

MACROECONOMIC REVIEW

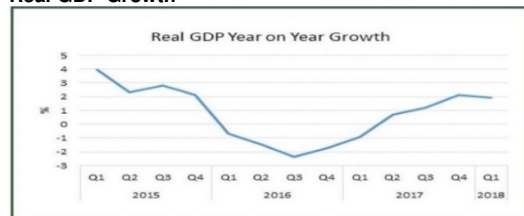
The Global economy expanded by 3.50% in Q1 2018 according to estimates provided by Trading Economics in Q2 2018. This was similar to growth of 3.30% recorded in Q4 2017. The main drivers of Q2 2018 growth include strong trade cycle, accommodative monetary conditions, jobs growth and positive private consumption in most of the large economies such as China and the US. Consequently, large Economies such as the US, China and Eurozone grew by 2.20%, 1.40% and 0.40% respectively in Q1 2018.

Inflation rates across these major economies increased year-on-year during the quarter largely due to increases in commodity prices and labour wages. Crude oil prices remained firm to trade around \$75 per barrel due to sustenance of Oil production agreements by major producers as well as supply disruptions in Libya and Venezuela. As such, oil dependent economies like Nigeria continued to witness modest economic recovery.

According to data released by the National Bureau of Statistics ("NBS") during the quarter, Nigeria's Gross Domestic Product ("GDP") grew by 1.95% year-on-year in real terms compared to 2.11% recorded in the preceding quarter.

The oil sector and non-oil sectors contributed 9.61% and 90.39% respectively to total real GDP in Q1 2018. The non-oil sector grew marginally by 0.76% and the positive drivers in this sector were limited to agriculture, financial services, manufacturing, transportation and storage. The oil sector however recorded a stronger growth of 14.77% during the period under review.

Real GDP Growth



Source: Nigerian Bureau of Statistics

Furthermore, Inflation rate continued to slow during the period as it printed at 11.61% for the month of May 2018, representing the sixteenth consecutive disinflation since January 2017. However, the Food component which accounts for a significant portion of the inflation basket increased by 13.45% (year-on-year) in May due to increases in prices of Potatoes, Yam and Other Tubers, Fish, Vegetables Bread and cereals.

FINANCIAL MARKET REVIEW

Global Financial Markets were driven by heightened Geo-political tensions such as the trade wars between the United States of America ("US") and its Western Allies as well as China, the US pull out of the Nuclear deal with Iran and the historic talks to denuclearize the Korean peninsula between the US and North Korea in exchange for easing economic sanctions on North Korea. The successful take-over of the Italian government by Eurosceptic political parties which further threatens the stability of the Eurozone in light of the ongoing Brexit negotiations was also a key factor that shaped investors' decisions. As such, there was a sell-off across Emerging Markets ("EM") and Frontier Markets ("FM") albeit in different magnitudes. This was further worsened by deteriorating economic indicators and policy inconsistencies in countries such as Argentina, South Africa and Turkey.

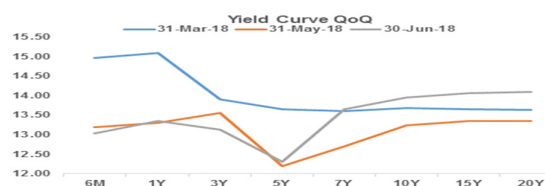
Furthermore, the US Federal Reserve Board's ("US Fed") continued with the hike in policy rate, now within a band of 1.50% - 1.75%. Consequently, yields on US Treasuries and the value of the US dollar continued to firm up. Given the interplay of these factors, EM and Frontier market equities and fixed income markets recorded waves of sell-offs and price declines.

