



# Legacy Equity Fund

Email: [fcamenquiries@fcm.com](mailto:fcamenquiries@fcm.com)  
 Website: <http://www.fcamltd.com>

Phone: +234 (1) 462 2596 or 448 5420  
 Download: [Application and Redemption Form](#)

<b>FUND MANAGER</b>	<b>FIRST CITY ASSET MANAGEMENT LTD</b>
<b>FUND TYPE</b>	<b>EQUITY FUND</b>
<b>PERIOD</b>	<b>APRIL 2017</b>

## FUND INFORMATION

**Investment Objective:** The Fund seeks to achieve capital growth over economic cycles and generate stable returns. This is equivalent to a medium-to-long term investment outlook.

<b>Domicile</b>	<b>Nigeria</b>	<b>Min initial purchase</b>	<b>10,000 units</b>
<b>Fund Incorporation</b>	2005	<b>Min additional purchase</b>	1,000 units
<b>Bloomberg Ticker / ISIN</b>	FCAMLEF NL / BBG007670TX2	<b>Entry/Exit fee</b>	Nil / 2%, if within 3-months
<b>Base currency</b>	Nigerian Naira (NGN)	<b>Annual Management fee</b>	1.50%
<b>Fund size</b>	₦520.9million	<b>Performance Fee</b>	1% of excess return over 20%
<b>Benchmark</b>	NGSE All share Index	<b>Trading frequency</b>	Daily
<b>Bid / Offer Price</b>	₦1.01 / ₦1.02	<b>Settlement</b>	Trade date + 5

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

At the end of April, the Fund closed with allocations of 68% and 32% to Equities and Money Market Instruments, respectively. The Fund returned 4.89%, compared with 0.98% for the Index; a 3.38% overweight position in Financials contributed significantly to the outperformance of 3.91%. April 2017 year-to-date Fund performance was 10.01% versus -4.12% for the index. 5-year annualised volatility for the Fund was 18.80%, compared with 20.50% for the index. The Fund Manager intends to gradually increase the total allocation to equities, in the coming months.

Data from Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index (CPI) rose by 17.26% y/y in March 2017, compared with 17.78% in the previous month. Headline inflation fell for a second straight month in March, from favourable base effects over 2016 prices, stabilising food and non-food prices, and early gains of the stronger local currency, Naira. Core inflation recorded a fourth consecutive year-on-year decline, as it fell by 0.60%, to 15.60% y/y. The decrease in core inflation largely reflected a slower pace in rising prices across key divisions of the index, including Education, Restaurant & Hotels, and Health. Food inflation came in at 18.44% y/y in March, compared with 18.53% in the previous month. In the domestic sovereign bond market, yields increased across most maturities, on average. The yield on the 3-year government bond rose by 32 basis points, to 16.12%, compared with an increase of 27 basis points, to 16.09%, for the 20-year bond, resulting in a flattening of the curve. The DMO issued a new 20-year FGN bond 16.2499% Apr 2037s, and reopened the FGN bond 14.50% Jul 2021s and FGN bond 16.2884% Mar 2027s. Bid-to-cover was 1.42times for the new 2037 bond. For the existing 2021 and 2027 bonds, bids-to cover were 0.60times and 0.75times, respectively.

Internationally, the Emerging Markets index gained 1.99% in April, compared with an increase of 1.73% for the Developed Markets Index.

## AS AT OUR CUT-OFF

Equity Index	Closing Price	Change % in Month (LCY)	Change % Year-to-date (LCY)	Change % Year-to-date (in USD)	P/E Ratio
Emerging Markets	773	1.99	12.41		15.55
Developed Markets	439	1.73	8.58		21.55
Nigeria	25767	0.98	-4.12	-2.41	12.02
Kenya	133	2.12	-0.04	-0.62	10.74
South Africa	53817	3.38	6.25	8.90	19.57
Brazil	65188	0.31	8.24	10.40	19.76
Russia	2017	1.04	-9.67	-1.60	7.37
India	29918	1.01	12.36	18.09	22.11
Hong Kong	24615	2.09	11.88	11.60	13.56
USA	2384	0.92	6.51	6.51	21.57
Europe	387	1.56	7.10	10.75	25.91
UK	3962	-0.69	2.30	7.35	35.82
Japan	1532	1.27	0.87	5.81	18.36

