



# 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>JULY 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>	₦681.4million	<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>	₦1.32 / ₦1.35	<b>Settlement</b>	Trade date + 5

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

At the end of July, the Fund closed with allocations of 75% and 25% to Equities and Money Market Instruments, respectively. The Fund returned 5.80%, compared with 8.24% for the Index; this was partly the result of the Fund's relatively underweight position in equities, in a rising market. However, the Fund returned 44.85% July 2017 Year-to-date, compared with 33.39% for the benchmark index. Also, the 5-year annualised volatility for the Fund fell by 0.20%, to 19.80% in July, while that for the index was unchanged, at 22.10%. The Fund Manager will continue to increase the total allocation to equities, until the 85% strategic target is reached.

Data from Nigeria's National Bureau of Statistics showed that Headline Consumer Price Index (CPI) rose by 16.10% y/y in June 2017, compared with 16.25% in the previous month. The decrease was the fifth consecutive decline in headline inflation, and the primary driver remained the impact of base effects from 2016. Month-on-month, the inflation rate rose by 1.58% in June, which was 0.30% below the 1.88% recorded in the previous month. In the domestic sovereign bond market, the yield on the 3-year government bond rose by 18 basis points, to 16.74%, compared with an increase of 22 basis points, to 16.20%, for the 20-year bond. The DMO reopened the FGN bond 14.50% Jul 2021s, FGN bond 16.2884% Mar 2027s and FGN bond 16.2499% Apr 2037s. Bids-to-cover were 0.26times, 1.11times and 1.30times compared with 0.31times, 1.15times and 1.76times, in the previous month.

Internationally, the Emerging Markets index gained 5.56%, and the Developed Markets Index, 2.38%.

## 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	833	5.56	21.16		12.90
Developed Markets	461	2.38	14.10		20.90
Nigeria	35848	8.24	33.39	31.78	14.04
Kenya	161	5.51	21.01	19.63	12.22
South Africa	55207	6.97	8.99	12.87	18.93
Brazil	65697	4.45	9.08	12.98	18.03
Russia	1930	2.69	-13.56	-11.04	6.91
India	32515	5.15	22.12	27.94	24.02
Hong Kong	27324	6.05	24.20	23.50	14.36
USA	24.71	1.98	10.39	10.39	21.31
Europe	378	-0.43	4.52	16.64	22.71
UK	4046	1.09	4.46	11.22	30.46
Japan	1619	0.42	6.58	12.46	16.14

\*LCY – Local Currency

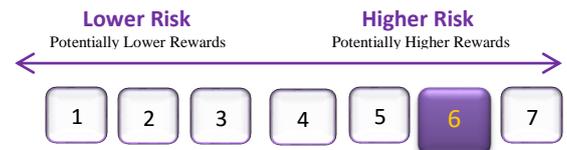
## MAIN RISK FACTORS

**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

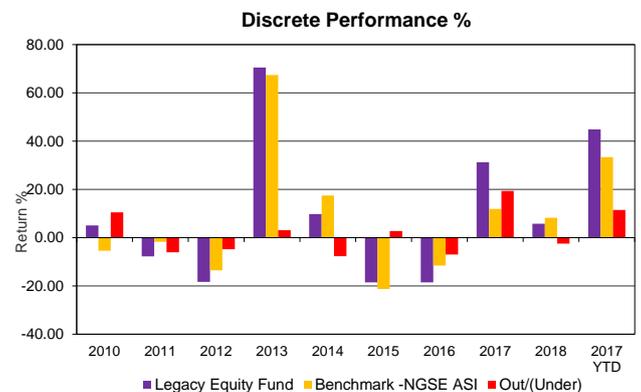
## Synthetic Risk & Reward Indicator



## PERFORMANCE

	Legacy Fund Return (%)	Equity Benchmark NGSE ASI Return (%)
<b>July Performance</b>	5.80	8.24
<b>Inflation-adjusted (based on June CPI m/m)</b>	4.15	6.56
<b>Range of expected annual returns, based on 5-year historical performance</b>	-8.64% to 30.96%	-10.82% to 33.38%
<b>5-Year annualised</b>	Tracking Error <b>10.18</b>	Information Ratio <b>0.05</b>

## Fund Year: July - June



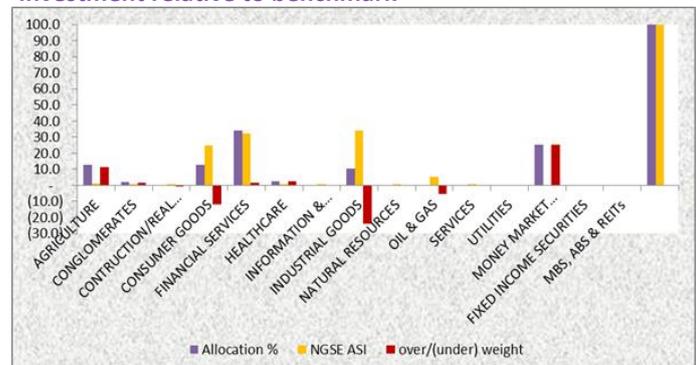
Performance returns are calculated on a Net-of-Fees basis  
 The Fund paid a dividend of 8.7kobo per unit in July 2015

## 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.