On the local front, the Nigerian Stock Exchange All Share index ("NSE ASI") also followed a similar trend with its EM and FM peers as it declined by (7.77%) during the quarter, bringing its year to date

Performance to 0.09% as at 30 June 2018. The sell-offs pushed all sectorial indices to negative territory for the quarter. Also, the uncertainty around the upcoming 2019 general elections and delayed passage of the 2018 Federal Budget may have contributed to the bearish sentiments

Contrary to market expectations, the Monetary Policy Committee ("MPC") of the CBN left all monetary parameters unchanged. The MPR was retained at 14%p.a; the asymmetric corridor of +200bps/-500bps around the MPR; CRR at 22.50% and liquidity ratio at 30%. The CBN initially reduced issuance of Treasury Bills via Open Market Operations ("OMO") which led to a decline in rates because of more liquidity chasing fewer instruments. However, the CBN subsequently increased volumes of OMO Bills at higher rates to maintain the interest from Foreign Portfolio Investors ("FPIs") and prevent a run on the naira. Consequently, OMO rates closed relatively higher at 12.15%p.a for the longer tenors and 11.50%p.a for shorter tenors. Treasury Bills issued at the periodic auctions however printed at lower rates, with the 91, 182 and 365 day Treasury bills closing at 10.20%p.a, 10.50%p.a and 11.05%p.a. compared to 11.95%p.a, 13%p.a and 13.15%p.a reported in the previous quarter.

In the bond market, interest from investors remained strong at the monthly bond auctions for the 5, 7 and 10 year papers with bids ranging from 13.50%p.a to 14%p.a across all tenors. The yields on 5-year, 7-year and 10-year bonds which opened the quarter at 13.53%p.a, 13.55%p.a and 13.60%p.a respectively closed at 13.50% p.a., 13.80% p.a. and 13.81% p.a. respectively.



In the Foreign Exchange Market, the spreads between the parallel market and the Investors and Exporters ("I&E") Window remained thin at ₦1.80. The parallel market closed the quarter at ₦362.00/\$ while the price fixing at the I&E Window closed at ₦361.32/\$ from ₦360.00/\$. The growing level of FX reserves was a major driver of the stability witnessed in the foreign exchange market during the quarter as it remained strong at \$47.78 billion at the end of the quarter.

OUTLOOK

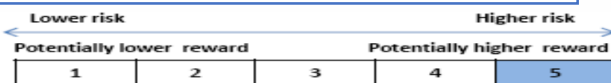
On the global scene, we expect the growth trajectory to continue. However, the trade wars precipitated by the US against its Western allies and China could stifle global growth considering its potential impact on business investments and consumption. In addition, we expect crude oil prices to remain relatively stable and well above \$60 in Q3 2018 as the production cut agreements among the major oil producing blocs would likely remain in place but could be marginally relaxed.

On the local scene, we expect the Foreign Exchange ("FX") reserves to remain relatively stable within the \$47bn - \$50bn range pending the slowdown in sell-offs by FPIs. We also expect inflation to continue to dip, albeit at a slower pace barring any unforeseen significant pressure on the exchange rate that could negatively affect the ability of the CBN to meet FX demand. We also expect the signing of the 2018 budget by the President as well as spending towards the 2019 general elections to trigger the flow of funds into the system. However, we expect the CBN to maintain its focus on price and FX stability by curtailing liquidity via OMO issuances.

As such, we expect the domestic stock market to remain weak as long term value investors and speculators continue to weigh improving macroeconomic conditions, relatively cheaper stock prices and corporate performance against political risk and sell-offs by FPIs. Consequently, we expect a negative performance in Q3 2018. We opine the CBN could ease monetary policy parameters in Q3 2018 given the persistent decline in inflation rate, and having built a robust foreign exchange reserve to allay the fears of foreign investors.

