

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	₦3.22bn
Base currency	Naira (₦)
NAV per share	₦125.34
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 returned 8.00% in the period under review. The Fund's return exceeded the benchmark which gained 7.39%, however fell short in comparison to the Nigerian Stock Exchange All Share Index which gained 14.00%.

The month was characterized by the equity market's positive reaction to the inception of the Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX) window which provides improved foreign exchange liquidity for investors and exporters. Sentiments in the equity market promptly turned as it became clear that foreign investors were able to access foreign exchange. The success of NAFEX as well as the country's improved economic performance encouraged investors to pile into the equity market. The market posted its best May performance in over two years. Additionally, guidelines encouraging Pension Fund Administrators to allocate more of their assets to variable income assets like equities also buoyed sentiments. Mostly based on the strong performance over the month, most sectors are now showing positive year-to-date performance. Within the Fund, the diversified holdings within the equity portfolio contributed to the strength of the Fund's performance.

The fixed income market remained characterized by the continued mopping up of system liquidity by the Central Bank of Nigeria (CBN). The CBN frequently carried out Open Market Operations (OMO) leading to tight liquidity in the market and as a result, higher interest rates. Furthermore, the persistent FX interventions by the CBN reduced the deposit money banks' appetite for Fixed Income securities as they are required to sterilize cash for clients FX demand which they would rather invest.

Fund and market outlook

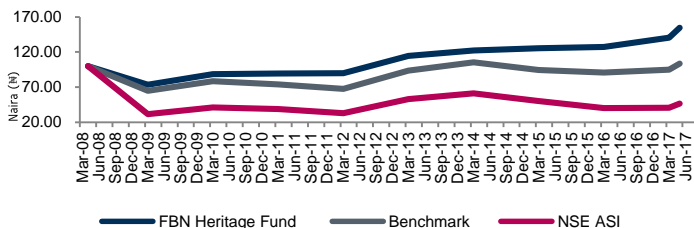
Looking ahead, we anticipate a continued strong recovery in the equity market based upon improved FX liquidity and fiscal expansion. We will continue to increase allocation to quality names within the equity market. In the fixed income space, we expect the CBN to continue maintaining tight liquidity conditions in the market, keeping rates elevated.

Performance and Positioning

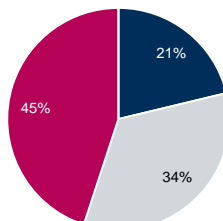
Historic prices and yields

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
Bid price (₦)^	110.68	108.68	111.58	110.77	109.35	113.71	115.00	125.34
Distribution (₦)	4.00							

Cumulative Performance



Current allocation



Asset allocation ranges

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

- Bonds
- Money Market
- Equities