

FREQUENTLY ASKED QUESTIONS ON THE CARDINALSTONE MONEY MARKET FUND

What is the CardinalStone Money Market Fund?

The CardinalStone Money Market Fund is an open-ended money market mutual Fund that invests primarily in short term instruments such as Treasury bills and Commercial papers in a bid to provide capital preservation and a steady stream of income for its investors.

Who is the target audience for the CardinalStone Money Market Fund?

The Fund is targeted at retail investors, high-net worth individuals, and qualified institutional investors with low-risk appetite who wish to seek capital preservation and steady income through investing in a portfolio consisting of high-quality money market instruments which will include Federal Government of Nigeria treasury bills, fixed deposits, commercial papers, certificate of deposits, collateralized repurchase agreements, banker's acceptances etc.

What type of securities does the CardinalStone Money Market Fund invest in?

The CardinalStone Money Market Fund invests in high quality money market instruments issued by the Federal Government of Nigeria, bank placements as well as privately-issued money market instruments with investment grade ratings by SEC-approved rating agencies.

What is the management team for the CardinalStone Money Market Fund like?

The CardinalStone Money Market Fund is managed by an experienced investment and research team complemented by a deeply experienced Investment Committee with a strong track record of investing in the money market space. The Fund's management team has a deep understanding of money market instruments, leverages rigorous research and analysis, and a robust risk management framework to select instruments for the Fund. This two-tiered approach to fund management, comprising a seasoned Investment Team and a diligent Investment Committee, strengthens our ability to make sound investment choices and manage the Fund's assets effectively, with a focus on delivering optimal returns for our investors.

What is the investment strategy for the CardinalStone Money Market Fund?

The CardinalStone Money Market Fund employs sound investment selection, portfolio, and risk management practices. The Fund's portfolio strategy centers around leveraging fundamental and technical analysis in short-term security selection and investment, in line with the permissible instruments the Fund can accommodate. The Fund's assets shall be invested at the discretion of the Fund Manager in accordance with the Trust Deed, the investment objective and asset allocation framework of the Fund.

What are the risks associated with investing in the CardinalStone Money Market Fund?

Like all investments, there are risks associated with investing in the CardinalStone Money Market Fund, such as interest rate risk, liquidity risk, inflation risk, credit risk and reinvestment risk. It is important to consider these risks carefully before investing in the Fund and to consult with a financial advisor if you have any questions or concerns.

What is the expense ratio for the CardinalStone Money Market Fund?

The expense ratio is the annual fee charged to investors to cover the Fund's operating expenses. The exact expense ratio for the CardinalStone Money Market Fund may vary. However, as disclosed in the

Fund's prospectus, the annual management fee and other expenses (excluding the incentive fee) shall not exceed 3.5% of the Net Asset Value of the Fund per annum.

What is the minimum investment required to invest in the CardinalStone Money Market Fund?

The minimum investment in the CardinalStone Money Market Fund is 100,000 units and multiples of 50,000 units thereafter.

How often is the CardinalStone Money Market Fund's performance updated?

The performance of the CardinalStone Money Market Fund is updated on a regular basis, typically daily, in addition to the publication of a monthly Fact Sheet. The Fund's performance can be found on the website.

How is the performance of the CardinalStone Money Market Fund compared to its benchmark?

The performance of the CardinalStone Money Market Fund is benchmarked against the stop rate on the 90-day treasury bill, or any other benchmark as advised by the Fund Managers Association of Nigeria (FMAN) and approved by the Securities & Exchange Commission.

What is the minimum holding period for the CardinalStone Money Market Fund?

The minimum holding period for an investment in the Fund is 30 (thirty) calendar days from the date of purchase. Units redeemed earlier than the 30 calendar days shall incur a processing fee of 20% on the income earned. The minimum holding period commences from the date of purchase/subscription to the Fund.

What is the distribution policy for the CardinalStone Money Market Fund?

The Fund will make distributions of income (after expense) quarterly to investors. Unitholders must specify their preferred payment options for income distribution on their subscription forms/at the point of investment. Income can either be paid as cash to the unitholder's bank account or reinvested in the Fund as additional units.

Is the CardinalStone Money Market Fund suitable for long-term investment goals?

The suitability of the CardinalStone Money Market Fund for long-term investment goals will depend on an individual's specific financial circumstance and investment objectives. It is important to carefully consider the risks associated with investing in the Fund and to consult with a financial advisor.

How does the CardinalStone Money Market Fund ensure the quality of its investments?

The CardinalStone Money Market Fund employs a rigorous investment process to select high-quality money market securities for its portfolio. The Fund's management team conducts thorough research and analysis of the securities and only invests in securities that meet the Fund's quality standards.

The Fund Manager adheres to the investment objective of the Fund and invests in a way permissible under the Trust Deed and approved by the Fund Investment Committee. The Fund Manager is subject to certain restrictions as specified in the Trust Deed.

Is the CardinalStone Money Market Fund actively managed or passively managed?

The CardinalStone Money Market Fund is an actively managed mutual fund, meaning that its portfolio is selected and managed by professional investment managers.

What is the investment objective of the CardinalStone Money Market Fund?

The Fund seeks to provide investors with capital preservation and steady streams of income derived from investments in money market instruments issued by the Federal Government and in highly rated instruments from financial and non-financial institutions rated by a registered rating agency as may be specified from time to time by the Securities and Exchange Commission.

How does the CardinalStone Money Market Fund manage risk?

The CardinalStone Money Market Fund employs several risk management strategies, including diversification, active portfolio management, and market intelligence. The Fund's investment team regularly monitors market conditions and adjusts the Fund as needed to reduce risk and ensure that the Fund's investment objectives are being met.

Is there a guaranteed Rate of Return on a Mutual Fund investment?

No. The return on the Fund depends on general trends and the condition of the money market from time to time. As the Fund Manager has no influence over changes in the market, it is, therefore, impossible to guarantee any rate of return on the investment.

How do I invest in the CardinalStone Money Market Fund?

Investors can purchase units in the Fund by completing a purchase order form via the [online portal](#) or app.

How do I withdraw funds from the CardinalStone Money Market Fund?

Funds can be redeemed online through your mutual funds account. Alternatively, you may complete a Redemption Form and return the electronic certificate to the Fund Manager. Once these documents are verified, the redemption request will be processed within five business days.

Do I get proof of investment?

After payment confirmation, an e-certificate indicating the number of units held will be emailed to you.

How do I monitor my investment?

We provide online access via our online mutual Fund portal. We also publish the Fund's yield in leading Nigerian newspapers on weekdays.

Can I transfer my units to another party?

Units in the CardinalStone Money Market Fund cannot be transferred.

Can I use my holdings in the CardinalStone Money Market Fund as collateral for a loan?

Yes, Holdings in the Fund can be used as collateral for obtaining credit facilities from various financial institutions. However, this depends on each financial institution's lending policy.

Is the CardinalStone Money Market Fund listed on The Nigerian Stock Exchange?

No, the Fund is not currently listed in the Daily Official Memorandum list of The Nigerian Stock Exchange.