

# CardinalStone Conservative Investment Plan ("CSCIP")

Quarterly Newsletter – March 2016



## FUND FACTS

<b>Fund Manager:</b>	CardinalStone Asset Management
<b>Launch Date:</b>	April 2010
<b>Initial Investment:</b>	₦100,000
<b>Additional Investment:</b>	₦50,000
<b>Net Assets Value per Share:</b>	₦1.1597

## FUND PERFORMANCE

	3Q15	4Q15	1Q16	YTD
<b>FUND</b>	-1.29%	-2.14%	-1.97%	-1.97%
<b>NSEASI</b>	-6.69%	-8.25%	-11.65%	-11.65%
<b>10Y BOND*</b>	3.81%	3.02%	2.92%	2.92%
<b>COMPOSITE**</b>	1.19%	0.20%	-0.72%	-0.72%

\*Average yield on 16.39% FGN Bond 2022 pro-rated for period

\*\*Composite benchmark is based on Plan allocation of 25% Equities & 75% Fixed Income

## FUND OBJECTIVE

The Plan is designed to offer long term capital appreciation to investors with low risk appetite. The Plan seeks to achieve its objectives, by investing its assets principally in fixed income securities, with lesser exposure to equities quoted on the Nigerian Stock Exchange (NSE).

## PORTFOLIO MANAGER'S COMMENTARY

The CardinalStone Conservative Investment Plan ("CSCIP") opened for the quarter on 1 January 2016 with an Offer price of ₦1.1830 and closed for the quarter at an Offer price of ₦1.1597 a return of -1.97%.

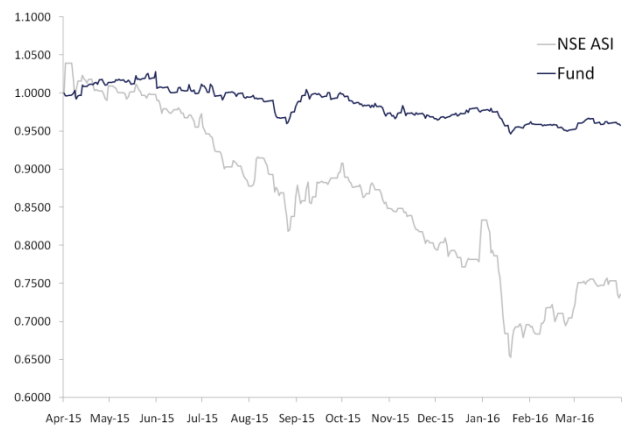
The equities market continued on a bearish note during the quarter as the government maintained its stance on FX control measures. Foreign investors who were still in the market continued to exit, while new investors were hesitant to make any new investments. The earnings releases did little to alleviate the pressures despite the impressive dividend yields. At the end of the quarter, The Nigerian Stock Exchange All-Share Index (NSE ASI) lost 11.65%; this was worse than the previous quarter when it lost 8.25%.

A performance attribution analysis showed that all sectors depreciated during the quarter. The Banking sector topped the losers chart with a decline of 19.75% followed closely by the Consumer Goods sector which saw a decline of 17.52%.

In the bond market, yields on sovereign bonds increased across all tenors. The yields on the 5yr, 7yr, 10yr and 20yr bonds rose by 92bps, 63ps, 54bps and 145bps to close the quarter at 11.51%, 10.46%, 11.38% and 12.43% respectively. The rise in yields is attributed to the increase in government borrowing and rising inflation.

In the quarter ahead we expect the passage of the budget to stimulate economic growth and improve investor sentiment. Inflation is still expected to be on the rise as the economy continues to witness FX pressures and scarcity of Premium Motor Spirit (PMS). Without a rebound in oil price, equities will likely remain weak, especially with the expectation of weak Q1 earnings.

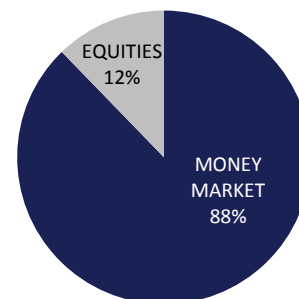
## NAV PERFORMANCE (ONE YEAR ROLLING)



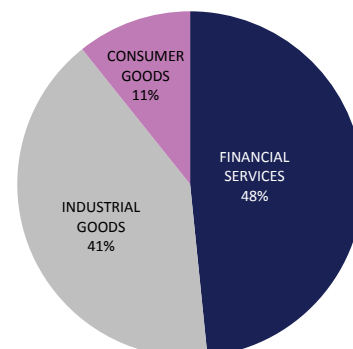
## TOP STOCK HOLDINGS

STOCK	SECTOR	Weight
WAPCO	INDUSTRIAL GOODS	5.93%
GUARANTY	FINANCIAL SERVICES	2.04%
ZENITHBANK	FINANCIAL SERVICES	1.54%
DANGSUGAR	CONSUMER GOODS	1.33%

## STRATEGIC ALLOCATION



## EQUITIES ALLOCATION BY SECTOR



For further enquiries please speak to our Investment advisors (Pius on 08090479268 or Tina on 08090415167) or send us a mail at [invest@cardinalstone.com](mailto:invest@cardinalstone.com)

## Disclaimer

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