Stanbic IBTC Nigerian Equity Fund

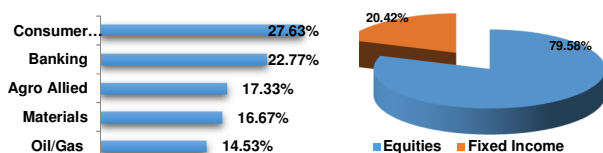
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Nigerian Equity Fund is to deliver real returns and achieve long term capital appreciation of its assets by investing a minimum of 60% of the portfolio in equity securities quoted on the Nigerian Stock Exchange and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-97
Status of Fund	Open Ended
NAV per Unit	₦10,035.17
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANNEQ NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation

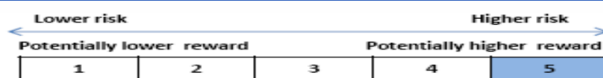


FUND PERFORMANCE

Period	Q2 2018	FY 2017	3 years	5 years	10 years	15 years	20 years
SINEF Return	(3.01%)	27.46%	14.66%	8.01%	(21.08%)	386.89%	1004.42%
Fund Index	(3.62%)	30.75%	16.92%	44.00%	5.49%	178.70%	345.89%
ASI	(7.77%)	42.30%	10.34%	36.20%	(34.06%)	215.05%	493.72%

Stanbic IBTC Ethical Fund

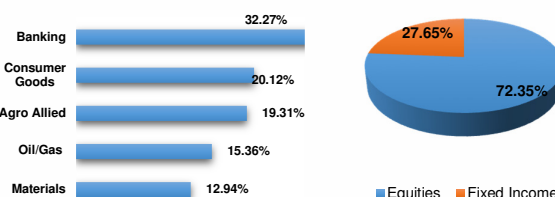
FUND OBJECTIVE: The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciation by investing a minimum of 60% in equity securities of socially responsible companies quoted on the Nigerian Stock Exchange and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-06
Status of Fund	Open Ended
NAV per Unit	₦1.06
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANETH NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation

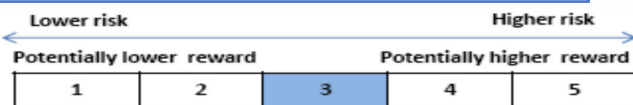


FUND PERFORMANCE

Period	Q2 2018	FY 2017	3 years	5 years	10 years
SITEF Return	(2.75%)	30.77%	-36.59%	11.50%	17.09%
Fund Index	(3.62%)	30.75%	16.92%	44.00%	5.49%

Stanbic IBTC Balanced Fund

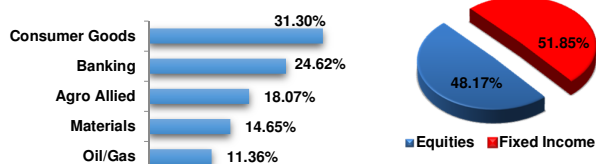
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Balanced Fund is to achieve stable capital appreciation by investing a maximum of 60% of the portfolio in both quoted and un-quoted equity securities with up to 15% in alternative investment instruments such as private equity, Real Estate Investment Trust ("REITs"), Mortgage Backed Securities ("MBS") e.t.c and a minimum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-12
Status of Fund	Open Ended
NAV per Unit	₦2,417.17
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANBAL NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation



FUND PERFORMANCE

Period	Q2 2018	FY 2017	3 years	5 years	Inception to 31 Dec 2017
SIBAL Return	1.71%	22.79%	35.96%	64.58%	136.89%
FUND Index	(3.62%)	22.29%	20.87%	48.68%	186.83%

Stanbic IBTC Guaranteed Investment Fund

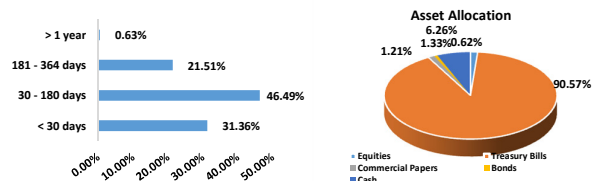
FUND OBJECTIVE: The primary objective of the Fund is to achieve both capital appreciation and preservation of the principal invested via investment in a portfolio of high grade fixed income securities approved by the Securities and Exchange Commission and blue chip equity securities listed on the Nigerian Stock Exchange. The fund seeks to achieve its stated objective by investing a minimum of 75% of its asset in low risk fixed income securities while a maximum of 25% can be invested in equities quoted on the Nigerian Stock Exchange.

The SIGIF guarantees the principal amount against diminution in value provided the units are held for a minimum period of three months.

