



Legacy Equity Fund

Email: fcamenquiries@fcm.com
 Website: <http://www.fcamltd.com>

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

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

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	₦484.61million	Performance Fee	1% of excess return over 20%
Benchmark	NGSE All share Index	Trading frequency	Daily
Bid / Offer Price	₦0.93 / ₦0.95	Settlement	Trade date + 5

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund closed with allocations of 68% and 32% to Equities and Money Market Instruments. Also, the Fund outperformed its index by 1.78%. The Fund maintained its overweight positions in the Agriculture and Financial sectors but remained underweight in Consumer Goods and Industrials. 5-year annualised volatility for the Fund was 18.80%, compared with 20.80% for the index. Given expectations that Nigeria's economy will expand in 2017, and based on an anticipated removal of capital controls, both of which should boost activity in the equity market, the Fund will increase its allocation to equities, during the year.

Data from Nigeria's National Bureau of Statistics (NBS) showed that the country's Gross Domestic Product (GDP) contracted by 1.30% y/y, in 4Q 2016. Although the outcome was better than the negative growth rate of 2.24% y/y recorded in 3Q 2016, it was worse than the expansion of 2.11% y/y in 4Q 2015. Also, the economy shrank by 1.51% in 2016, indicating a real GDP of ₦67.98tn (US\$222.89bn) for the year. According to the NBS, the contraction recorded in 2016 was the result of weaker consumer purchasing power, an increase in pipeline vandalism, a weaker currency, as well as fuel and power shortages. The NBS also released Nigeria's inflation data; Headline Consumer Price Index (CPI) rose by 18.72% y/y in January 2017, compared with 18.55% y/y in the previous month. The higher inflation rate was driven by increases across major components of the CPI basket. In the absence of devaluation of the Nigerian currency and given expected base effect from the middle of 2017, it does appear that the inflation rate is close to its peak. In the domestic sovereign bond market, yields decreased across most maturities. The yields on the 3-year and 20-year government bonds fell by 14 basis points each, to 16.18% and 16.72%, respectively. The DMO reopened the FGN bond 14.50% Jul 2021s, FGN bond 12.50% Jan 2026s and FGN bond 12.40% Mar 2036s. Bids-to-cover were 2.42, 4.41 and 3.11 times, compared with 0.97, 1.66 and 2.82 times recorded in January.

Internationally, the Emerging Markets Index gained 3.84% in February, compared with an increase of 2.98% 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	747	3.84	8.66	-5.66	16.25
Developed Markets	427	2.98	5.59	-6.72	21.62
Nigeria	25329	-2.72	-5.75	-5.66	13.93
Kenya	125	2.18	-6.34	-6.72	9.93
South Africa	51146	-3.11	0.97	5.92	18.53
Brazil	66662	3.08	10.68	15.34	37.50
Russia	2036	-8.19	-8.82	-3.59	8.16
India	28743	3.93	7.95	9.80	21.32
Hong Kong	23741	1.63	7.91	7.82	13.11
USA	2368	3.89	5.75	5.75	21.83
Europe	370	2.85	2.48	3.41	24.62
UK	3960	2.64	2.24	2.97	37.13
Japan	1535	0.90	1.10	5.53	18.60

*LCY – Local Currency

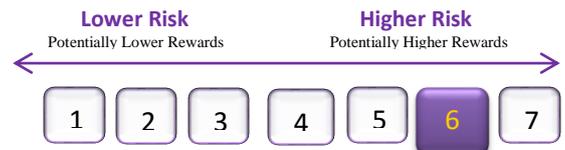
MAIN RISK FACTORS

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

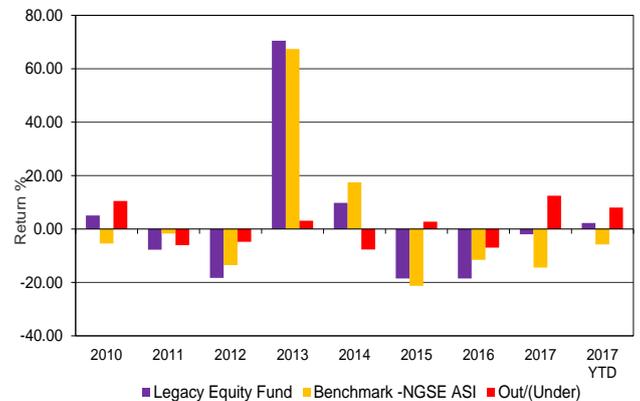


PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
February Performance	-0.94	-2.72
Inflation-adjusted (based on Jan CPI m/m)	-1.93	-3.69
5-Year annualised	Tracking Error 10.20	Information Ratio 0.05

Fund Year: July - June

Discrete Performance %



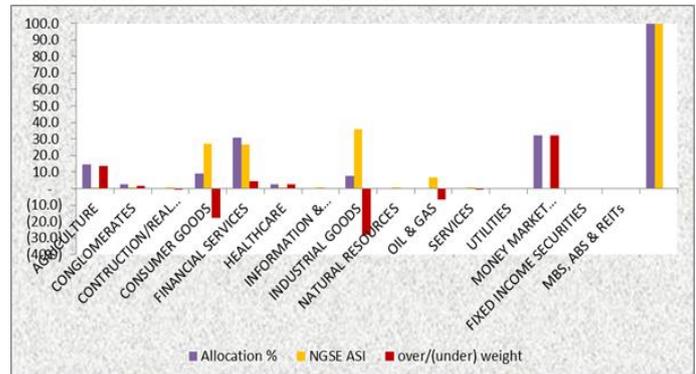
Performance returns are calculated on a Net-of-Fees basis
 The Fund paid a dividend of 8.7kobo per unit in July 2015

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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DISCLAIMER NOTICE

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.