

# CardinalStone Guaranteed Investment Plan ("CSGtdIP")

## Quarterly Newsletter – September 2015



### FUND FACTS

|                                    |                                |
|------------------------------------|--------------------------------|
| <b>Fund Manager:</b>               | CardinalStone Asset Management |
| <b>Launch Date:</b>                | April 2010                     |
| <b>Initial Investment:</b>         | ₦100,000                       |
| <b>Additional Investment:</b>      | ₦50,000                        |
| <b>Net Assets Value per Share:</b> | ₦1.6080                        |

### FUND PERFORMANCE

|                  | 1Q15  | 2Q15  | 3Q15  | YTD    |
|------------------|-------|-------|-------|--------|
| <b>FUND</b>      | 2.41% | 2.47% | 2.28% | 6.82%  |
| <b>10Y BOND*</b> | 3.90% | 3.47% | 3.81% | 11.19% |

\*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

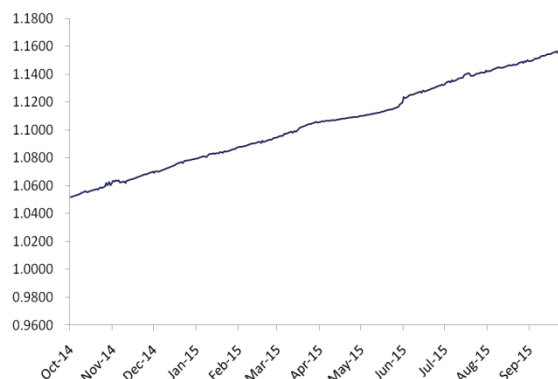
The CardinalStone Guaranteed Investment Plan ("CSGtdIP") opened for the quarter on 1 July 2015 with an Offer price of N1.57 and closed for the quarter at an Offer price of N1.61, a return of 2.28%

The Central Bank of Nigeria (CBN), following the Monetary Policy Committee (MPC) meeting which held in September 2015 maintained the Monetary Policy Rate (MPR) at 13%. However the Cash Reserve Ratio (CRR) on public and private sector deposits which had previously been harmonized to 31%, was reduced to 25%. The liquidity ratio and symmetric corridor around the MPR were maintained at 30% and +/-2% respectively. Headline inflation rose in September to 9.4%, marking the ninth consecutive rise this year.

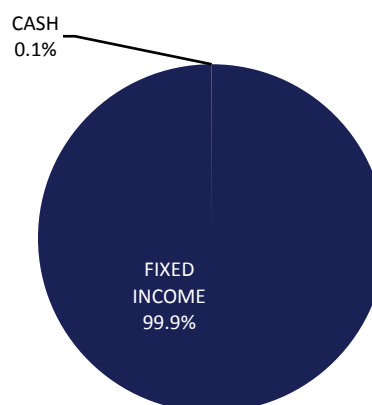
In the bond market, yields on sovereign bonds increased across all tenors. The yields on the 3yr, 7yr, 10yr and 20yr federal government bonds increased by 63bps, 3bps, 21bps and 12bps to close at 14.98%, 14.91%, 14.98% and 14.98% respectively. This was largely due to the impact of the Treasury Single Account (TSA) implementation as banks scuttled to ensure they had enough liquidity to fund TSA deductions in line with the directive of the president. During the quarter JP Morgan also announced that Nigeria will be phased out of the J.P. Morgan GBI-EM index series in two stages to be executed in September 30, 2015 and October 30, 2015. This further led to mild, short-lived, sell-offs in the bond market.

This quarter, the reconciliations following the implementation of the TSA which is still going, may have implications for financial system liquidity thereby affecting the yields of treasury instruments.

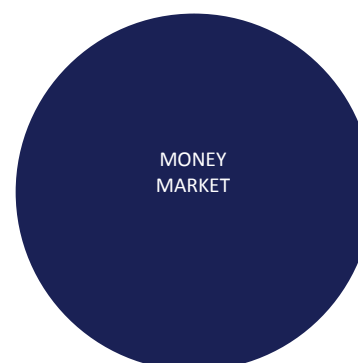
### NAV PERFORMANCE (ONE YEAR ROLLING)



### 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](mailto:investment@cardinalstone.com)

### Disclaimer

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