

CardinalStone Guaranteed Investment Plan (“CSGtdIP”)

Quarterly Newsletter – June 2016



FUND FACTS

Fund Manager:	CardinalStone Asset Management
Launch Date:	April 2010
Initial Investment:	₦100,000
Additional Investment:	₦50,000
Net Assets Value per Share:	₦1.7276

FUND PERFORMANCE

	4Q15	1Q15	2Q15	YTD
FUND	2.41%	2.50%	2.35%	4.91%
10Y BOND*	3.02%	2.92%	3.29%	6.22%

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

FUND OBJECTIVE

The Plan offers a guarantee on the principal amount invested as well as a guaranteed income to investors who have zero-tolerance for market volatility. The Plan seeks to achieve its objectives by investing all of its funds in fixed income securities that provide less risky and assured returns relative to equities.

PORTFOLIO MANAGER’S COMMENTARY

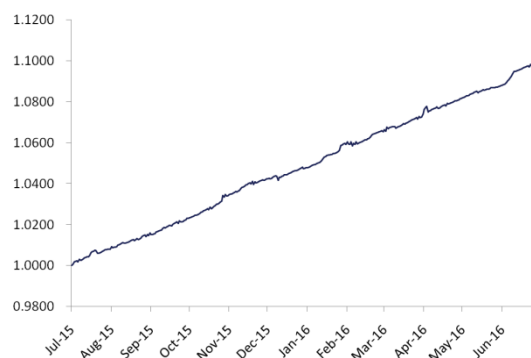
The CardinalStone Guaranteed Investment Plan (“CSGtdIP”) opened for the quarter on 1 April 2016 with an Offer price of N1.6879 and closed for the quarter at an Offer price of N1.7276, a return of 2.35%

The Central Bank of Nigeria (CBN), following the Monetary Policy Committee (MPC) meeting which held in May 2016, maintained the Monetary Policy Rate (MPR) at 12%. The asymmetric corridor around the MPR was also adjusted to +200bps/-500bps from the previous band of +200bps/-700bp. The Cash Reserve Requirement (CRR) on private and public sector deposits was also maintained at 22.5% while the Liquidity Ratio was left unchanged at 30%. The major news was the decision of the committee to adopt a flexible exchange rate framework.

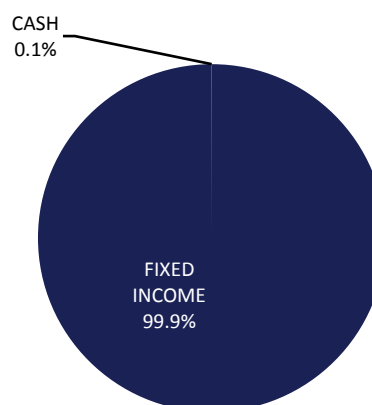
In response to the interest rate decision, yields on the 5yr, 7yr, 10yr and 20yr bonds rose by 191 bps, 299 bps, 237 bps, and 317 bps respectively to close the quarter at 13.42%, 13.45%, 13.75% and 14.15% respectively. The rise in yields is attributed to the increase in government borrowing and rising inflation.

In the quarter ahead, we expect yields on fixed income instruments to keep rising as investors continue to demand higher yields in response to higher inflation figures and the government’s borrowing needs.

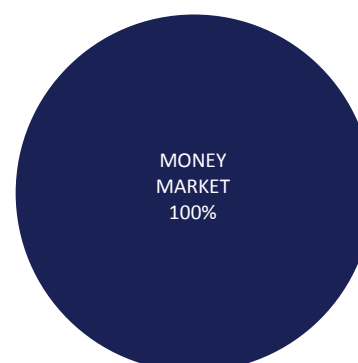
NAV PERFORMANCE (ONE YEAR ROLLING)



STRATEGIC ALLOCATION



ALLOCATION BY INSTRUMENT



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

Disclaimer

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