

FBN Heritage Fund

www.fbncam.com

All data as at 31st March 2015 unless otherwise stated

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	Michael Oyebola, Laura Thorpe
Assistant Fund Managers	Kike Mesubi, Oluyomi Okin
Fund launch date	1 st April 2008
Fund size	₦4.7bn
Base currency	Naira (₦)
NAV per share	₦115.27
Minimum investment	₦50,000.00
Income distributions	Dec '13: ₦10.00
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.

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 strength in equities in February continued into March as the Nigerian Stock Exchange All share Index (NSEASI) rose 3.3%, the best monthly performance since May 2014. This, combined with further weakness within fixed income markets drove the composite benchmark 2.1% higher in March, and above the Fund's return of 1.5% for the month.

Investors defied expectations for weaker appetite for equities in March in view of the general elections rescheduled to commence in the month. We witnessed significant increased appetite from local investors, for dividend reasons, and foreign investors on the back of cheap valuations. The release of better-than-expected results and dividends for 2014 by Guaranty Trust Bank and Zenith Bank ignited the stronger interest in the market, despite the threat of a further devaluation of the currency in the near term. Within the Fund, the allocation to equities remained stable; we reduced exposure to a cement name on the back of weak 2014 results and earnings outlook, and utilized the proceeds to increase holdings in a tier 1 bank. Bond and money market yields continued to rise over the month due to tightened liquidity, heightened political risks and market expectations of a further devaluation in the currency. The Fund maintained a short duration focus in line the fund managers' expectations that yields were likely to remain high, with this benefitting the Fund as matured money market investments were reinvested at higher yields.

Market Outlook

The Presidential and National Assembly elections in March were conducted without widespread violence which we view as positive for equities in the immediate term, but we are still weary of lingering macro issues and pressure on corporate profits which may weigh on equities further as we move into the second quarter of 2015.

Benchmark

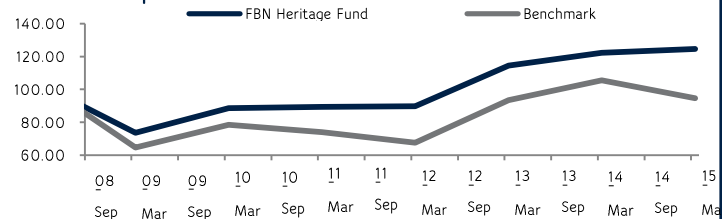
Composite benchmark: 25% 91 days Nigerian Treasury Bill (NTB), 25% Federal Government of Nigeria and State bonds, 50% Nigerian Stock Exchange All Share Index

Performance and Positioning

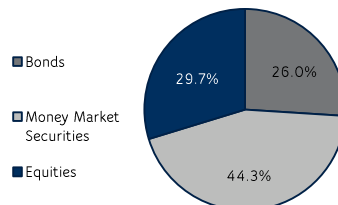
Historic prices

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Bid price (₦)^	115.70	115.99	111.88	113.55	115.27

Cumulative performance



Current allocation



Asset allocation ranges

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