FUND FACTS

Base Currency	N
Launch Date	Dec-07
Status of Fund	Open Ended
NAV per Unit	₦230.24
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANGIN NL>
Handling Charge	No principal guarantee for withdrawals under 3 months.

Maturity profile and Asset Allocation

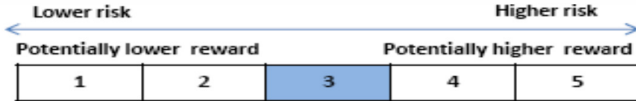


FUND PERFORMANCE

Period	Q2 2018	Q1 2018	FY 2017	3 years	5 years	Inception to 31 Dec 2017
SIGIF Return	4.15%	4.44%	19.03%	47.09%	73.66%	163.51%
Fund Index	0.02%	4.37%	20.65%	30.07%	59.61%	84.60%

Stanbic IBTC Bond Fund

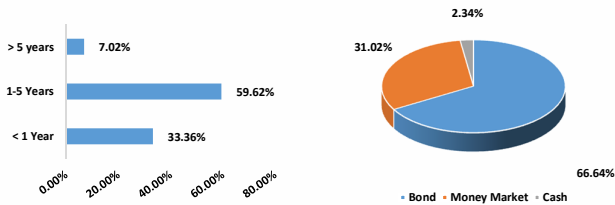
FUND OBJECTIVE: The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk. The Fund seeks to achieve its stated objective by investing at least 65% of its assets in high quality bonds and other fixed income securities, while a maximum of 35% of its assets are invested in quality money market instruments.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
NAV per Unit	₦180.24
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANIBF NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Maturity profile and Asset Allocation

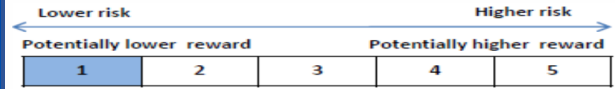


FUND PERFORMANCE

Period	Q2 2018	Q1 2018	FY 2017	3 years	5 years	Inception (2010) to 31 Dec 2017
SIBOND Return	3.73%	3.77%	17.94%	49.15%	71.13%	116.34%
Fund Index	3.23%	3.40%	15.10%	44.27%	80.23%	142.76%

Stanbic IBTC Money Market Fund

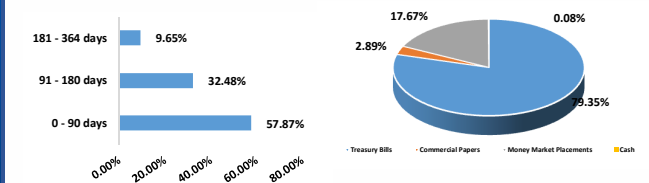
FUND OBJECTIVE: The primary objective of the Fund is to obtain as high a level of current income as is consistent with capital preservation. The Fund is for investors with low risk appetite who aim to maximize current level of income while preserving capital invested. Thus, the fund invests 100% of its assets in low risk short-term securities that are rated not less than "BBB".



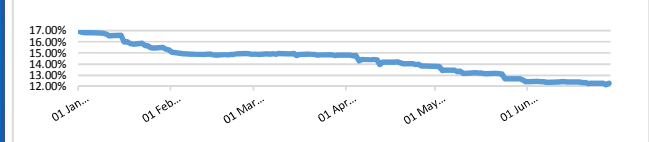
FUND FACTS

Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
Fund Rating	Aa (f) by Agosto & Co
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Quarterly
Bloomberg Ticker	<STANIMM NL>
Handling Charge	20% on income earned for withdrawals under 30 days

Maturity profile and Asset Allocation

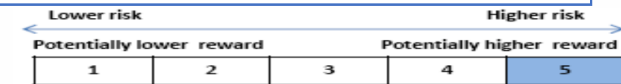


Effective Yield (%)



