



Legacy Equity Fund

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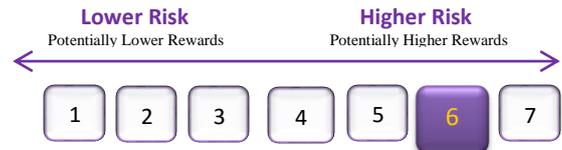
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Winner - Best Managed Fund in Equity
 at 2017 BusinessDay Banking Awards



FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	EQUITY FUND
PERIOD	DECEMBER 2017

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
Fund Incorporation	2005	Min additional purchase	1,000 units
Bloomberg Ticker / ISIN	FCAMLEF NL / BBG007670TX2	Entry/Exit fee	Nil / 2%, if within 3-months
Base currency	Nigerian Naira (NGN)	Annual Management fee	1.50%
Fund size	₦720.4million	Performance Fee	1% of excess return over 20%
Benchmark	NGSE All share Index	Trading frequency	Daily
Bid / Offer Price	₦1.40 / ₦1.43	Settlement	Trade date + 5

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

At the end of December, the Fund closed with allocations of 76% and 24% to Equities and Money Market Instruments, respectively. The Fund returned 1.12%, compared with 0.79% for the index, representing an outperformance of 33 basis point. Payment of Annual General Meeting expenses totalling ₦1,573,767.18 resulted in a 0.22% decrease in Fund return, in December. December 2017 Year-to-date Fund performance was 53.55%, compared with 42.30% for the index. Additionally, the 5-year annualised volatility for the Fund fell from 19% to 18.90%, compared with that for its benchmark, which decreased from 21.90% to 21.70%.

Data from Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index (CPI) rose by 15.90% y/y in November 2017, compared with 15.91% y/y in the previous month. This was the tenth consecutive year-on-year decrease in the inflation rate. On month-on-month basis, the Headline index increased by 0.02%, to 0.78% in November 2017. Core inflation, which excludes the prices of volatile food produce, rose by 0.06%, to 12.20% y/y, and by 0.01%, to 0.77% m/m, in November. However, Food inflation slowed marginally, to 20.30% y/y. In the domestic sovereign bond market, yields decreased across all maturities. The yield on the 3-year government bond fell by 71 basis points, to 14.34%, while that on the 20-year bond decreased by 128 basis points, to 13.35%, reflecting an inverted yield curve. The DMO reopened the FGN bond 14.50% Jul 2021s and FGN bond 16.2884% Mar 2027s. Bids-to-cover were 1.80times and 3.80times, compared with 0.46times and 1.65times in the previous month.

Internationally, both the Emerging Markets and the Developed Markets indices recorded gains; the Emerging Markets Index gained 3.51% and the Developed Markets index, 1.62%.

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	906	3.51	31.79		16.09
Developed Markets	501	1.62	24.03		21.12
Nigeria	38243	0.79	42.30	29.90	12.79
Kenya	171	-0.99	28.39	27.74	13.52
South Africa	59505	-0.45	17.47	29.01	20.27
Brazil	76402	6.16	26.86	25.12	18.90
Russia	2104	0.14	-5.79	1.01	7.15
India	34057	2.74	27.91	34.25	24.46
Hong Kong	29919	2.54	35.99	35.25	13.92
USA	2688	1.51	20.05	20.05	22.57
Europe	390	0.74	7.79	21.85	20.83
UK	4222	4.66	9.00	18.51	23.74
Japan	1818	1.42	19.69	23.66	16.34

*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

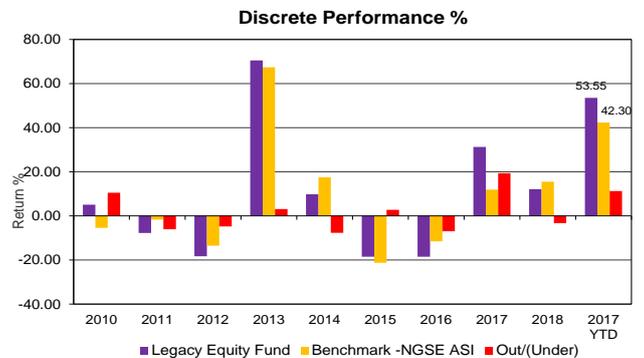
DEFAULT RISK: Risk that a company will not be able to honour its debt and may be forced to stop trading

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

PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
December Performance	1.12	0.79
Inflation-adjusted (based on November CPI m/m)	0.34	0.01
Range of expected annual returns, based on 5-year historical performance	-12.10% to 25.70%	-13.17% to 30.23%
Total Expense Ratio	2.64% per annum	
5-Year annualised	Tracking Error	Information Ratio
	9.89	0.04

Fund Year: July - June



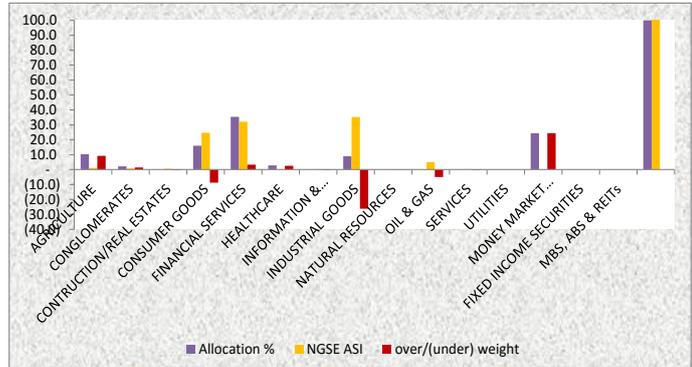
Performance returns are calculated on a Net-of-Fees basis. Payment of 2016/2017 audit fee to Ernst & Young, reduced performance by 0.47%, in November, 2017. Also, payment of 2016/2017 AGM expenses reduced performance by 0.22% in December 2017. The Fund paid a dividend of 8.7kobo per unit in July 2015.

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

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.

DISCLAIMER NOTICE

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.