

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	₦3.65bn
Base currency	Naira (₦)
NAV per share	₦145.98
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 dropped by -4.0% in the month of May, versus its benchmark and the NSE ASI which also dropped by -3.5% and -7.7% respectively. The Fund has gained 4.8% year to date, versus 3.4% for its benchmark while the NSE ASI has dropped by -0.36% during the same period.

Negative investor sentiments outweighed the effects from the improvement in the macroeconomic environment as the equities market closed in negative territory due to continued sell-off by foreign investors who pulled back from Emerging Markets, including Nigeria, to reinvest in Developed Markets given the improving fundamentals within the latter. The National Bureau of Statistics' (NBS) inflation data for the month of April showed that headline inflation slowed to 12.4% (versus 13.3% in March); the fifteenth consecutive decline in inflation. Also, GDP numbers for Q1 2018 released during the month showed that the economy grew by 2.0% year-on-year compared to an upwardly revised 2.1% recorded in Q4 2017. The oil sector was the fastest growing sector, expanding by 14.8% year-on-year compared to an upwardly revised 11.2% in Q4 2017; a confirmation of the country benefitting from the rally in oil prices which helped push foreign reserves to USD47bn during the month.

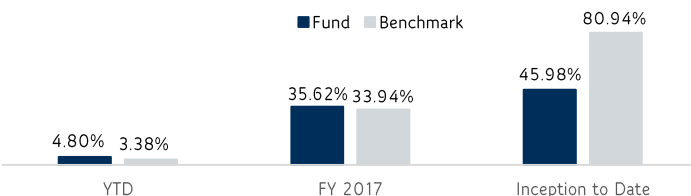
The fixed income market started the month on a bullish note which moderated as yields rose due to the increased supply of treasury bills by the Central Bank of Nigeria (CBN) via the usual Open Market Operations (OMO) and Foreign Exchange (FX) retail auction offerings. The Fund Manager invested in higher yielding money market instruments to boost the return.

Fund and market outlook

We expect the recent equities sell off to continue in the short term especially as foreign investors refocus on developed market options such as US debt following interest rate hikes. The Fund Manager will seek to invest in alternative, higher yielding instruments to boost the yield on the Fund.

Performance and Positioning

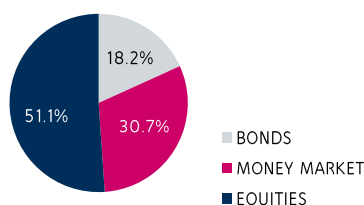
Cumulative Performance



Performance Summary

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Bid Price (₦)^	147.03	149.80	139.29	152.23	152.09	148.63	152.08	145.98
Distribution (₦)	12.00							

Current allocation



Asset allocation ranges

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