

CardinalStone Guaranteed Investment Plan ("CSGtdIP")

Quarterly Newsletter – December 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:	₦1.8368

FUND PERFORMANCE

	2Q15	3Q15	4Q15	YTD
FUND	2.35%	2.80%	3.43%	11.54%
10Y BOND*	3.29%	3.72%	3.84%	13.75%

*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

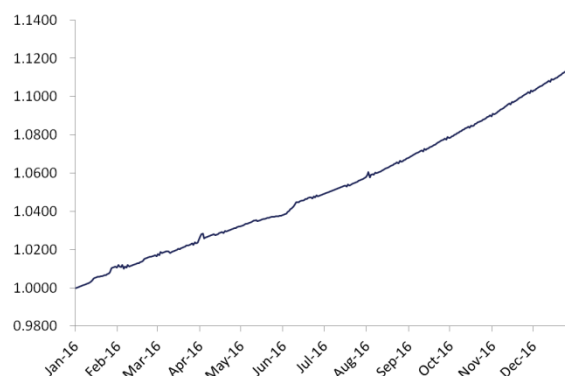
The CardinalStone Guaranteed Investment Plan ("CSGtdIP") opened for the quarter on 1 October 2016 with an Offer price of N1.7759 and closed for the quarter at an Offer price of N1.8368, a return of 3.43%

The Central Bank of Nigeria (CBN), following the Monetary Policy Committee (MPC) meeting which held in November 2016, kept all policy rates unchanged. The Monetary Policy Rate (MPR) was maintained at 14% while the asymmetric corridor around the MPR was retained at +200bps/-500bps. The Cash Reserve Requirement (CRR) on private and public sector deposits was also maintained at 22.5% and the Liquidity Ratio was left unchanged at 30%. The committee unanimously agreed to this stance in the November MPC meeting as the inflation rate remained high and investors demanded for positive real returns

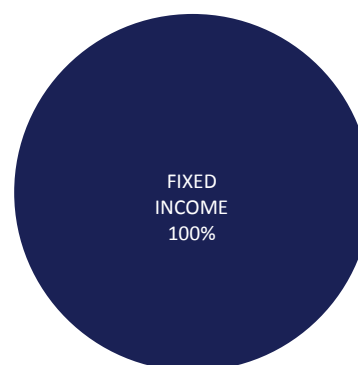
Yields on sovereign bonds stayed largely stable as the monetary authorities maintained a tightening stance and mopped liquidity often. The yields on the 5yr, 7yr, 10yr and 20yr bonds rose by 104 bps, 128 bps, 98 bps, 76 bps and 46 bps respectively to close the quarter at 15.85%, 15.78%, 15.68%, 15.52% and 15.30% respectively.

In the quarter ahead, we expect yields on fixed income instruments to stabilize at current levels given a reduction in the rate of increase in inflation.

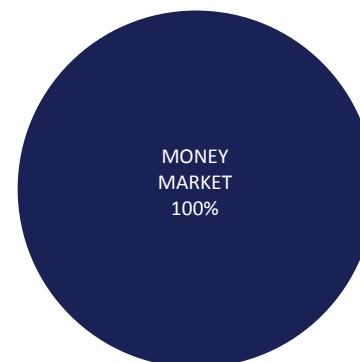
NAV PERFORMANCE (ONE YEAR ROLLING)



STRATEGIC ALLOCATION



ALLOCATION BY INSTRUMENT



For further enquiries please speak to our Investment advisors (Pius on 08090479268 or Chinonso on 09090649283) or send us a mail at invest@cardinalstone.com

Disclaimer

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