Stanbic IBTC Imaan Fund

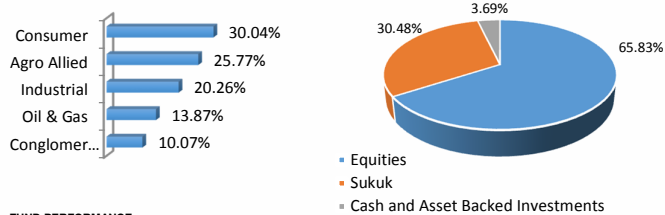
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Imaan Fund is to achieve long-term capital appreciation by investing a minimum of 60% of the Fund's assets in Shariah compliant equity securities as approved by the Advisory Committee of Experts (ACE) from time to time and a maximum of 30% in Shariah compliant asset backed investments (SUKUK) and cash.



FUND FACTS

Base Currency	Naira
Launch Date	Oct-13
Status of Fund	Open Ended
NAV per Unit	₦198.30
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	N/A
Bloomberg Ticker	<STANIMF NL>
Handling Charge	N/A

Maturity profile and Asset Allocation

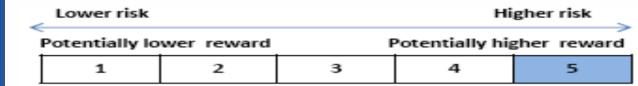


FUND PERFORMANCE

Period	Q2 2018	FY 2017	FY 2016	3 years	Inception (2013) to 31 Dec 2017
SIMAAAN Return	-3.07%	37.83%	-3.96%	25.93%	46.08%
Fund Index (ASI)	-3.62%	42.30%	-6.17%	10.34%	-34.06%

Stanbic IBTC ETF 30

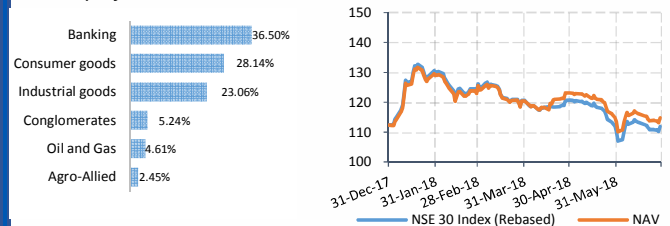
FUND OBJECTIVE: The objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange 30 Index ("NSE 30 Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-15
Status of Fund	Open Ended
NAV per Unit	₦114.80
Nature of Fund	Equity Biased
Benchmark	NSE 30 Index
Replication method	Physical- Full replication
Distribution Frequency	Quarterly (Indicative)
Bloomberg Ticker	<STANBICE NL Equity>
Handling Charge	N/A

Equity Sectorial Allocation and Fund Price Performance



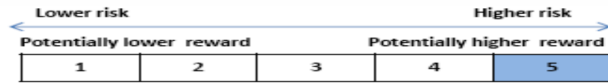
FUND PERFORMANCE

Period	Q2 2018	Q1 2018	FY 2017	FY 2016	Inception (Dec 2015) to 31 Dec 2017
NAV Return*	-4.62%	7.11%	44.19%	-8.97%	33.75%
NSE 30 Index	-7.21%	7.30%	46.14%	-7.18%	35.65%

*The NAV return is based on the return of the underlying securities.

SIAML PENSION ETF 40

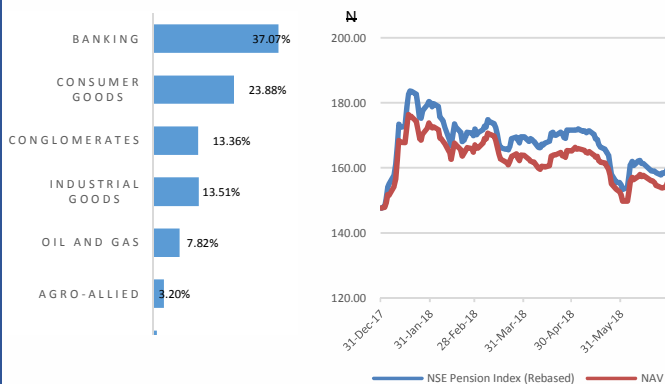
FUND OBJECTIVE: The objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-17
Status of Fund	Open Ended
NAV per Unit	₦ 155.50
Nature of Fund	Equity Biased
Benchmark	NSE Pension Index
Replication method	Physical- Full replication
Distribution Frequency	Quarterly (Indicative)
Bloomberg Ticker	<STANBICE NL Equity>
Handling Charge	N/A

