

## FBN Heritage Fund

www.fbncam.com

All data as at 30<sup>th</sup> April 2014 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 <sup>st</sup> April 2008
Fund size	₦4.8bn
Base currency	Naira (₦)
NAV per share	₦114.33
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

Over the month of April, the Fund rose 1.0% despite its benchmark being down 0.2% and the Nigerian Stock Exchange All Share Index losing 0.7%.

The combination of elevated liquidity and the unavailability of Open Market Operations by the Central Bank of Nigeria to mop up said liquidity meant that over the month, money market rates were sharply lower. The average 91 day Treasury Bill rate declined by 1.2 percentage points whilst the equivalent 182 day rate fell 1.3 percentage points. Within the Fund, we were more partial to mid-to-short dated bank placements where rates were more attractive.

The equity market fell 0.7% in April - its best monthly performance since 2014 began. The month was dominated by the release of Q1 2014 results. The results were broadly inline with (low) expectations and thus were unable to provide a boost to the market. However, at the start of the month, we saw increased participation by foreign investors which supported the market. We continue to identify opportunities and in April, we invested in an oil & gas exploration and production company where we see good prospects as they focus on both organic and acquisition led growth opportunities.

#### Market Outlook

The relative stability/appreciation in the FX rate means that the Central Bank is not under pressure to mop up liquidity in the market. We expect rates to remain at these relatively low levels, all things being equal. For equities, the lack of direction is set to continue given the weak sentiments and the absence of catalysts. As in previous months, we see the money market portfolio providing relative stability to the Fund's performance.

### Benchmark

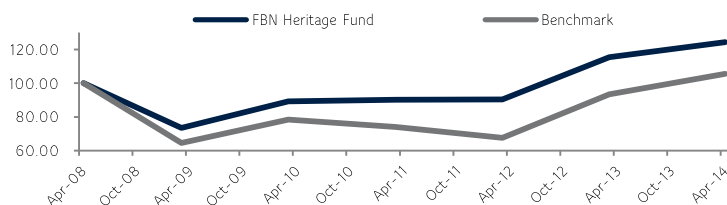
Composite benchmark: 25% 91 days Nigerian Treasury Bill (NTB), 25% Federal Government of Nigeria and state bonds, 50% Nigerian Stock Exchange All Share Index

### Performance and Positioning

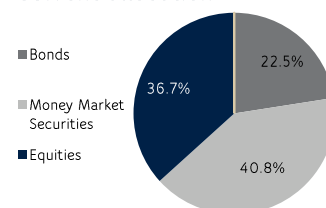
#### Historic prices

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Bid price (₦)^	114.49	113.65	113.07	113.19	114.33
Dividend (₦)	10.00				

#### Cumulative performance



#### Current allocation



#### Asset allocation ranges

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