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Winner - Best Managed Fund in Equity
 at 2017 BusinessDay Banking Awards

FUND MANAGER	FCMB ASSET MANAGEMENT LTD
FUND TYPE	EQUITY FUND
PERIOD	OCTOBER 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	N524.3million	Performance Fee	1% of excess return over 20%
Benchmark	NGSE All share Index	Trading frequency	Daily
Bid / Offer Price	₦1.03/₦1.04	Settlement	Trade date + 5
Total Expense Ratio	2.33%	Fund Year End	June

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

At the end of October, the Fund closed with allocations of 66% and 34% to Equities and Money Market Instruments. The Fund returned -3.62%, compared with -4.60% for the index, representing an outperformance of 0.98%. The 5-year annualised volatilities for the Fund and Benchmark reduced, from 16.90% and 22.00%, in September, to 16.60% and 21.80%, in October, respectively.

Inflation data released by Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index rose by 11.24% y/y in September 2019, compared with 11.02% in the previous month. Month-on-month, the Headline index increased by 1.04% in September, versus 0.99% previously. Core inflation, which excludes the prices of volatile food produce, increased by 0.26% in September, to 8.94% y/y. Also, Food inflation rose from 13.17% in the previous month, to 13.51% y/y. In the domestic sovereign bond market, yields decreased across all maturities. The yield on the 3-year government bond decreased by 157 basis points, to 12.67%, whilst that on the 20-year bond fell by 116 basis points, to 13.33%. 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 1.27x, 2.40x, and 1.45x, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 0.32x, 1.66x, and 1.16x, respectively. In October, the Central Bank of Nigeria (CBN) released a circular excluding Nigeria-based investors (individuals and corporates) from investing in Open Market Operations (OMO) Treasury bills; foreign investors can invest, and Nigerian banks can only invest for their own books and not on behalf of local investors. As a result, yields on available local Treasury bills and FGN Bonds have declined, and are expected to decline further over the next 3-6 months. However, the CBN action could very well disrupt the smooth running of the market for debt instruments, with the long-term impact being a spike in interest rates above historically normal levels.

Internationally, the Emerging Markets index increased by 4.18%. Likewise, the Developed Markets index rose by 2.80%.

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	890	4.18	12.33		14.85
Developed Markets	553	2.80	20.89		18.89
Nigeria	26359	-4.60	-16.13	-15.00	7.18
Kenya	160	9.69	13.62	12.38	12.11
South Africa	56425	2.92	6.99	2.28	14.86
Brazil	106950	2.10	21.69	18.44	17.24
Russia	2888	5.12	21.88	21.88	6.22
India	40129	3.78	11.26	9.62	26.93
Hong Kong	26907	3.12	4.11	4.04	10.47
USA	3033	1.90	21.00	21.00	19.99
Europe	398	1.19	17.82	15.12	19.53
UK	4001	-1.51	8.86	10.32	18.50
Japan	1667	4.99	11.57	12.98	13.91

*LCY – Local Currency

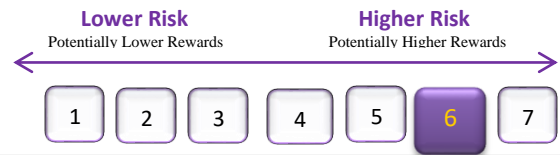
MAIN RISK FACTORS

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

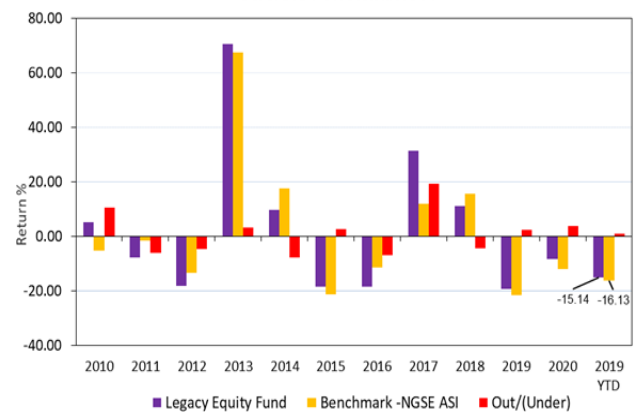


PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
October Performance	-3.62%	-4.60%
Inflation-adjusted (based on September CPI m/m)	-4.61%	-5.58%
Range of expected annual returns, based on 5-year historical performance	-19.91% to 13.29%	-26.52% to 17.08%
5-Year annualised	Tracking Error 12.43%	Information Ratio 0.12

Fund Year: July - June

Discrete Performance %



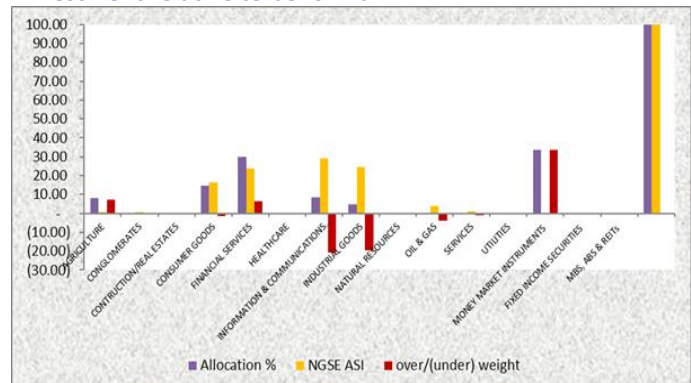
Performance returns are calculated on a Net-of-Fees basis. The Fund paid dividends of 5.38kobo, 8kobo, 8.7kobo and 12kobo per unit in June 2009, July 2014, July 2015 and January 2018. The 12kobo dividend that was paid in January 2018, for Fund year-ended 30 June 2017, implied a dividend yield of 12.38%.

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



FCMB Asset Management Ltd (FCMBAM) is a subsidiary of CSL Stockbrokers Ltd, a member of FCMB Group plc. FCMBAM is authorised and regulated by the Securities & Exchange Commission, Nigeria.

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.