



# CORAL GROWTH FUND

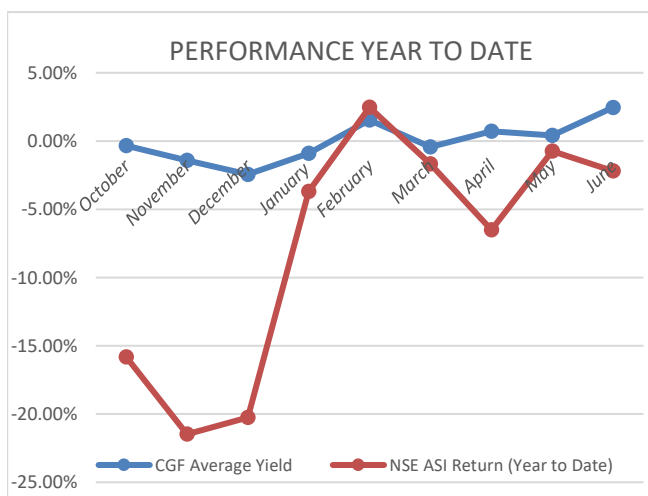
Q2 2019 Fund Managers Report

## BACKGROUND INFORMATION

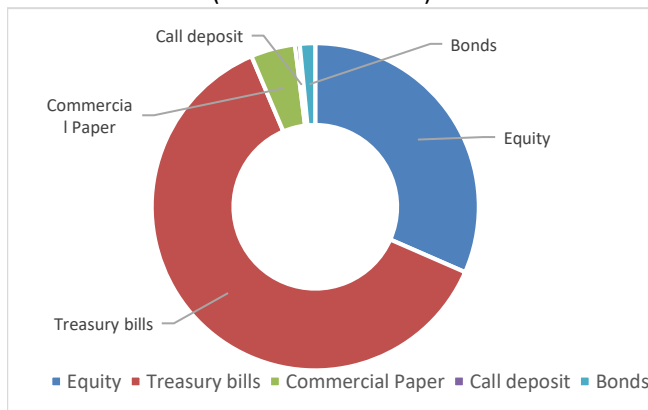
The Coral Growth Fund "CGF", established in February 2001, is an actively managed open-ended equity based unit trust scheme that invests a maximum of 65% of its assets in equity securities quoted on the Nigerian Stock Exchange "NSE" and a minimum of 35% in investment grade fixed income investments.

## INVESTMENT OBJECTIVE

The objective of the Fund is to enable investors achieve capital growth over the long term. In particular, the CGF is designed to enable investors satisfy a broad range of financial needs as it can be used as a private pension/retirement plan, investments plan, or children's educational plan.



## ASSET ALLOCATION (% OF TOTAL ASSETS)



## UPDATE ON THE CGF

You can now monitor your investment online by viewing your statement on our website [www.fsdhaml.com](http://www.fsdhaml.com). Call Seun, Dayo or Tolu on 01-2809740-1 to obtain your username and password. Alternatively, you can send an email to [coralfunds@fsdhgroup.com](mailto:coralfunds@fsdhgroup.com). Follow us on twitter and Instagram via @Fsdhcoralfunds and like our facebook page; FSDH Coral Funds [www.facebook.com/coralfunds](http://www.facebook.com/coralfunds)

## REVIEW OF THE FUND

Inception date:	February 2001
Net Asset Value:	N 1,938,450.00
Opening price (January 2018):	N 3,009.93
Closing price (December 2018):	N 2,974.91
Management Fee	1.50%
Expense Ratio:	3.14%
Portfolio Manager:	Oladapo Adekoya
Investment Managers Rating:	A-(NG)(GCR)
Current Asset Allocation:	30.07% in Equities, 69.93% in other Fixed income Instruments
Benchmark:	NSE ASI
Risk Profile:	Medium
Fund Custodian:	Stanbic IBTC bank
Fund Trustee:	United Capital Trustees
Auditors:	PriceWaterhouse Coopers
Registrars:	United Securities Limited

## Fund Manager's Comment

The CGF's return for the year 2018 was a negative 1.08%. However, the Fund did outperform The Nigerian Stock Exchange All Share Index (NSE ASI) which depreciated by -17.81% in the same period. The Stock Market 2018 witnessed a short-lived bullish run for the first quarter in 2018 while there was a persistent bearish run for the rest of the year. The bullish run was essentially driven by expectations of bright macro-economic outlook, as well as brilliant corporate announcements.

However, the downward trend in the market from the second quarter of the year can be attributed to continued pullback of foreign investors due to political considerations and rising global yields. Domestic investors also adopted a cautious approach to the equity market because of weak economic performance

Going into 2019, we expect that the upcoming general elections may deter some investors from the equities market. However, some informed investors may make strategic positioning in selected stocks. We expect the outlook to brighten slightly in Q3 2019 as political risks abate and investors get more clarity on the policies and plans of the Government

## Strategy

In view of our opinion that some of the quoted stocks are trading below their fair value, we will take advantage of purchasing selected stocks with good fundamentals take profit when the prices appreciate. In addition, in the fixed income and money market space, we will continue to lock into high yielding securities.

## Increasing your investment in the Coral Growth Fund just got easier!

- From the comfort of your space, you can increase your investment in the CIF with as little as N5,000 through any of the following:
- Transfer funds to the Fund's custodian using your Naira Debit or Credit card
- Automatic transfer sums from any Nigerian bank to the funds custodian by issuing a direct debit instruction. You simply fill and execute the form, we will process it on your behalf.

The Coral Growth Fund "CGF" is an actively managed equity based unit trust scheme managed and administered by FSDH Asset Management Limited "FSDHAM", a wholly owned subsidiary of FSDH Merchant Bank Limited "FSDH". The CGF is registered with the Securities & Exchange Commission. The replication of historical returns is not guaranteed. Equity prices fluctuate and losses in the value of your investment may occur.

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