



FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	LEGACY DEBT FUND
PERIOD	SEPTEMBER 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	₦2.90billion	Performance Fee	30% of excess return over target
Benchmark	50% 3month T-bill + 50% 3year FGN Bond	Trading frequency	Daily
Bid / Offer Price	₦3.55/ ₦3.55	Settlement	Trade date + 5
Total Expense Ratio	1.16%	Fund Year End	June

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 12.27% annualised in September, compared with 12.85% for the benchmark. The Fund's 12.27% annualised return was 6.42% 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, the Fund carried less interest rate risk than its benchmark; Fund duration was 1.24 years versus 1.32 years for the benchmark.

Inflation data released by Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index rose by 11.02% y/y in August 2019, compared with 11.08% in the previous month. Month-on-month, the Headline index increased by 0.99% in August, versus 1.01% previously. Core inflation, which excludes the prices of volatile food produce, fell by 0.12% in August, to 8.68% y/y. Also, Food inflation fell from 13.39% in the previous month, to 13.17% y/y. In the domestic sovereign bond market, yields increased across most maturities. The yield on the 3-year government bond increased by 18 basis points, to 14.25%, whilst that on the 20-year bond rose by 19 basis points, to 14.49%. The DMO reopened the FGN bonds 12.75% APR 2023s, 14.55% APR 2029s, and 14.80% APR 2049s. While the 12.75% APR 2023s FGN bond was undersubscribed, with a bid-to-cover ratio of 0.32times, FGN bonds 14.55% APR 2029s and 14.80% APR 2049s, were oversubscribed, with bid-to-cover ratios of 1.66 times and 1.16 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 0.26 times, 0.75 times, and 0.86 times, respectively.

AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	12.6754	13.0280	11.02
Kenya	9.7670	10.1310	3.80
South Africa	6.5920	7.4460	4.30
Brazil	5.0764	5.8510	3.43
Russia	6.5575	7.1700	4.30
India	6.1075	6.1410	3.21
China	2.3020	2.7770	2.80
USA	1.8174	1.5651	1.70
Germany	-0.5670	-0.8140	1.20
UK	0.7840	0.3010	1.70
Japan	-0.3906	-0.3360	0.30

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

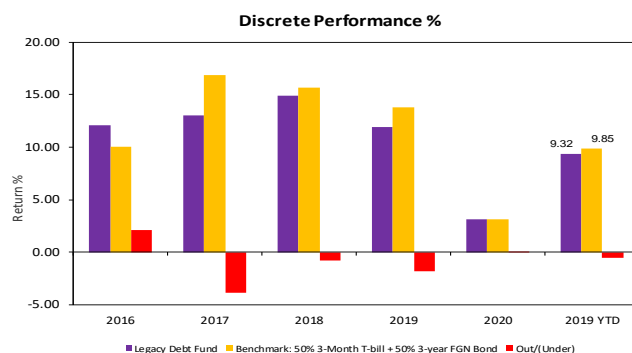
Agusto & Co. Ratings

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

PERFORMANCE

	Legacy Debt Fund Return (%)	Benchmark Return (%)
September Return (Annualised)	12.27	12.85
Inflation-adjusted (based on August CPI y/y)	1.13%	1.65%
Duration (Interest rate risk)	1.24	1.32
Weighted Average Maturity	1.62	1.62

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



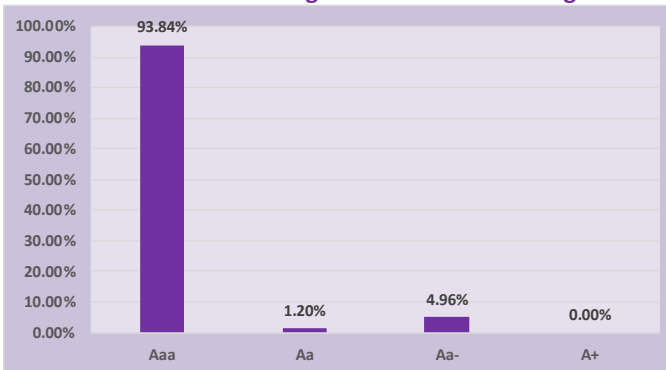
Performance returns (including dividend yield) are calculated on an annualised basis and shown Net-of-Fees. Annual payments for renewal of Fund rating & Audit fee, plus NSE Fund listing cost, reduced Fund performance. The Fund paid 11kobo per unit in January 2018, as dividend for Fund year-ended 30 June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