



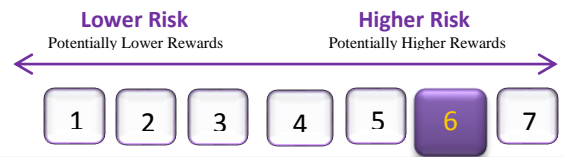
# Legacy Equity Fund

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|                     |  |
|---------------------|--|
| <b>FUND MANAGER</b> | <b>FIRST CITY ASSET MANAGEMENT LTD</b> |
| <b>FUND TYPE</b>    | <b>EQUITY FUND</b>                     |
| <b>PERIOD</b>       | <b>AUGUST 2015</b>                     |

## Synthetic Risk & Reward Indicator



## 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.

| Domicile                       | Nigeria                   | Min initial purchase           | 10,000 units                 |
|--------------------------------|---------------------------|--------------------------------|------------------------------|
| <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>               | ₦596.47million            | <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>       | ₦0.95 / ₦0.97             | <b>Settlement</b>              | Trade date + 5               |

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund closed with an allocation of 75.10% to Equities. The relative underperformance in August was mainly the result of our overweight position of 2.55% in the Financial Services sector. Based on data from Nigeria's National Bureau of Statistics (NBS), the Consumer Price Index (CPI) rose by 9.2%y/y in July, unchanged from the 9.2% y/y rate, recorded in June. This came on the backdrop of muted rises in food prices. Consensus forecast is that inflationary pressure will continue to rise. In the domestic sovereign bond market, yields increased across all maturities. The curve steepened between the 2-year and 20-year points. As at our cut-off, yields at the 2-year maturities increased by 42 basis points, to 15.26%, compared with an increase of 127 basis points, for 20-year points, to 15.62%. The DMO reopened FGN bonds 15.54% February 2020s and 12.1493% July 2034s. Bids-to-cover were 2.21 and 2.17 times, compared with 2.75 and 2.65 times recorded in July. The market demand might be waning due to the prevailing system illiquidity. Internationally, the Emerging Markets Equity Index and the Developed Market Equity Index closed at 627 and 369, respectively. The Emerging Markets underperformed the Developed Markets by 3.62%, with both Indices recording negative returns in August.

## AS AT OUR CUT-OFF

| Equity Indices           | Closing Price | Change % in Month | Change % Year-to-date | Price-to-Earnings |
|--------------------------|---------------|-------------------|-----------------------|-------------------|
| <b>Emerging Markets</b>  | 627           | -9.42             | -12.24                |                   |
| <b>Developed Markets</b> | 369           | -5.80             | -1.35                 |                   |
| <b>Nigeria</b>           | 29685         | -1.64             | -14.35                | 9.05              |
| <b>Kenya</b>             | 143           | -3.77             | -12.33                | 13.95             |
| <b>South Africa</b>      | 49851         | -4.23             | 0.16                  | 23.63             |
| <b>Brazil</b>            | 45927         | -9.71             | -8.16                 | 28.45             |
| <b>Russia</b>            | 1721          | 3.10              | 23.21                 | 10.13             |
| <b>India</b>             | 26283         | -6.51             | -4.42                 | 20.78             |
| <b>Hong Kong</b>         | 21671         | -12.04            | -8.20                 | 9.38              |
| <b>USA</b>               | 1976          | -6.07             | -4.02                 | 17.47             |
| <b>Europe</b>            | 362           | -8.64             | 5.72                  | 21.09             |
| <b>UK</b>                | 3435          | -5.97             | -2.78                 | 23.36             |
| <b>Japan</b>             | 1537          | -7.38             | 9.20                  | 15.97             |

## 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

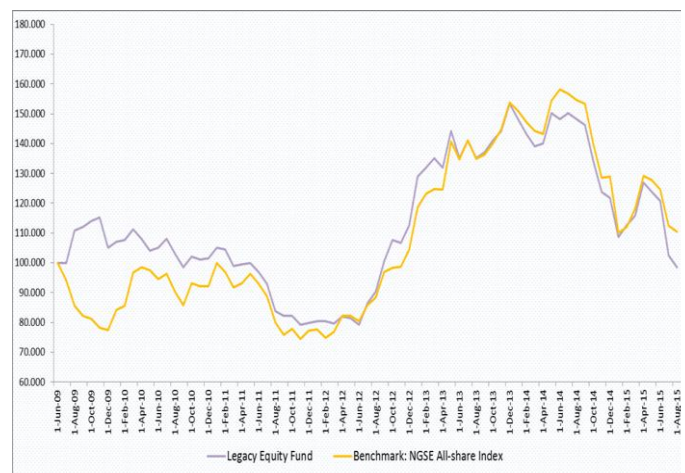
**DEFAULT RISK:** Risk that a company will not be able to honour its debt and may be forced to stop trading

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

## PERFORMANCE

|   | Legacy Equity Fund Return (%) | Benchmark NGSE ASI Return (%)     |
|---|-------------------------------|-----------------------------------|
| <b>August Performance</b>                         | -3.96                         | -1.64                             |
| <b>Inflation-adjusted (based on July CPI m/m)</b> | -4.63                         | -2.32                             |
| <b>5-Year annualised</b>                          | Tracking Error<br><b>7.69</b> | Information Ratio<br><b>-0.30</b> |

## Cumulative Growth: August 2009 – Date



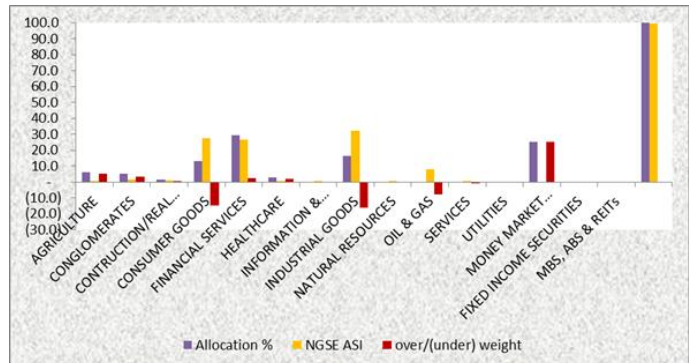
Performance returns are calculated on a Net-of-Fee basis

## FUND STRUCTURE

### Asset Allocation

| Asset  | Range      | Target |
|--|------------|--------|
| <b>Money Market Instruments</b>                                | 0 to 40%   | 10%    |
| <b>Fixed Income Securities</b>                                 | 0 to 40%   | 5%     |
| <b>Equities</b>  | 60 to 100% | 85%    |
| <b>Asset Backed and Mortgage Backed Securities &amp; REITs</b> | 0 to 10%   | 0%     |

## Investment relative to benchmark



**FCAM**

First City Asset Management Ltd (FCAM) is a subsidiary of CSL Stockbrokers Ltd, a member of FCMB Group plc. FCAM is authorised and regulated by the Securities & Exchange Commission, Nigeria.

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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.