ECONOMIC REVIEW

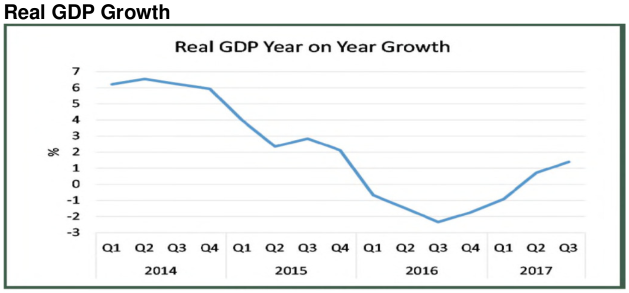
According to the International Monetary Fund ("IMF"), the global economy is expected to grow by 3.7% and 3.8% in 2017 and 2018 respectively. The increased growth estimates were driven by a broad based economic expansion across major economies in developed and emerging markets. For instance, the U.S economy expanded by 2.30% in Q3 2017 relative to the same period in 2016 as a result of stronger investments and consumption by the public and private sectors. Similarly, the Chinese economy, which accounts for around 13% of the global economy expanded by 6.80% in Q3 2017, which is well above the 6.50% target for the full year.

The growth momentum also strengthened in the Eurozone as the economy advanced 2.60% year-on-year in Q3 2017. This also represents the strongest pace of expansion in the region since Q1 2011 as the largest economies (Germany, France and Italy) continued to record relatively higher growth rates. The growth rate of the U.K economy was however flat at 1.50% year-on-year in Q3 2017, which represents the weakest annual growth rate since the first quarter of 2013. Household expenditure increased by 1.60%, the same pace as in Q2 while gross fixed capital formation went up at a slower pace of 1.80% compared to the 2.40% recorded in Q2.

NIGERIA ECONOMIC REVIEW – Q4 2017

Data released by the National Bureau of Statistics ("NBS"), indicated that in Q3 2017, the nation's Gross Domestic Product ("GDP") grew by 1.40% year-on-year in real terms (Quarter on quarter, real GDP growth was 8.97%) the second consecutive positive growth since the emergence of the economy from recession in Q2 2017. This growth was 3.74% higher than the decline of 2.34% recorded in the corresponding quarter of 2016 and 0.68% higher than the rate recorded in the preceding quarter (The growth rate in Q2 2017 was revised to 0.72% from 0.55% following revisions by NNPC to oil output which affected Oil GDP.

Real GDP Growth



Source: Nigerian Bureau of Statistics

The oil sector grew by 21.10% and 25.89% quarter-on-quarter and year-on-year respectively in Q3 2017. The sector also contributed 10.04% to the total GDP and remains the largest source of foreign exchange ("FX") earnings in the economy. On the other hand, the non-Oil sector declined by 0.76%, compared to the growth of 0.83% recorded in Q3 2016.

Furthermore, the most recent price index data published by the NBS revealed that inflation grew 15.90% (year-on-year) in November 2017, 0.01% lower than 15.91% recorded in October. This represents the tenth consecutive decline in 2017. On a month-on-month basis, the Headline index increased by 0.78% in November 2017, compared to 0.76% recorded in October 2017. The Food Index increased by 20.30% (year-on-year) in November, down marginally by 0.01% from 20.31% recorded in October.

MARKET REVIEW

The All Share Index ("ASI") sustained its positive performance from Q2 and Q3 2017 by posting a return of 7.91% for Q4 2017. As a result, the ASI returned 42.30% for 2017 (year to date) which represents the first positive performance after three straight years of losses (-16.14% in 2014, -17.36% in 2015 and -6.17% in 2016) and the highest index level (39,500) since 14 October 2014. This was driven by factors such as the recovery in macroeconomic conditions, improved crude oil revenues and more accommodative foreign exchange ("FX") policies via the Investor and Exporter ("I & E") Window. These factors had a positive impact on investors' confidence in Nigeria, and resulted in increased participation from local and international investors alike. In addition, the decision of Morgan Stanley Capital International ("MSCI") to retain Nigeria in its Frontier Index, the release of relatively better scorecards by some blue chip companies and the sharp decline in fixed income yields also contributed to the positive return of the ASI.

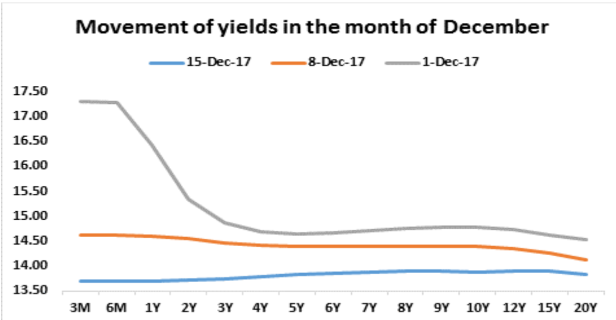
From a broader perspective, the performance of the market can be argued to be data driven, considering different positive macroeconomic data released by the National Bureau of Statistics ("NBS") in recent times. The NBS indicated that average crude oil production increased by c.28% to 2.06mbd in Q3 2017 from 1.6mbd in Q2 2017. This, together with the firming up of crude oil prices to c. $64.46 per barrel, led to the build-up of the Foreign Reserves to c. $39 billion as at 31 December 2017 which serves as an assurance to foreign investors of the ability of the Central Bank of Nigeria ("CBN") to defend the naira and the economy against external shocks in the short to medium term.

