

FBN Heritage Fund

www.fbncam.com

All data as at 30th April 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	₦4.9bn
Base currency	Naira (₦)
NAV per share	₦120.13
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 second quarter of 2015 started positively for the equities market as the Nigerian Stock Exchange All Share Index (NSEASI) rose 9.3%; a significant improvement on the indices performance in March. The positive performance combined with the weakness within the bond market drove the composite benchmark 3.5% higher in April, outperforming the Fund's return by 2.2%.

Following the General Elections, we witnessed much activity in the equity market which was boosted by an expectation of positive first quarter earning results. An overview of the banking industry results revealed a weakening operating environment driven by difficult macro economic conditions; loan growth was generally muted while interest expense rose. Despite these challenges, earnings were boosted by non-interest income. Intensive competition and insecurity in Northern Nigeria continued to subdue revenue growth amongst consumer goods companies with many of them reporting single digit growth. Finance costs and operating expenses weighed on earnings as companies increased marketing in a bid to retain market share. The Fund Manager took advantage of the rally in equities to realise gains with a view to rebuild positions during a sell-off. Fixed income yields weakened as a result of a high volume of maturities in April. In anticipation of an aggressive mopping-up exercise by the Central Bank, the Fund Manager sold lower yielding assets and reinvested in higher yielding assets.

Market Outlook

We expect the high volume of maturities experienced in April to put pressure on yields in the money market. Therefore, we intend to lengthen the duration of the Fund's money market allocation in the short-term to maintain the average yield on assets. We anticipate equity prices will continue to be under pressure as markets refocus on the lacklustre company results.

Benchmark

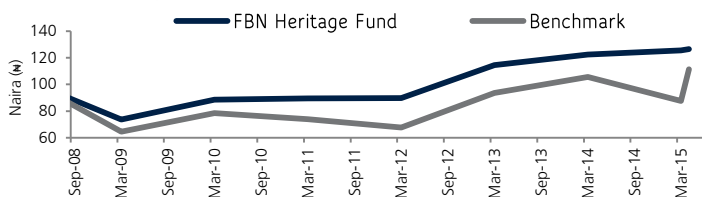
Composite benchmark: 25% 91 days Nigerian Treasury Bill (NTB), 25% Bloomberg Nigeria Local Sovereign Index and State bonds, 50% Nigerian Stock Exchange All Share Index

Performance and Positioning

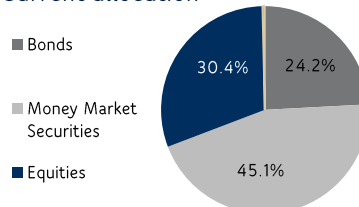
Historic prices

	Dec-14	Jan-15	Feb-15	Mar-15	April 15
Bid price (₦)^	115.99	111.88	113.55	115.27	120.13

Cumulative performance



Current allocation



Asset allocation ranges

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