\*LCY – Local Currency

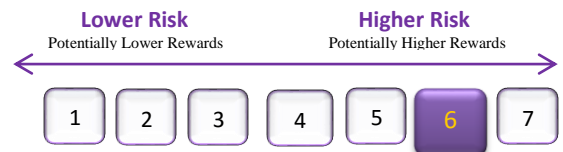
## MAIN RISK FACTORS

**MARKET RISK:** Risk that an investor could experience losses as a result of changes in factors that impact the whole market, such as interest rates and foreign exchange rates

**DEFAULT RISK:** Risk that a company will not be able to honour its debt and may be forced to stop trading

**DOWNGRADE RISK:** Risk that a company's credit rating may be cut, which could affect its market value

## Synthetic Risk & Reward Indicator

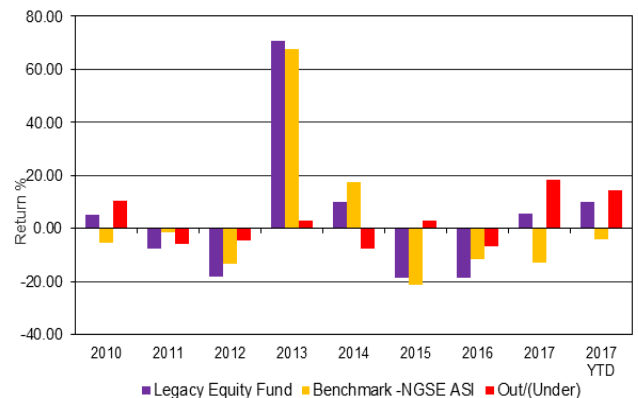


## PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
<b>April Performance</b>	4.89	0.98
<b>Inflation-adjusted (based on Mar CPI m/m)</b>	3.12	-0.73
<b>5-Year annualised</b>	Tracking Error <b>10.08</b>	Information Ratio <b>0.16</b>

Fund Year: July - June

## Discrete Performance %



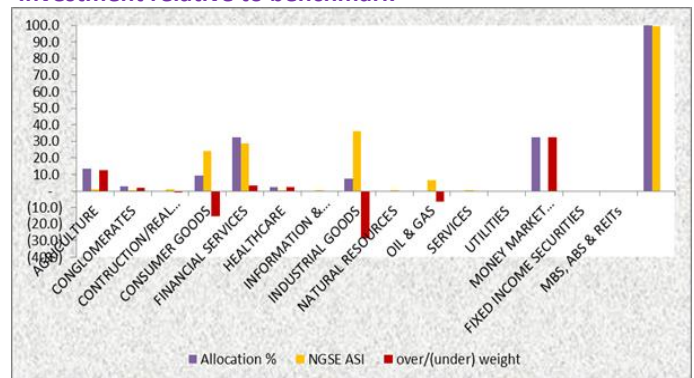
Performance returns are calculated on a Net-of-Fees basis  
 The Fund paid a dividend of 8.7kobo per unit in July 2015

## FUND STRUCTURE

### Asset Allocation

Asset	Range	Target
Money Market Instruments	0 to 40%	10%
Fixed Income Securities	0 to 40%	5%
Equities	60 to 100%	85%
Asset Backed and Mortgage Backed Securities & REITs	0 to 10%	0%

## Investment relative to benchmark



**FCAM**

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FCAM has not considered the suitability of this investment against your individual risk and return targets. Past performance is not a reliable indicator of future returns, the value of investments may fall as well as rise, and investors may not get back the original amount invested. The Synthetic Risk and Reward Indicator (SRRI) measures the volatility of returns. It ranks Funds between 1 to 7, where 1 is the lowest risk and 7 is the highest risk.