

CardinalStone Ethical Investment Plan ("CSEIP")

Quarterly Newsletter – March 2017



TOP STOCK HOLDINGS

Fund Manager:	CardinalStone Asset Management
Launch Date:	April 2010
Initial Investment:	₦100,000
Additional Investment:	₦50,000
Net Assets Value per Share:	₦1.4538

FUND PERFORMANCE

	3Q16	4Q16	1Q17	YTD
FUND	4.25%	2.43%	2.98%	2.98%
NSEASI	-4.27%	-5.16%	-5.05%	-5.05%
10Y BOND*	3.72%	3.84%	3.91%	3.91%
COMPOSITE**	-0.27%	-0.66%	-0.57%	-0.57%

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

**Composite benchmark is based on Plan allocation of 50% Equities & 50% Fixed Income

FUND OBJECTIVE

The Plan seeks to offer long term capital appreciation, while being mindful of the ethical concerns of its investors. Majority of the Plan's funds are invested in a balanced mix of equities quoted on the NSE and fixed income products that are structured to be non-interest bearing, while the balance is held in alternative investments in the real estate and private equity opportunities. The plan adopts a socially responsible approach to investing and avoids investments in companies involved in the production of and/or dealing in activities considered potentially harmful to civil society.

PORTFOLIO MANAGER'S COMMENTARY

The CardinalStone Ethical Investment Plan ("CSEIP") opened for the quarter on 1 January, 2017 with an Offer price of ₦1.4117 and closed for the quarter at an Offer price of ₦1.4538 a return of 2.98%.

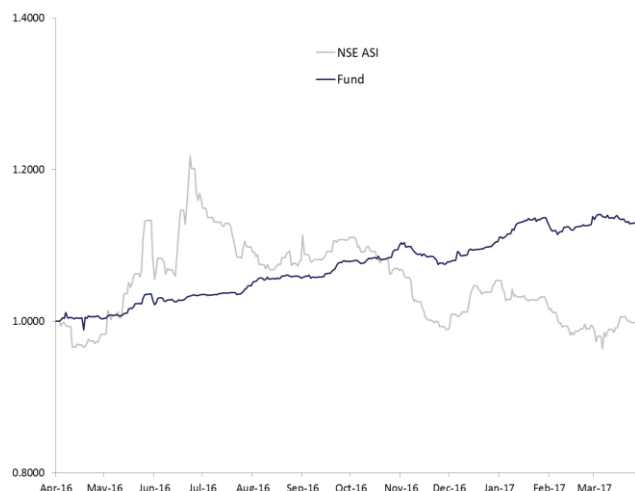
Despite the general expectation that the Nigerian economy would rise out of the recession sometime this year, sentiments and overall activity in the equities market remained subdued for most of the quarter. The lull in the market appeared to be a reflection of the macro economic situation in the country 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.

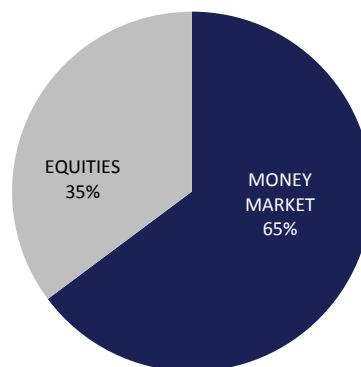
NAV PERFORMANCE (ONE YEAR ROLLING)



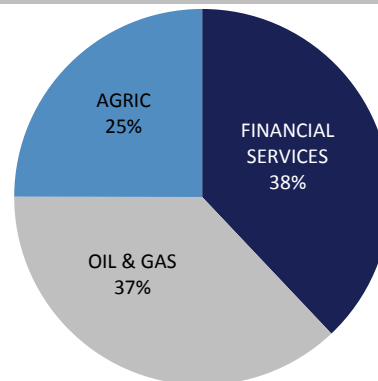
TOP STOCK HOLDINGS

STOCK	SECTOR	Weight
OKOMU OIL	AGRICULTURE	8.79%
ACCESS BANK	FINANCIAL SERVICES	5.52%
TOTAL NIGERIA	OIL & GAS	5.15%
ZENITH BANK	FINANCIAL SERVICES	5.00%

STRATEGIC ALLOCATION



EQUITIES ALLOCATION BY SECTOR



Disclaimer

The purpose of this fact sheet is to provide summary information and does not constitute a recommendation to buy or sell shares in the Fund. Any decision to buy and sell shares should be made after seeking appropriate professional advice. The CardinalStone Structured Investment Plans are not registered with the Securities and Exchange Commission (SEC) and as such are not marketed or sold to the public as this is not legally permitted. Persons in receipt of the information contained herein are required to inform themselves about and observe such restrictions. Past performance is not necessarily a guide to future performance. The value of investments and the income from them can fluctuate and are not guaranteed. The views expressed are as at the date hereof and are subject to change. They do not constitute investment or any advice. This report is produced by CSP Asset Management.