Equity Sectorial Allocation and Fund Price Performance



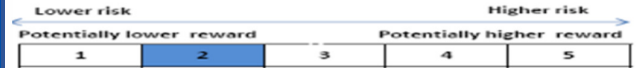
PERFORMANCE (%)

Period	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Inception to 31 Dec 2017
NAV Return*	-5.22%	10.99%	9.60%	7.45%	34.44%	49.41%
NSE Pension Index	-5.96%	14.84%	12.94%	5.52%	45.04%	68.49%

* The NAV return is based on the return of the underlying securities.

Stanbic IBTC Dollar Fund

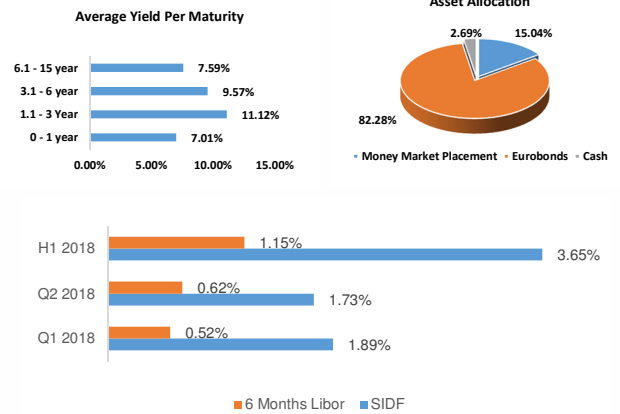
FUND OBJECTIVE: The Stanbic IBTC Dollar Fund objective is to foster currency diversification as well as preservation and appreciation of wealth. It also seeks to optimize returns to both retail, institutional and high net worth individuals who have preference for investing in dollar denominated securities by investing a minimum of 75% in USD Fixed Income Securities, 25% maximum in short term USD investment and a maximum of 10% in USD equities.



FUND FACTS

Base Currency	USD
Launch Date	Jan-17
Status of Fund	Open Ended
Nature of Fund	Fixed Income Biased
Initial Investment	\$1,000.00
Additional Investment	\$500.00
Distribution Frequency	Yearly
Handling Charge	20% on interest accrued for withdrawals under 6 months
Base Currency	USD
Launch Date	Jan-17

Maturity profile and Asset Allocation



Performance (%)	FY 2017	Q1 2018	Q2 2018	H1 2018
NAV RETURN	6.26%	1.89%	1.73%	3.65%
6 MONTHS LIBOR	1.48%	0.52%	0.62%	1.15%

How to Invest

- Fill in a [Subscription Form](#) and initiate a transfer to the fund's account or issue a cheque or draft for the amount applied for
- Please make the transfer/cheque/draft payable to the Fund
- Send the cheque/draft or evidence of payment, completed Subscription Form and other documents to any of our offices in [Lagos, Abuja, or Port-Harcourt](#) or any [branch of Stanbic IBTC Bank Plc](#)
- If you are buying from outside Nigeria it is easy to do so. [Find out how.](#)

Upon receipt on the subscription form, we will send you an email confirming purchase of units and telling you how to log in to your account

How to Invest Digitally

- Option 1-** You can effect a onetime investment into your money market fund account by logging on to your online mutual fund account (www.stanbicibtcfundsmangement.com), click on the additional subscription icon and follow through with the sequence. You will be required to use your debit/credit card to make payment for the investment.
- Option 2-** You can effect a transfer from your internet banking platform then upload the evidence of payment via your online mutual fund account (by clicking on the upload evidence of payment icon.

Past performance is not an indicator of future performance and individual investors' returns may differ depending on individual asset allocation.