However, the bullish momentum softened toward the later part of Q4 2017 as some investors took profit on positions with significant year to date gains while others pursued more aggressive bargain hunting strategies in their efforts to rebalance their portfolios. Overall, all sectorial indices recorded positive performances except the Industrial sector which declined by 0.43% during the quarter. The Banking and Consumer Good sectors led the market by returning 73.32% and 36.97% respectively. It is pertinent to note that the declines in Lafarge Africa (11.42%) and Beta Glass (9.74%) were mainly responsible for the negative return in the Industrial sector.

On the other hand, the positive return in the Banking sector was driven by strong 9 Months 2017 results posted by a number of tier 1 banks. The Consumer Good sector was also supported by the rally in Dangote Sugar Refinery 45.99%, Nestle 27.53% and Nascon 53.91%. These companies as well as others such as International Breweries, Stanbic IBTC Holdings and Guaranty Trust Bank reached all-time highs in 2017.

Factors such as the funding for FX sale, Federation Account Allocation Committee ("FAAC") inflow of N1.1trn, combined Open Market Operations (OMO) and Treasury bill maturities of N4.22trn impacted system liquidity during the period. The CBN therefore continued its liquidity moderating activities by electing to hold all monetary parameters unchanged against analysts' expectations at the last Monetary Policy Committee ("MPC") meeting held in November 2017. The MPR was left at 14%; the asymmetric corridor of +200bps/-500bps around the MPR; CRR at 22.50% and liquidity ratio at 30% but signaled its plans to borrow at a lower cost as compared to previous quarters with a combination of a gradual reduction in the rates at the OMO auction and the non-issuance of long tenured OMO bills. This led to an increased demand at the long end of the Treasury bill curve, in anticipation of a further drop in yields.

Also, the Debt Management Office confirmed speculations that there will be no Treasury bill auction in December, as it planned to redeem the ₦198.032bn Treasury bills maturing in December with proceeds of $500million raised through a Eurobond issuance in November 2017. This is in line with the Governments overall debt management strategy of reducing debt service costs by refinancing some maturing domestic debt with cheaper external borrowing. Other objectives of this strategy are to free up space in the domestic market for other borrowers particularly the private sectors as well as achieve a more sustainable debt portfolio mix of 60% Domestic and 40% External. As a direct consequence, rates dipped by over 200bps as the market closed at 10.98%p.a, 14.06%p.a, and 15.15%p.a as compared to 13.15%p.a., 16.80%p.a, and 17.00%p.a. for the 91 days, 180days and 364 days respectively at the beginning of the quarter.



Source: SIAML Research

At the bond market, yields also dipped across the curve due to buying pressures in expectation of a decline in yields as the 5-year and 10-year bonds closed significantly lower at 13.1900% and 13.2100% compared to 15.9899% and 15.9000% respectively at the beginning of the quarter.

At the Foreign exchange market, the CBN continued to meet FX demands as it sold an estimated $4.36bn to wholesale, retail, and individuals for eligible imports and invisibles while liquidity at the I&E window waned as foreign participants applied caution, on the back of the decline in the fixed income yields and slowdown in treasury bill auctions, which led to a drop in volume traded from $4.06bn to $3.60bn in December. At the parallel and CBN official market, rates closed the quarter at ₦363.00/$ and ₦306.00/$ from ₦365/$ and ₦305.75/$ respectively recorded in the previous quarter.

OUTLOOK

We expect global growth recovery, low interest rates and improvements in global commodity prices to remain positive for global economies and corporate profits through 2018. Also, the recent reduction in corporate taxes in the US should further drive the performance of the US stock market. Other developed economies might also retaliate with tax cuts in order to remain competitive.

Whilst these key factors provide viable opportunities for equity investing, investors would approach the market with caution considering potential headwinds such as stretched equity valuations in the absence of a significant market correction for some time, the unwinding of quantitative easing (QE) and its potential impact on capital markets as well as the uncertainty around the ongoing Brexit negotiations.

Domestically, we expect interest in the equity market to remain strong on the back of improved macroeconomic fundamentals. Similarly, the decline in yields across the yield curve would likely fuel asset class switching in favour of equities. In addition, we are optimistic that the full year results to be released by quoted companies would remain strong considering the run rates on their nine months results. These factors together with expectation of improved corporate actions over those declared in 2016 should further drive positive performance of the Nigerian Bourse.

