



Legacy Equity Fund

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| | |
|---------------------|--|
| FUND MANAGER | FIRST CITY ASSET MANAGEMENT LTD |
| FUND TYPE | EQUITY FUND |
| PERIOD | OCTOBER 2016 |



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.

| | Nigeria | Min initial purchase | 10,000 units |
|-------------------------|---------------------------|-------------------------|------------------------------|
| Domicile | | | |
| 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 | ₦487.15million | 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 returned -0.12% in October, compared with -3.93% for the benchmark. The Fund's outperformance of 3.82% was partly the result of stock selection, as well as its underweight position in equities, relative to the benchmark. The Fund closed with allocations of 64% and 36% to Equities and Money Markets Instruments, respectively. Also, 5-year annualised volatility for the Fund was 18.71%, compared with 20.44% for the benchmark.

Data from Nigeria's National Bureau of Statistics showed that the Headline Consumer Price Index rose by 17.90% y/y in September, compared with 17.61% in the previous month. As was observed in past months, Utilities and Imported Food components of the Consumer Price basket continued to see the fastest increases, in year-on-year terms. Prices of Utilities rose by 26.30% y/y in September compared with 25.90% in August. Also, Imported food inflation increased by 20.80% y/y, compared with 20.70% in August. In the domestic sovereign bond market, yields increased across all maturities. The yield on the 3-year government bond rose by 17 basis points, to 14.77%, compared with an increase of 16 basis points, to 15.46%, for the 20-year bond. 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 1.02, 1.88 and 2.04 times, compared with 0.77, 1.26 and 2.02 times recorded in September. Investors continued to show stronger appetite for long dated bonds.

Internationally, the Emerging Markets Index gained 1.05% in October, compared with a decrease of 1.90% for the Developed Markets Index.

AS AT OUR CUT-OFF

| Equity Index | Closing Price | Change % in Month | Change % Year-to-date | Price-to-Earnings |
|-------------------|---------------|-------------------|-----------------------|-------------------|
| Emerging Markets | 715 | 1.05 | 18.05 | 16.20 |
| Developed Markets | 389 | -1.90 | 4.17 | 21.18 |
| Nigeria | 27220 | -3.94 | -4.97 | 13.62 |
| Kenya | 137 | 0.21 | -5.94 | 11.77 |
| South Africa | 50590 | -2.62 | -0.20 | 27.04 |
| Brazil | 64630 | 10.73 | 49.09 | 89.10 |
| Russia | 1992 | 0.70 | 13.08 | 7.18 |
| India | 27930 | 0.23 | 6.94 | 20.59 |
| Hong Kong | 22935 | -1.56 | 4.66 | 12.42 |
| USA | 2130 | -1.76 | 4.21 | 19.98 |
| Europe | 339 | -1.16 | -7.35 | 26.02 |
| UK | 3772 | 0.45 | 9.52 | 56.28 |
| Japan | 1393 | 5.31 | -9.97 | 18.04 |

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

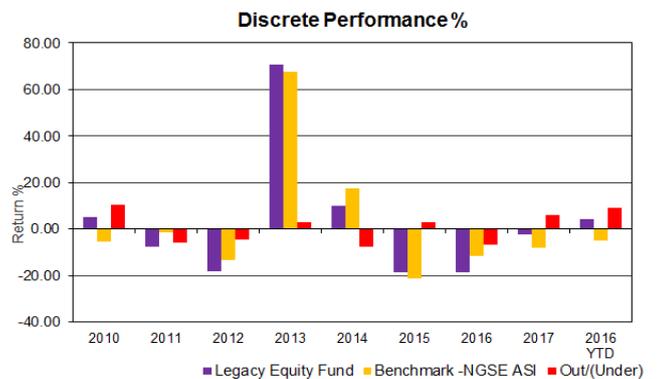
DEFAULT RISK: Risk that a company will not be able to honour its debt and may be forced to stop trading

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 (%) |
|---|-------------------------------|-----------------------------------|
| October Performance | -0.12 | -3.93 |
| Inflation-adjusted (based on September CPI m/m) | -0.91 | -4.69 |
| 5-Year annualised | Tracking Error 9.57 | Information Ratio -0.11 |

Fund Year: July - June



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

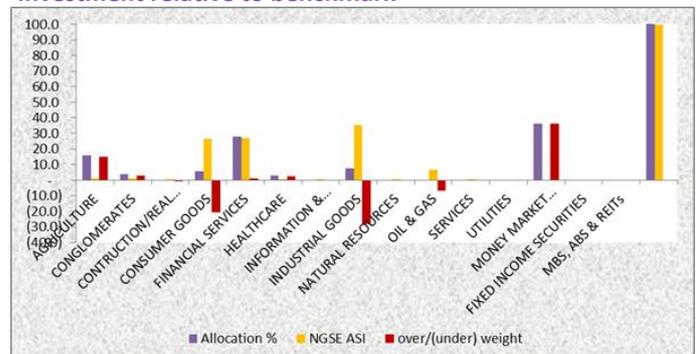
The Fund paid a dividend of 8.7kobo per unit in July 2015

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

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

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.