

CardinalStone Ethical Investment Plan ("CSEIP")

Quarterly Newsletter – June 2017



FUND FACTS

Fund Manager:	CardinalStone Asset Management
Launch Date:	April 2010
Initial Investment:	₦100,000
Additional Investment:	₦50,000
Net Assets Value per Share:	₦1.5510

FUND PERFORMANCE

	4Q16	1Q17	2Q17	YTD
FUND	2.43%	2.98%	6.69%	9.87%
NSEASI	-5.16%	-5.05%	29.79%	23.23%
10Y BOND*	3.84%	3.91%	4.01%	8.03%
COMPOSITE**	-0.66%	-0.57%	16.90%	15.63%

*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

April, 2017 with an Offer price of ₦1.4538 and closed for the quarter at an Offer price of ₦1.5510 a return of 6.69%.

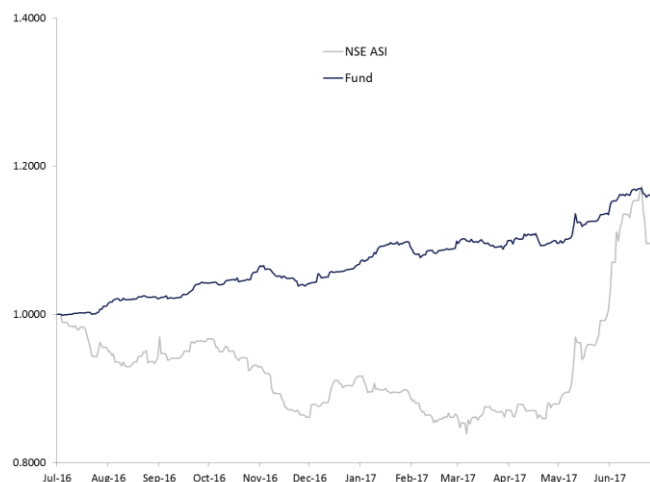
The introduction of the Importer/Exporter foreign exchange market by the Central Bank of Nigeria in April proved to be the catalyst which caused a remarkable change in market sentiments. While Q1 GDP of 0.52% showed that the country was still in a recession, the rate of growth of inflation continued to reduce as June and May inflation figures came in at 16.1% and 16.3% respectively. At the end of the quarter, the Nigerian Stock Exchange All Share Index (NSE ASI) gained 29.79%. This was a significant improvement on the decline of 5.05% recorded in the preceding quarter.

A performance attribution analysis showed that all sectors in the equities market appreciated during the quarter. The consumer goods sector led the way as it gained a whopping 55.37%. The banking sector index gained 45.11% while the oil and gas index gained 10.51%.

Yields on sovereign bonds closed largely stable as the monetary authorities maintained a tightening stance and mopped up liquidity often. Bond yields were relatively sticky throughout the quarter. The 7 year bond was the biggest mover, with yields rising by as high as 68bps. The 5yr, 7yr, 10 yr, and 20yr bonds closed at 16.34%, 16.45%, 15.84% and 15.93% respectively.

This quarter we expect mixed sentiments as expectations of positive half year results should drive a bullish start which will eventually give way to profit taking towards the end of the quarter once there are no catalysts to spur buying interest. Yields on fixed income instruments should remain stable as the government keeps borrowing to finance its budget deficit.

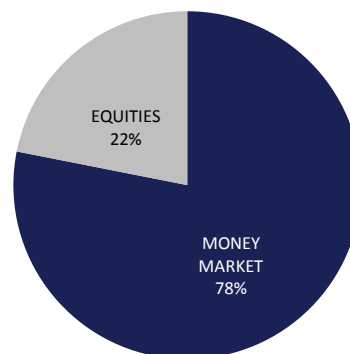
NAV PERFORMANCE (ONE YEAR ROLLING)



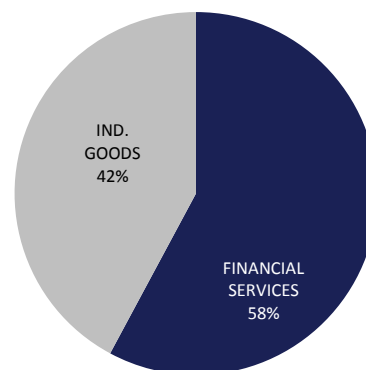
TOP STOCK HOLDINGS

STOCK	SECTOR	Weight
DANGOTE CEMENT	INDUSTRIAL GOODS	9.23%
ZENITH BANK	FINANCIAL SERVICES	8.97%
CUSTODIAN	FINANCIAL SERVICES	3.70%

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.