

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	₦3.71bn
Base currency	Naira (₦)
NAV per share	₦149.80
Minimum investment	₦50,000.00
Income distributions	Oct '16: ₦4.00
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: FBN Capital 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 1.89% in the month under review, slightly underperforming its benchmark which gained 2.65% within the period.

The equity market continued its impressive performance gaining 3.44% during the month and 41.19% year-to-date. This was driven mainly by increased investor confidence as a result of positive macroeconomic trends. The All-Share Index rose to a 4-month high during the period partly due to the impressive performance of large cap names such as Nestle which surged to an all time high while Dangote Cement, Fidelity Bank and Dangote Sugar rose to 3-month, 30-month and 7-year highs respectively. However, during the month, the equities market had its worst trading day in seven (7) weeks following the conclusion of the Morgan Stanley Capital International (MSCI) semi-annual review where FBNHoldings, Forte Oil, Guinness and PZ Cussons were relegated to the frontier markets small cap index while Cadbury, Diamond Bank, FCMB, GlaxoSmithKline, Skye Bank and Sterling Bank were deleted from the frontier small cap index. As a result, Cadbury, PZ Cussons and Guinness lost -4.31%, -2.61% and -1.97% respectively on the day. The Fund increased exposure to a large brewing name following pull-back in the share price.

Most activity in the treasury bills market was in the December 2017 papers which traded bearish due to the illiquid position of the Interbank market. With the continuous drop in OMO auction rates, there were slight demand on the mid-dated bills which closed within a range of 17.45% to 17.55% on the bid. Consistent OMO offerings by the Central Bank of Nigeria and liquidity squeeze caused yields to inch slightly upwards by an average of 15-20bps.

Fund and market outlook

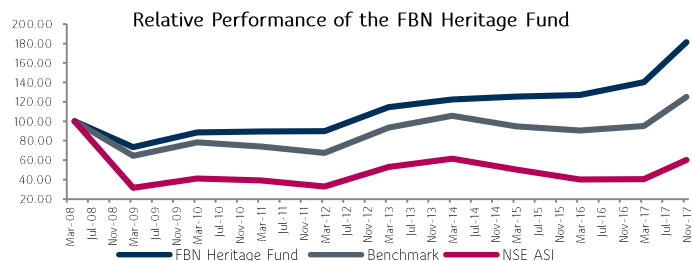
We expect the equities market to continue to find support on improving macro-economic dynamics, sustained FX liquidity and stable global oil prices. Yields in the Treasury Bills market are expected to remain at or below current levels in the mid and long end of the curve, with bullish tendencies causing downward pressure on yields.

Performance and Positioning

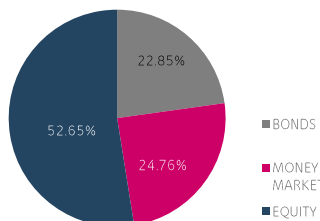
Historic prices and yields

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Bid price (₦)^	115.00	125.34	130.99	137.98	140.19	141.50	147.03	149.80

Cumulative Performance



Current allocation



Asset allocation ranges

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