

### 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, Oluoyomi Okin
Fund launch date	1 <sup>st</sup> April 2008
Fund size	₦5.00bn
Base currency	Naira (₦)
NAV per share	₦114.90
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.

#### 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.

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A part of the FBN Holdings Group

### Monthly Comments

#### Fund and market review

The Nigerian equity market (Nigerian Stock Exchange All Share Index, NSEASI) gained over the month of September, rising 2.67%. The benchmark for the portfolio gained 1.96% and the Fund's price rose 1.20% over the month, helped by the rising local equity market.

Despite the gain in the equity market over the month, investor apathy was evident. Whilst there had been talks about foreign interest coming back in selected names, we continue to await a surge of interest in the market. Challenges around US Dollar illiquidity remain and kept positive sentiments at bay. Nevertheless, the oil and gas sector was the best performing over the month, buoyed by gains in some listed downstream players. Strong results and the dividend announcement from Conoil improved sentiments towards the sector. Consumer names were also helped by gains in the breweries sector. However, the banking sector remained the worst performer as we witnessed a reversal of the limited foreign interest in major banking names. Within the Fund, the Fund Manager maintained the exposure to the equity market over the month, this allowed the Fund benefit from the rise in the equity market.

The Monetary Policy Committee (MPC) left all major indicators unchanged despite calls from the fiscal arm of government to reduce the Monetary Policy Rate from the current 14.00% level to support growth. This action, combined with the continuous open market operations (OMO) by the Central Bank of Nigeria (CBN) to mop up liquidity kept interest rates high. The Fund has been able to use maturing instruments to continue to ride the interest rate curve.

#### Fund and market outlook

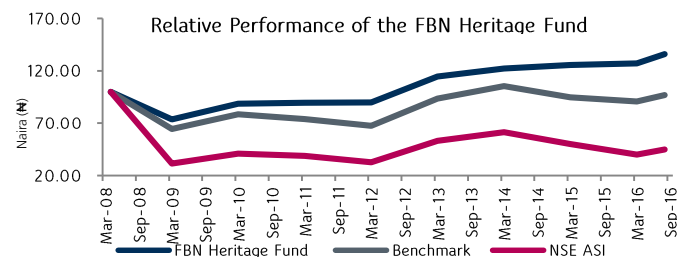
The CBN at the MPC decided to leave the responsibility of stimulating the economy with the fiscal authorities, despite calls for monetary support for the government's growth ambitions. As such, this focus on high interest rates to attract US Dollar inflows will remain positive for investors within the fixed income space who favour high yields. However, companies will struggle with more expensive financing and stock valuations will remain under pressure due to the higher risk free rate. This makes the equity market story less compelling.

### Performance and Positioning

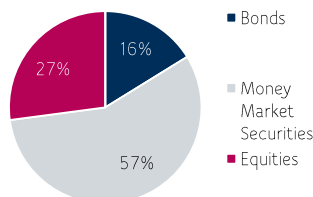
#### Historic prices and yields

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Bid price (₦)^	106.06	106.69	107.86	111.44	114.51	113.54	113.42	114.90

#### Cumulative Performance



#### Current allocation



#### Asset allocation ranges

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