

FUND FACTS

| | |
|------------------------------------|--------------------------------|
| Fund Manager: | CardinalStone Asset Management |
| Launch Date: | April 2010 |
| Initial Investment: | ₦100,000 |
| Additional Investment: | ₦50,000 |
| Net Assets Value per Share: | ₦1.3336 |

FUND PERFORMANCE

| | 3Q16 | 4Q16 | 1Q17 | YTD |
|--------------------|--------|--------|--------|--------|
| FUND | 3.80% | 3.56% | 3.20% | 3.20% |
| NSEASI | -4.27% | -5.16% | -5.05% | -5.05% |
| 10Y BOND* | 3.72% | 3.84% | 3.91% | 3.91% |
| COMPOSITE** | 1.72% | 1.59% | 1.67% | 1.67% |

*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 2017 with an Offer price of ₦1.2922 and closed for the quarter at an Offer price of ₦1.3336 a return of 3.20%.

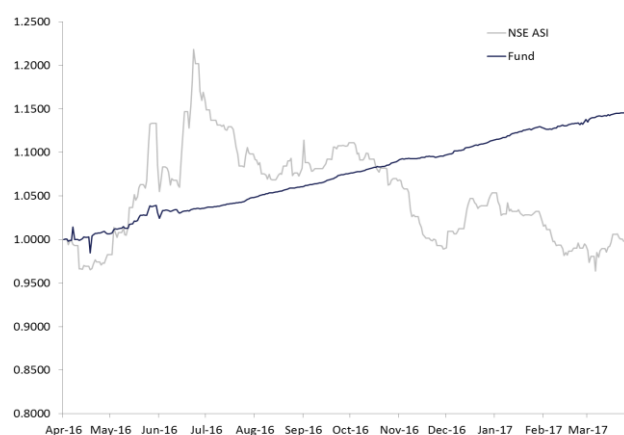
Despite the general expectation that the Nigerian economy would rise out of the recession sometime this year, sentiments and overall activity in the equities market remained subdued for most of the quarter. The lull in the market appeared to be a reflection of the macro economic situation in the country which saw Q4 GDP contract by 1.3% despite March and February inflation slowing to 17.26% and 17.28% respectively. At the end of the quarter, the Nigerian Stock Exchange All Share Index (NSE ASI) lost 5.05%, this was marginally better than the decline of 5.16% recorded in the previous quarter.

A performance attribution analysis showed that all sectors in the equities market except the Industrial Goods sector depreciated during the quarter. The Consumer Goods sector led the losers chart with a depreciation of 11.91% followed by Oil & Gas sector which lost 6.48%.

Yields on sovereign bonds closed largely stable as the monetary authorities maintained a tightening stance and mopped liquidity often. The yields on the 5yr, 7yr, 10yr were relatively flat, falling by an average of just 1bps across all tenors. The 20yr bond was the biggest mover, rising by 30 bps. The bonds closed at 15.85%, 15.77%, 15.62% and 15.60% respectively.

This quarter, we expect trading activities in the equities market to remain tepid with a bullish bias. Corporate earnings are expected to be positive relative to last year's weak performances and this should positively impact sentiments. We expect yields on fixed income instruments to begin to fall slightly as the rates of increase in inflation continue to decline.

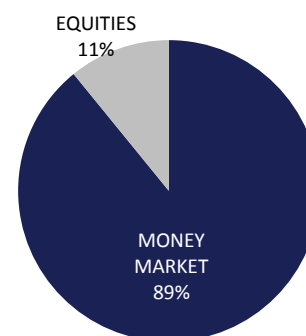
NAV PERFORMANCE (ONE YEAR ROLLING)



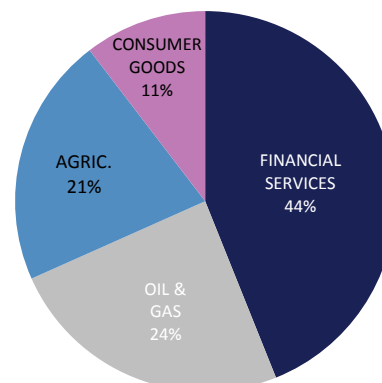
TOP STOCK HOLDINGS

| STOCK | SECTOR | Weight |
|---------------|--------------------|--------|
| TOTAL NIGERIA | OIL & GAS | 2.66% |
| OKOMU OIL | AGRICULTURE | 2.31% |
| ZENITH BANK | FINANCIAL SERVICES | 1.95% |
| GUARANTY | FINANCIAL SERVICES | 1.73% |

STRATEGIC ALLOCATION



EQUITIES ALLOCATION BY SECTOR



For further enquiries please speak to our Investment advisors (Pius on 08090479268 or Chinonso on 09090649283) or send us a mail at invest@cardinalstone.com

Disclaimer

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