



<b>FUND MANAGER</b>	FCMB ASSET MANAGEMENT LTD
<b>FUND TYPE</b>	LEGACY DEBT FUND
<b>PERIOD</b>	NOVEMBER 2019

## 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>	₦3.50billion	<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>	₦3.62/ ₦3.62	<b>Settlement</b>	Trade date + 5
<b>Total Expense Ratio</b>	1.13%	<b>Fund Year End</b>	June

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 13.81% annualised in November, compared with 9.19% for the benchmark, representing an outperformance of 4.62%. The Fund return was aided by a relatively higher exposure to FGN bonds, holding returns stable, even as yields on Money Market Instruments and Bonds declined. Also, the Fund's 13.81% annualised return was 7.31% 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. Fund duration was 1.41 years versus 1.32 years for the benchmark, reflecting the impact of the 49.92% 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 11.61% y/y in October 2019, compared with 11.24% in the previous month. Month-on-month, the Headline index increased by 1.07% in October, versus 1.04% previously. Core inflation, which excludes the prices of volatile food produce, decreased by 0.07% in October, to 8.88% y/y. Also, Food inflation rose from 13.51% in the previous month, to 14.09% y/y. In the domestic sovereign bond market, yields decreased across most maturities. The yield on the 3-year government bond decreased by 139 basis points, to 11.26%, and that on the 20-year bond fell by 48 basis points, to 12.85%. 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 0.86times, the FGN bonds 14.55% APR 2029s, and 14.80% APR 2049s, were oversubscribed, with bid-to-cover ratios of 1.88 times and 2.30 times, respectively. In the previous month, bid-to-cover ratios for the three FGN Bonds were 1.27 times, 2.40 times, and 1.45 times, respectively.

## AS AT OUR CUT-OFF

Country	3 Month T-bill %	3-year Govt Bond yield %	Headline CPI %
<b>Nigeria</b>	7.1200	11.2600	11.61
<b>Kenya</b>	9.6860	10.4250	5.60
<b>South Africa</b>	7.4460	7.4520	3.70
<b>Brazil</b>	4.5395	5.6410	2.54
<b>Russia</b>	6.0097	6.5700	3.80
<b>India</b>	6.1075	5.8550	4.62
<b>China</b>	2.4530	2.8030	3.80
<b>USA</b>	1.5774	1.6195	1.80
<b>Germany</b>	-0.6350	-0.6490	1.10
<b>UK</b>	0.7780	0.5070	1.50
<b>Japan</b>	-0.1698	-0.1720	0.20

## 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

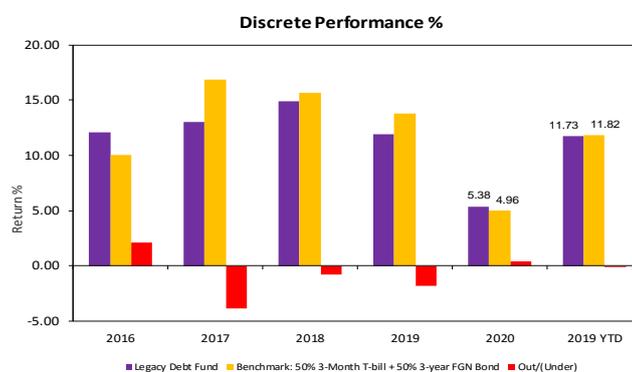
*Fund Credit Quality: A+(f) investment grade*

*Fund Volatility: FV3*

## PERFORMANCE

	Legacy Debt Fund Return (%)	Benchmark Return (%)
<b>November Return (Annualised)</b>	13.81	9.19
<b>Inflation-adjusted (based on October CPI y/y)</b>	1.97%	-2.17%
<b>Duration (Interest rate risk)</b>	1.41	1.32
<b>Weighted Average Maturity</b>	1.73	1.62

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



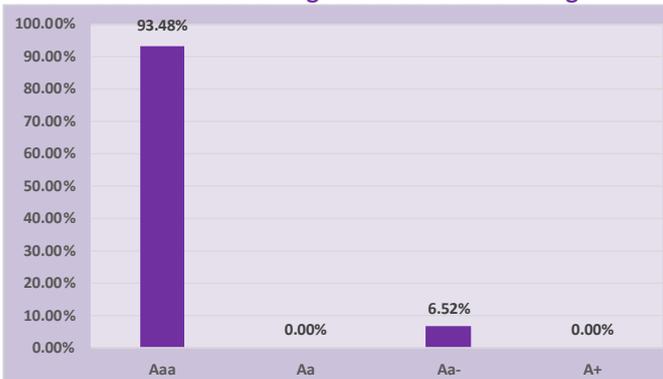
Performance returns (including dividend yield) are calculated on an annualised basis and shown Net-of-Fees. Annual payments for renewal of Fund rating & Audit fee, plus NSE Fund listing cost, reduced Fund performance. The Fund paid 11kobo per unit in January 2018, as dividend for Fund year-ended 30 June 2017, representing a Fund year dividend yield of 4.48%.

## FUND STRUCTURE

### Asset Allocation

Asset	Range
<b>Cash on call</b>	0 to 100%
<b>T-Bills</b>	0 to 60%
<b>Fixed deposits, Commercial papers, Bankers Acceptances &amp; other MMI</b>	0 to 50%
<b>Federal Government Bonds</b>	0 to 60%
<b>State and Local Government Bonds</b>	0 to 40%
<b>Government guaranteed &amp; Agency Bonds</b>	0 to 40%
<b>Supranational Bonds</b>	0 to 40%
<b>Corporate Bonds</b>	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.