



Legacy Equity Fund

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FUND MANAGER	FIRST CITY ASSET MANAGEMENT LTD
FUND TYPE	EQUITY FUND
PERIOD	DECEMBER 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	₦476.94million	Performance Fee	1% of excess return over 20%
Benchmark	NGSE All share Index	Trading frequency	Daily
Bid / Offer Price	₦0.92 / ₦0.93	Settlement	Trade date + 5

SUMMARY OF MARKET ACTIVITY AND OUTLOOK

The Fund returned 1.53% in December, compared with 6.47% for the Index. The Fund's underperformance was mostly due to its underweight position in equities; the Fund closed with allocations of 61% and 37% to Equities and Money Markets Instruments, respectively. However, the Fund returned 2.20% in 2016, versus -6.17% for the Index, representing an outperformance of 8.37%. Also, 5-year annualised volatility for the Fund was 18.70%, compared with 20.70%, for the Index.

Nigeria's National Bureau of Statistics (NBS), in its published numbers for 3Q 2016, reported a rise in the country's unemployment rate, to 13.9%, from the previous quarter's 13.3%. In the report, the number of people that were either unemployed or underemployed increased from 26.06million as at the end of the 2Q, to 27.12million in 3Q 2016. Also, the NBS reported that Headline Consumer Price Index rose by 18.48% y/y, in November, compared with 18.33% in the previous month. However, the month-on-month inflation rate was 0.78%, down from 0.83% in October. In the domestic sovereign bond market, yields increased across most maturities. The yield on the 3-year government bond rose by 22 basis points, to 15.73%, compared with an increase of 10 basis points, to 16.18%, 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 0.35, 1.54 and 1.49 times in December, compared with 0.47, 0.70 and 0.79 times recorded in November; demand remained relatively weak for the 5-year FGN bond.

Internationally, the Developed Markets Index gained 2.53% in December, compared with a gain of 0.08% for the Emerging Markets Index.

AS AT OUR CUT-OFF

Equity Index	Closing Price	Change % in Month	Change % Year-to-date	Price-to-Earnings
Emerging Markets	683	0.08	12.82	15.73
Developed Markets	404	2.53	8.29	21.56
Nigeria	26875	6.47	-6.17	14.70
Kenya	131	-3.89	-9.88	10.46
South Africa	50654	0.88	-0.08	28.92
Brazil	60227	-2.71	38.93	204.14
Russia	2221	5.51	26.09	10.20
India	26626	-0.10	1.95	19.89
Hong Kong	22001	-3.46	0.39	12.20
USA	2249	2.29	10.05	21.07
Europe	360	5.28	-1.57	27.34
UK	3861	4.57	12.11	50.72
Japan	1519	3.35	-1.85	19.80

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

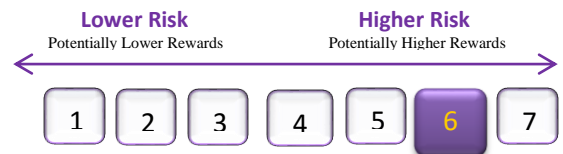
FCAM

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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.

Synthetic Risk & Reward Indicator

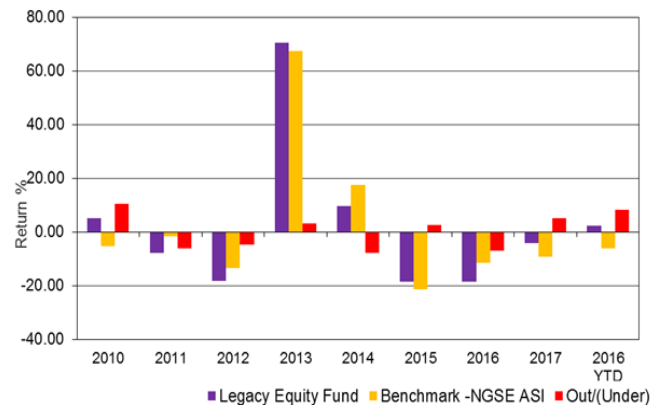


PERFORMANCE

	Legacy Equity Fund Return (%)	Benchmark NGSE ASI Return (%)
December Performance	1.53	6.47
Inflation-adjusted (based on Nov CPI m/m)	0.74	5.64
5-Year annualised	Tracking Error 9.89	Information Ratio -0.12

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

