

INVESTING

FBN HERITAGE FUND

All data as at 30th November 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	Laura Thorpe <small>CFA</small> , Kike Mesubi, Oluoyomi Okin
Fund launch date	1 st April 2008
Fund size	₦4.5bn
Base currency	Naira (₦)
NAV per share	₦108.22
Minimum investment	₦50,000.00
Income distributions	May '15: ₦11.00
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.

FBN Capital Asset Management RC 978831

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A part of the FBN Holdings Group

Monthly Comments

Fund and market review

Over the month, equity markets remained bearish with the index declining another 6.2%, after losing 6.5% in October and fixed income markets continued to witness a compression in yields as the flight to safety persisted. Investors chased fixed income assets, causing a rise in values, which preserved both the value of the portfolio and the benchmark. To that end, over the same period, the Fund's price declined 18bps whilst the benchmark declined 10bps.

In the absence of major news and activities, markets were weak as investors remained less optimistic about the performance of listed companies. Investors dwelt on the weak corporate earnings released earlier in the fourth quarter as well as increased scepticism about the performance of the appointed ministers and government in Nigeria. The continued delay in the implementation of macroeconomic policies, kept risk aversion high. The Fund took advantage of the weakness in prices to buy into high quality banks at attractive valuations.

Within the fixed income market, yields were pressured drastically lower by elevated liquidity levels. In line with expectations of an accommodative policy, the Monetary Policy Committee (MPC) voted to reduce the policy rate from 13.0% to 11.0%. Treasury bill yields remained in single digits across the curve and the long end of the bond curve printed at low double digit levels. Within the Fund, alternative money market instruments such as commercial papers were used to support the yield within the fixed income space.

Fund and market outlook

Looking into 2016, an expansionary government policy should support economic growth and lead to better company performance, which bodes well for the equities. In the fixed income space, we will focus on high quality corporate debt, as we expect government yields to remain low as buoyant liquidity persists.

Benchmark

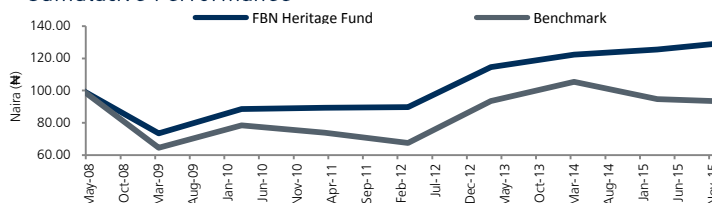
Composite benchmark: 25% 91 days Nigerian Treasury Bill (NTB), 25% Bloomberg Nigeria Local Sovereign Index and State bonds, 50% Nigerian Stock Exchange All Share Index

Performance and Positioning

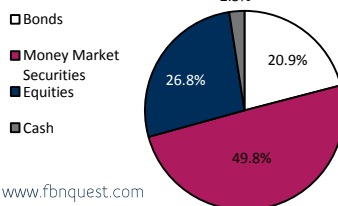
Historic prices and yields

	May-15	Jun-15	Jul-15	Aug-15	Sept-15	Oct-15	Nov-15
Bid price (₦)^	109.37	108.91	106.58	106.26	108.45	108.41	108.22
Distribution (₦)		11.00					

Cumulative Performance



Current allocation



Asset allocation ranges

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