



# 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>SEPTEMBER 2016</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.

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>	₦490.08million	<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>	₦0.94 / ₦0.95	<b>Settlement</b>	Trade date + 5

## SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned -1.04% in September, compared with 2.67% for the benchmark. The Fund's underperformance was partly the result of its underweight position in equities relative to the benchmark. The Fund closed with allocations of 64% and 31% to Equities and Money Markets Instruments, respectively. The Fund returned 4.40% September 2016 Year-to-Date, compared with -1.07% for the benchmark. Also, 5-year annualised volatility for the Fund was 18.71%, compared with 20.35% for benchmark.

Data from Nigeria's National Bureau of Statistics showed that the Headline Consumer Price Index rose by 17.61% y/y in August, compared with 17.13% in the previous month. Utilities and imported food components of the consumer price basket saw the fastest increases in year-on-year terms, with utilities (16.70% of basket) increasing by 25.90% y/y and imported food (13.20% of the basket) rising by 20.70% y/y. Although, the month-on-month inflation rate rose by 1.01% in August, it represented a decline from the 1.71% and 1.25% recorded in June and July, respectively. In the domestic sovereign bond market, yields increased at the short and long end of the curve, but fell at the belly. The yield on the 3-year government bond fell by 41 basis points, to 14.60%, compared with a marginal increase of 2 basis points, to 15.30%, 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 0.77, 1.26 and 2.02 times, compared with 1.86, 2.37 and 1.62 times recorded in August.

Internationally, the Emerging Markets Index gained 2.07% in September, which was higher than the 0.31% increase for the Developed Markets Index.

## AS AT OUR CUT-OFF

Equity Index	Closing Price	Change % in Month	Change % Year-to-date	Price-to-Earnings
<b>Emerging Markets</b>	715	2.07	18.02	16.62
<b>Developed Markets</b>	395	0.31	5.88	21.82
<b>Nigeria</b>	28335	2.67	-1.07	14.42
<b>Kenya</b>	137	1.34	-6.14	11.98
<b>South Africa</b>	51950	-1.49	2.48	29.16
<b>Brazil</b>	58797	1.55	35.63	161.43
<b>Russia</b>	1976	0.24	12.20	7.28
<b>India</b>	27866	-2.06	6.69	20.73
<b>Hong Kong</b>	23297	1.39	6.31	12.60
<b>USA</b>	2170	-0.06	6.15	20.43
<b>Europe</b>	343	-0.13	-6.21	27.51
<b>UK</b>	3754	1.52	8.98	54.89
<b>Japan</b>	1323	-0.51	-14.51	16.72

## 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

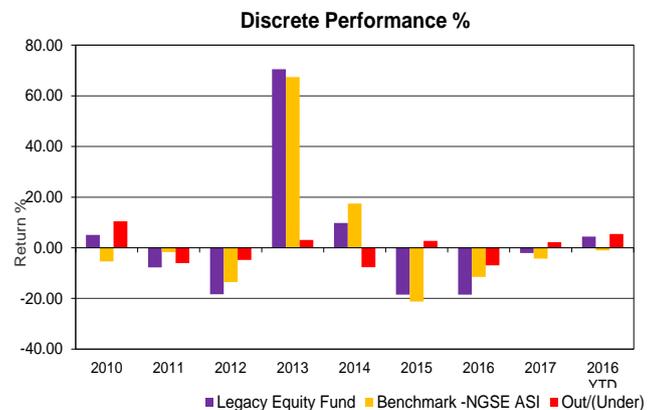
**DEFAULT RISK:** Risk that a company will not be able to honour its debt and may be forced to stop trading

**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>September Performance</b>	-1.04	2.67
<b>Inflation-adjusted (based on August CPI m/m)</b>	-2.03	1.64
<b>5-Year annualised</b>	Tracking Error <b>9.46</b>	Information Ratio <b>-0.19</b>

## Fund Year: July - June



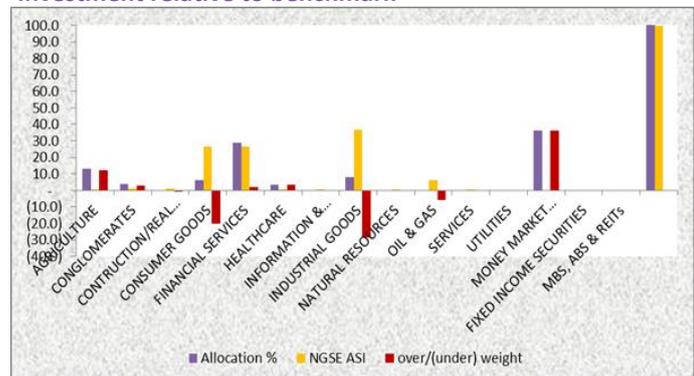
Performance returns are calculated on a Net-of-Fees basis  
 The Fund paid a dividend of 8.7kobo per unit in July 2015

## FUND STRUCTURE

### Asset Allocation

Asset	Range	Target
<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



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.

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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.