

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	₦3.78bn
Base currency	Naira (₦)
NAV per share	₦152.09
Minimum investment	₦50,000.00
Income distributions	Oct '16: ₦4.00; Dec '17: ₦12.00
Total Expense Ratio	1.61%
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 declined -0.09% in the month of February outperforming its benchmark (-1.00%) and the Nigerian Stock Exchange All Share Index (NSEASI) (-2.28%).

Within the equities space, the full year 2017 earning results season kicked off in February; Seplat released a strong set of positive numbers driven primarily by a combination of higher oil sales on the back of improved production and higher prices relative to 2016. However, not-so-positive results from Guinness, Nigeria Breweries and Total wiped out some gains from the broader market as investors engaged in large sell-offs as a result of the poor performance. The NSE also implemented a new pricing rule allowing stock prices fall below 50 kobo, creating liquidity in a number of names. This allowed the Fund Manager exit its holdings in an Insurance name during the month, boosting the Fund's liquidity position.

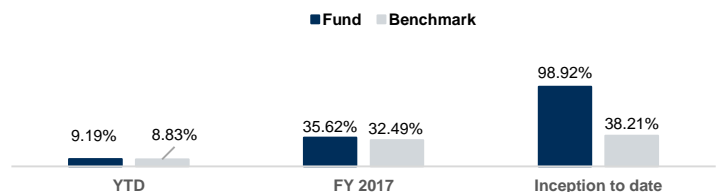
In the Fixed Income space, rates dipped by about 15bps from the last closing rates across all tenures at the last treasury bills auction in February, printing at 11.85%, 13.50% & 13.50% for the 91days, 182days and 364days tenures respectively. Data releases for the month revealed headline inflation slowed to 15.13% year-on-year (versus 15.37% in December 2017). This marks the 12th consecutive decline. Additionally, Q4 2017 GDP data showed the economy grew by 1.92% y/y compared with 1.40% in Q3 and by 0.83% y/y in 2017 compared with a contraction of -1.58% in 2016. The non-oil economy grew by 1.45% y/y in Q4. On an annual basis, the sector grew by 0.47% in 2017, following a 0.22% contraction in 2016. These numbers speak to the strengthening macroeconomic picture of the Nigerian economy.

Fund and market outlook

On the back of the improving macros and the expectation of positive earnings, we expect the equity market to find support from the release of full year 2017 earnings, benefitting the Fund. In the fixed income space, we expect yields to react to the level of liquidity in the system.

Performance and Positioning

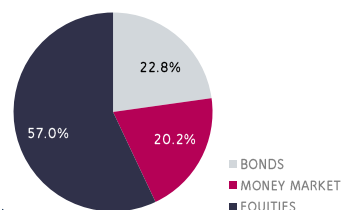
Cumulative Performance



Performance Summary

	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Bid price (₦)^	132.03	139.18	141.42	142.76	148.28	151.11	140.66	153.70	153.53

Current allocation



Asset allocation ranges

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