCAMLSF NL / BBG009KJ25W7	<b>Entry/Exit fee</b>	Nil / 25%, if within 6-months
<b>Base currency</b>	Nigerian Naira (NGN)	<b>Annual Management fee</b>	1%
<b>Fund size</b>	₦8.54billion	<b>Performance Fee</b>	30% of excess return over target
<b>Benchmark</b>	50% 3month T-bill + 50% 3year FGN Bond	<b>Trading frequency</b>	Daily
<b>Bid / Offer Price</b>	₦3.68/ ₦3.68	<b>Settlement</b>	Trade date + 5
<b>Total Expense Ratio</b>	1.10%	<b>Fund Year End</b>	June

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 7.95% annualised in January, compared with 6.13% for the benchmark, representing an outperformance of 1.81%. Also, the Fund's 7.95% annualised return was 7.05% higher than the net return on a normal ₦250,000 1-year Fixed Deposit. Total allocation to triple A (Aaa) rated instruments was over 90% of the portfolio. Fund duration was 1.41 years versus 1.32 years for the benchmark, reflecting the impact of the 50% 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 11.98% y/y in December 2019, compared with 11.85% in the previous month. Month-on-month, the Headline index increased by 0.85% in December, versus 1.02% previously. Core inflation, which excludes the prices of volatile food produce, increased by 0.34% in December, to 9.33% y/y. Also, Food inflation rose from 14.48% in the previous month, to 14.67% y/y. In the domestic sovereign bond market, yields decreased across most maturities. The yield on the 3-year government bond decreased by 294 basis points, to 7.25%, whilst that on the 20-year bond fell by 73 basis points, to 11.23%. 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 2.76 times, 1.90 times and 1.25 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 1.05 times, 1.17 times, and 1.06 times, respectively.

## AS AT OUR CUT-OFF

Country	3-Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	3.3660	8.9010	11.98
Kenya	9.6950	10.8380	5.80
South Africa	6.0160	6.6940	4.00
Brazil	4.2283	5.2690	4.31
Russia	4.9562	6.3400	3.00
India	6.1075	6.2060	7.35
China	2.0380	2.5530	4.50
USA	1.5459	1.3426	2.30
Germany	-0.5590	-0.6920	1.70
UK	0.7370	0.4230	1.30
Japan	-0.1349	-0.1610	0.80

## 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

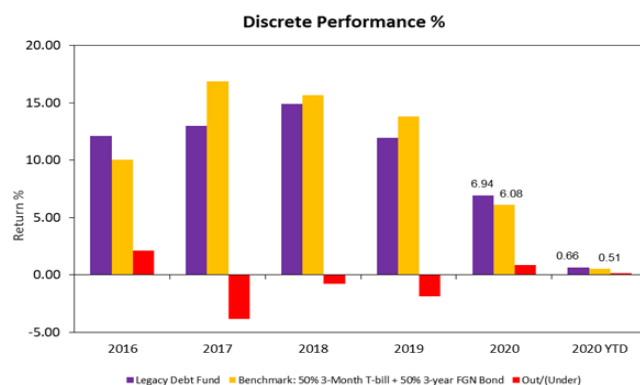
## Agusto & Co. Ratings

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

## PERFORMANCE

	Legacy Debt Fund Return (%)	Benchmark Return (%)
<b>January Return (Annualised)</b>	7.95	6.13
<b>Inflation-adjusted (based on December CPI y/y)</b>	-3.60%	-5.22%
<b>Duration (Interest rate risk)</b>	1.41	1.32
<b>Weighted Average Maturity</b>	1.82	1.62

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



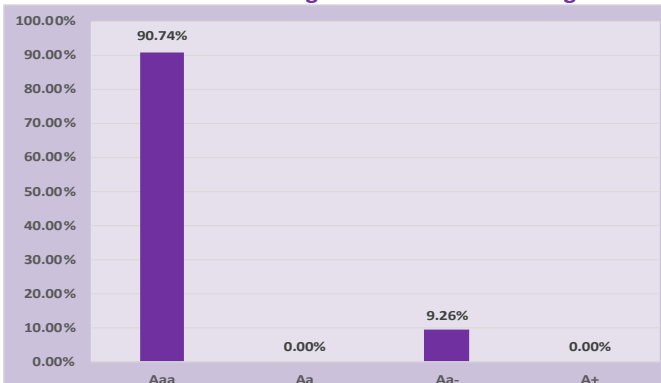
Performance returns (including dividend yield) are calculated on an annualised basis and shown Net-of-Fees. Annual payments for renewal of Fund rating & Audit fee, plus NSE Fund listing cost, reduced Fund performance. The Fund paid 11kobo per unit in January 2018, as dividend for Fund year-ended 30 June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