

CardinalStone Growth Investment Plan ("CSGIP")

Quarterly Newsletter - September 2015



FUND FACTS

Fund Manager:	CardinalStone Asset Management
Launch Date:	April 2010
Initial Investment:	₦100,000
Additional Investment:	₦50,000
Net Assets Value per Share:	₦1.2860

FUND PERFORMANCE

	1Q15	2Q15	3Q15	YTD
FUND	-4.23%	7.12%	-8.08%	-5.69%
NSEASI	-8.40%	5.39%	-6.69%	-9.92%
10Y BOND*	3.90%	3.47%	3.81%	11.19%
COMPOSITE**	-5.94%	5.01%	-4.59%	-5.70%

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

**Composite benchmark is based on Plan allocation of 80% Equities & 20% Fixed Income

FUND OBJECTIVE

The Plan is designed to offer long term capital appreciation to investors with considerable appetites for risk. The Plan seeks to achieve its objectives, by investing a significant proportion of its assets in equities quoted on the Nigerian Stock Exchange, while maintaining smaller holdings in fixed income securities and alternative investments in real estate and private equity opportunities.

PORTFOLIO MANAGER'S COMMENTARY

The CardinalStone Growth Investment Plan ("CSGIP") opened for the quarter on 1 July 2015 with an Offer price of ₦1.40 and closed for the quarter at an Offer price of ₦1.29 a return of -8.08%.

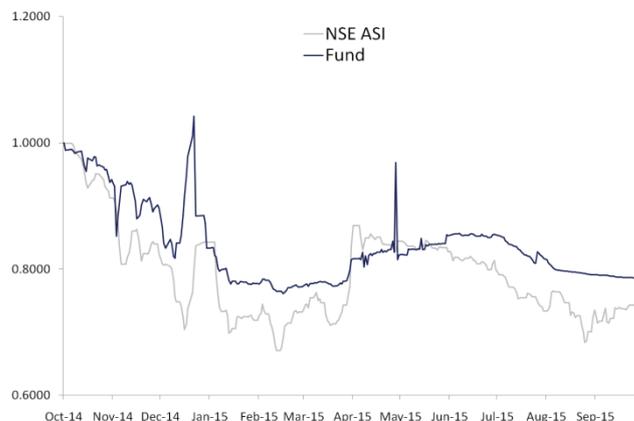
Equities experienced a decline during the quarter as there was no catalyst to spur investors' interest. The delay in the release of the ministerial list and lack of a clear economic direction exerted downward pressure on the stock market. Consequently, The Nigerian Stock Exchange All-Share Index (NSE ASI) lost 6.69% in the quarter, reversing the trend of the previous quarter where it gained 5.39%.

A performance attribution analysis showed that all sectors depreciated during the quarter. The Consumer goods sector topped the losers chart with a decline of 10.65% followed by Oil & Gas sector which saw a decline of 9.65%.

In the bond market, yields on sovereign bonds increased across all tenors. The yields on the 3yr, 7yr, 10yr and 20yr bonds increased by 63bps, 3bps, 21bps and 12bps to close the quarter at 14.98%, 14.91%, 14.98% and 14.98% respectively. Continued tension in the capital market coupled with uncertainties as to the policy direction of the new administration kept yields on the high.

The current bearish sentiment will likely persist this quarter as we envisage weak earnings from many companies in the consumer goods sector given current exchange rate control measures which have considerably limited the access to foreign currency, thereby raising input and operating costs Earnings in the oil and gas sectors are also expected to be weak given the volatility in crude oil prices and the possibility of further decline. However, some banks with minimal exposure to public sector accounts will likely report modestly strong earnings given the expected net positive impact of the implementation of the Treasury Single Account and reduction of the Cash Reserve Ratio to 25%.

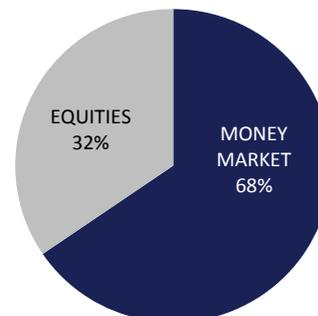
NAV PERFORMANCE (ONE YEAR ROLLING)



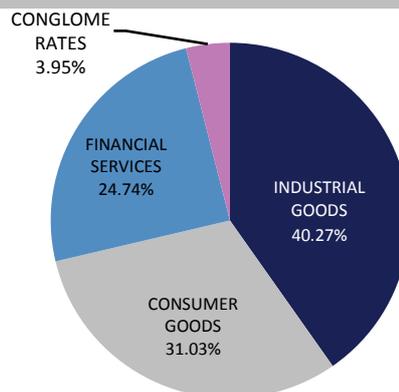
TOP STOCK HOLDINGS

STOCK	SECTOR	% Weight
WAPCO	INDUSTRIAL GOODS	13.90%
DIAMONDBNK	FINANCIAL SERVICES	4.21%
NESTLE	CONSUMER GOODS	3.77%
CADBURY	CONSUMER GOODS	3.12%
DANGSUGAR	CONSUMER GOODS	2.86%

STRATEGIC ALLOCATION



EQUITIES ALLOCATION BY SECTOR



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