

Fund Overview

Investment objective

The Fund seeks to maximise returns and provide long term capital appreciation by investing primarily in companies and debt securities listed or issued in Nigeria.

Fund facts

Fund Managers	Laura Fisayo-Kolawole, CFA Kike Mesubi, CFA,
Fund launch date	1 st April 2008
Fund size	₦3.80bn
Base currency	Naira (₦)
NAV per share	₦152.08
Minimum investment	₦50,000.00
Income distributions	Oct '16: ₦4.00; Dec '17: ₦12.00
Total Expense Ratio	1.69%
Annual management fee	1.50%
Risk profile	Medium*

Fund highlights

The Fund is an open ended mutual fund that invests in a diversified portfolio of high quality Nigerian companies, long-term debt instruments of Nigerian federal and state governments and money market securities such as Treasury Bills, Commercial Papers, Bankers Acceptances and Fixed Deposits. The Fund may also invest in Nigerian real estate and real estate securities.

The Fund offers exposure to multiple asset classes and aims to reduce investment risk by diversifying across these asset classes, making it an ideal core holding.

Investor Profile

The Fund is suitable for investors who are seeking long-term capital growth, require minimal income and can tolerate market volatility.

The Fund may be suitable for investors looking for a source of long-term capital growth and income through exposure primarily to equity and debt securities in Nigeria. Investors in this Fund should have at least a three to five year investment horizon.

Benchmark

Composite benchmark: 25% 91 days Nigerian Treasury Bill (NTB), 25% Bloomberg Nigeria Local Sovereign Index and State bonds, 50% Nigerian Stock Exchange All Share Index

Source: FBNQuest Asset Management

* The Fund has a 'Medium' risk profile given it invests the majority of its assets in equities and bonds. The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions. Investing in bonds may carry higher risks than other debt securities, but their growth potential is also higher. The value of debt securities may change significantly depending on economic, political, inflationary and interest rate conditions as well as the credit worthiness of the issuer.

^ Bid price is stated net of fees and expenses.

Redemption period: 5 business days.

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

Monthly Comments

Fund and market review

The Fund gained 2.3% in the month of April, versus its benchmark which gained 0.5% and the NSE ASI which returned -0.6%. The Fund has gained 9.2% year to date, versus 6.9% for its benchmark and 7.9% for the NSE ASI.

The equities market was dominated by bearish sentiments within the month. The correction was on the back of concerns that the strong financial performance (especially by the Banks) in 2017 may be unsustainable in 2018. Bank earnings are likely to be pressured by lower yields on government securities and an uptick in the cost of risk. Also, the anticipated impact of the election/political risk on company performance remains unknown. Focusing on Q1 2018 results, in the banking space, performance was mixed as banks sought alternative ways to generate revenue following the decline in fixed income yields. Also, the implementation of International Financial Reporting Standards (IFRS) 9 led banks to adopt the Expected Credit Loss principle, leading to stricter loan profiling and more provisioning on loans. In the Industrial Goods sector, Dangote Cement performed well due to high energy efficiency and growth in public-private partnerships on infrastructure projects.

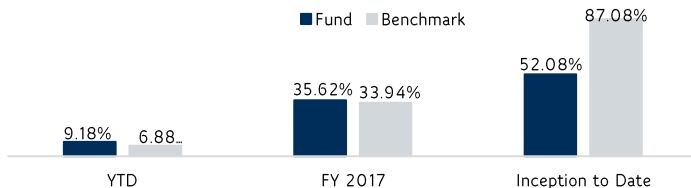
The low interest rate environment on Federal Government Securities was sustained during the month. Headline inflation slowed to 13.3% in March 2018 y/y (a 23 month low), while Nigeria's External reserves rose to a 5 year high to close at \$47.36bn, gaining 22% YTD. The Fund Manager invested in alternative, higher yielding, instruments to boost the yield on the Fund.

Fund and market outlook

The equity market is expected to find support on the country's improving macro-economic environment, especially the increased global oil prices and FX reserves, although we expect political risk headwinds to begin to set in as the year progresses. We also expect the low interest rate environment in Government securities to continue.

Performance and Positioning

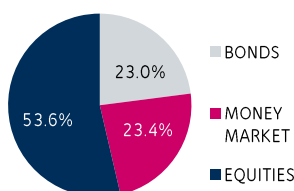
Cumulative Performance



Performance Summary

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Bid Price (₦)^	141.50	147.03	149.80	139.29	152.23	152.09	148.63	152.08
Distribution (₦)				12.00				

Current allocation



Asset allocation ranges

Bonds	10-25%
Money Market Securities	10-75%
Equities	20-65%