

<b>FUND MANAGER</b>	FIRST CITY ASSET MANAGEMENT LTD
<b>FUND TYPE</b>	LEGACY SHORT MATURITY (NGN) FUND
<b>PERIOD</b>	NOVEMBER 2015

Agusto & Co. Rating: Bbb(f) investment grade

## FUND INFORMATION

**Investment Objective:** The Fund seeks to preserve capital and minimize volatility by investing in short maturity instruments.

<b>Domicile</b>	Nigeria	<b>Min initial purchase</b>	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>	₦602.02million	<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>	₦2.31 / ₦2.31	<b>Settlement</b>	Trade date + 5

## PERFORMANCE

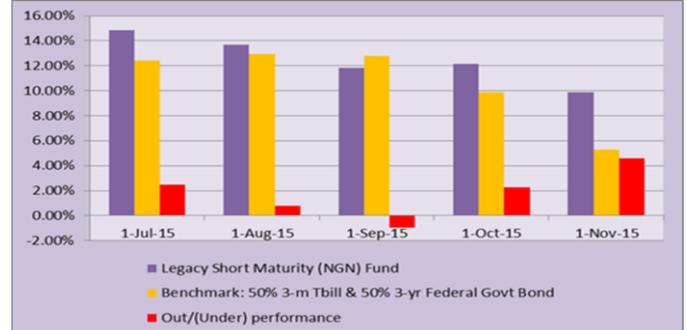
	LSM (NGN) Fund Return (%)	Benchmark Return (%)	Return
<b>November Performance (Annualised)</b>	9.86		5.26
<b>Inflation-adjusted (based on October CPI y/y)</b>	0.51		-3.70
<b>Duration (Interest rate risk)</b>	0.47		1.21
<b>Weighted Average Maturity</b>	0.53		1.38

\*The sum of ₦57,750 (the minimum amount to buy into the Fund as at beginning of November 2015) in a Savings Account, would have returned, at most, 3% per annum.

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund outperformed the benchmark by 460 basis points. As a result of gaps between the maturity of instruments and availability of new ones, there was a drop in the Fund's annualised return, relative to the previous month. In addition, the general downward movement in yields on Treasury bills and Federal Government Bonds affected overall Fund performance, as we had to maintain the required allocations to Nigerian sovereign instruments despite the lower yields. The Fund carried significantly less risk; Fund Duration was 0.47 year versus 1.21 years for the benchmark. Based on data from Nigeria's National Bureau of Statistics (NBS), the Consumer Price Index (CPI) increased by 9.3% y/y, compared with 9.4% in the previous month. This was as a result of lower increases in most components of the index. However, the inflation rate remains above the Central Bank of Nigeria's 6-9% target band. In the domestic sovereign bond market, yields fell across all maturities. The curve steepened, with the yield on the 3-year government bond decreasing by 551.8 basis points, to 6.87%, compared with a fall of 270 basis points, to 11.23%, for the 20-year bond. The DMO reopened FGN bonds 15.54% February 2020s and 14.20% March 2024s. Bids-to-cover were 2.39 and 4.20 times, compared with 2.56 and 2.05 times recorded in October. The Central Bank eased policy by cutting the Monetary Policy Rate by 200 basis points, to 11.0%, and reducing the Cash Reserve Requirement Ratio from 25% to 20%.

## Investment Performance relative to benchmark



Performance returns are calculated on an annualised basis and shown Net-of-Fees

## AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
Nigeria	1.4200	9.1000	9.30
Kenya	15.7170	14.3070	6.70
South Africa	6.9950	7.7690	4.70
Brazil	14.1770	16.1300	9.77
Russia	11.8200	10.6450	15.60
India	7.1360	7.4920	5.00
China	2.5200	2.8080	1.30
USA	0.1750	1.2380	0.20
Germany	-0.4320	-0.3840	0.10
UK	0.4980	0.7850	-0.10
Japan	-0.0760	-0.0040	0.30

## FUND STRUCTURE

### Asset Allocation

Asset	Range
Cash on call	0 to 100%
T-Bills	0 to 50%
Fixed deposits, Commercial papers, Bankers Acceptances & other MMI	0 to 50%
Federal Government Bonds	0 to 50%
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%

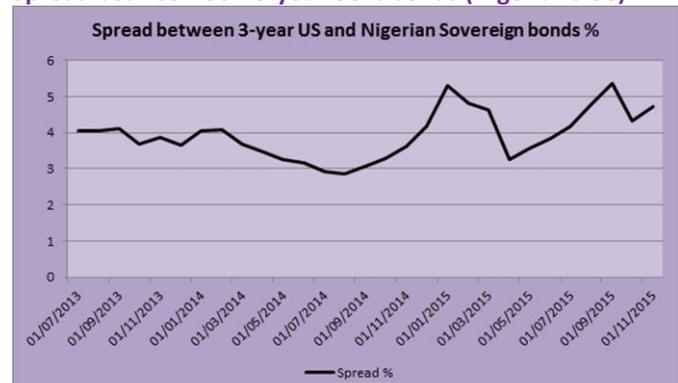
## MAIN RISK FACTORS

**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

## Spread between USD 3-year Govt bonds (Nigeria vs US)



### DISCLAIMER NOTICE

FCAM has not considered the suitability of this investment against your individual risk and return targets. 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.