



# Legacy Equity Fund

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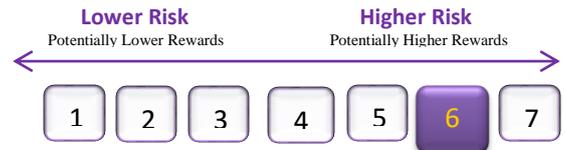
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<b>FUND MANAGER</b>	<b>FIRST CITY ASSET MANAGEMENT LTD</b>
<b>FUND TYPE</b>	<b>EQUITY FUND</b>
<b>PERIOD</b>	<b>JULY 2016</b>

## 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>	₦486.98million	<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>	₦0.93 / ₦0.95	<b>Settlement</b>	Trade date + 5

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned -2.06% in June, compared with -5.37% for the benchmark; the Fund's alpha of 3.31% was partly the result of its underweight position in equities relative to the benchmark. Also, the Fund benefited from stock selection in the Financial Services sector, as well as its underweight positions in the Consumer Goods, Industrial Goods and Oil & Gas sectors.

Data from Nigeria's National Bureau of Statistics showed that the Headline Consumer Price Index increased by 16.48% y/y in June, compared with 15.58% in the previous month. The increase of 0.90% in the inflation rate was largely due to higher costs of energy and imported items. Therefore, it was unsurprising that the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) increased the Monetary Policy Rate (MPR) by 200 basis points, to 14.00%, at its July meeting. However, the other monetary policy parameters, namely the Cash Reserve Requirement Ratio, the Liquidity Ratio and the asymmetric corridor around the MPR, were left unchanged at 22.50%, 30% and +200/-500 basis points, respectively. The CBN targets an inflation rate of between 6 – 9%. In the domestic sovereign bond market, yields increased across all maturities. The yield on the 3-year government bond increased by 113 basis points, to 15.48%, compared with an increase of 91 basis points, to 15.27%, for the 20-year bond. The DMO issued a new 5-year FGN bond 14.50% Jul 2021s, and the bid-to-cover was 2.11 times. Also, the DMO reopened FGN bond 12.50% Jan 2026s and 12.40 FGN Mar 2036s. Bids-to-cover were 1.81 times for the 2026s, and 1.91 times for the 2036s, which were higher than the 1.67 times and 1.44 times recorded in June.

Internationally, the Emerging Markets Index outperformed the Developed Markets Index this month; the Emerging Markets Index gained 5.26% and the Developed Markets index 3.41%.

## AS AT OUR CUT-OFF

Equity Index	Closing Price	Change % in Month	Change % Year-to-date	Price-to-Earnings
<b>Emerging Markets</b>	689	5.26	13.75	15.34
<b>Developed Markets</b>	390	3.41	4.45	21.29
<b>Nigeria</b>	28010	-5.36	-2.21	12.70
<b>Kenya</b>	142	0.95	-2.58	12.51
<b>South Africa</b>	52798	1.11	4.15	52.07
<b>Brazil</b>	57073	10.76	31.66	133.08
<b>Russia</b>	1945	2.83	10.40	7.82
<b>India</b>	28052	3.90	7.41	20.49
<b>Hong Kong</b>	21891	5.28	-0.11	10.90
<b>USA</b>	2176	3.66	6.44	20.26
<b>Europe</b>	342	3.64	-6.54	27.96
<b>UK</b>	3654	3.94	6.08	49.92
<b>Japan</b>	1323	6.17	-14.51	16.63

## 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>July Performance</b>	-2.06	-5.37
<b>Inflation-adjusted (based on June CPI m/m)</b>	-3.71	-6.96
<b>5-Year annualised</b>	Tracking Error <b>9.40</b>	Information Ratio <b>-0.17</b>

## Cumulative Growth: August 2009 – Date



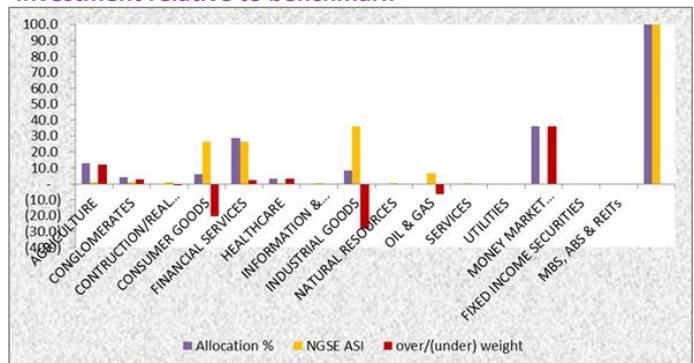
Performance returns are calculated on a Net-of-Fees basis  
The Fund paid a dividend of 8.7kobo per unit in July 2015

## FUND STRUCTURE

### Asset Allocation

Asset	Range	Target
<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**

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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.