Furthermore, a sustained growth in FX reserves and capital expenditure plans of the government should continue to spur confidence in the equities market. Consequently, we expect a positive performance in Q1 2018 with select tier 1 names that gained market share during the economic downturn in the Banking, Consumer Good and Industrial sectors likely to generate most interest. Some of the tier 2 companies in these sectors would also likely benefit from investors' interest in the broader economy.

Political and regulatory headwinds could however derail the continuous recovery in the equity market. The implementation of the International Financial Reporting Standards ("IFRS") 9 in the financial services sector is expected to increase the loan loss provisioning for banks and could be a drag on earnings as well as Capital Adequacy Ratios. Banks are expected to adopt a 3 stage model to estimate and increase expected credit losses in line with macroeconomic conditions and counterparty health over the entire life of the loan. The second half of the year may also spook investors into a sell-off as the country shifts focus towards the general elections coming up in 2019.

In line with IMF forecast, we expect global growth momentum to be sustained in 2018 with the release of more positive macroeconomic data such as rising crude oil/commodity prices, global investments and consumption as well as industrial output across developed, developing and emerging economies.

In Nigeria, we expect moderation in interest rates as well as headline inflation to continue on the account of increased availability of FX and the impact of base effect on general price levels. We therefore expect these to encourage the CBN to retain its monetary policy parameters in a bid to check inflation and maintain foreign portfolio flows. Also, in view of the desire of the government to reduce its cost of borrowing, we expect Treasury bill rates to revolve around single to early teens, while bond yields on the other hand is expected to hover between 12.50% and 14.00%.

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Stanbic IBTC Asset Management

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.

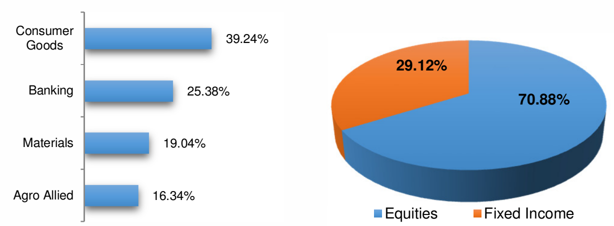
Lower risk — Higher risk
Potentially lower reward — Potentially higher reward

1	2	3	4	**5**

Fund Facts

Base Currency	Naira
Launch Date	**Feb-97**
Status of Fund	**Open Ended**
NAV per Unit	**₦9,848.78**
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	FY 2017	Q4 2017	3 years	5 years	10 years
SINEF Return	27.46%	6.03%	14.66%	8.01%	(21.08%)
Fund Index	30.75%	6.06%	16.92%	44.00%	5.49%

Stanbic IBTC Ethical Fund

Fund Objective: The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciations 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.

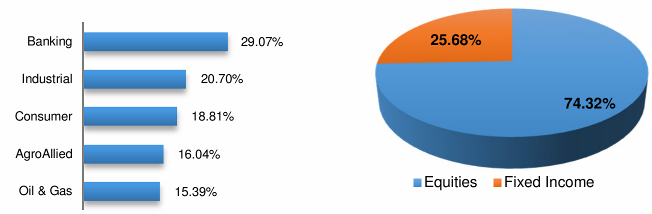
Lower risk — Higher risk
Potentially lower reward — Potentially higher reward

1	2	3	4	**5**

Fund Facts

Base Currency	Naira
Launch Date	**Jan-06**
Status of Fund	**Open Ended**
NAV per Unit	**₦ 1.02**
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	FY 2017	Q4 2017	3 years	5 years	10 years
SITEF Return	30.77%	7.37%	-36.59%	11.50%	17.09%
Fund Index	30.75%	6.06%	16.92%	44.00%	5.49%

Stanbic IBTC Balanced Fund

Fund Objective: The primary objective of the Stanbic IBTC Balanced Fund is to achieve decent 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 instrument such as private equity, REITs, MBS e.t.c and a minimum of 40% in high quality fixed income securities.

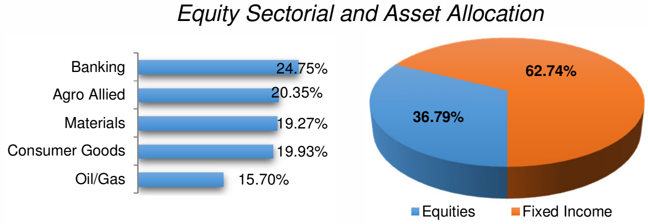
Lower risk — Higher risk
Potentially lower reward — Potentially higher reward

1	2	**3**	4	5

Fund Facts

Base Currency	Naira
Launch Date	**Jan-12**
Status of Fund	**Open Ended**
NAV per Unit	**N2,267.59**
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	FY 2017	Q4 2017	3 years	5 years	Inception (2012) to 31 Dec 2017
SIBAL Return	22.79%	4.95%	35.96%	64.58%	64.58%
FUND Index	22.29%	4.48%	20.87%	48.68%	48.68%

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.

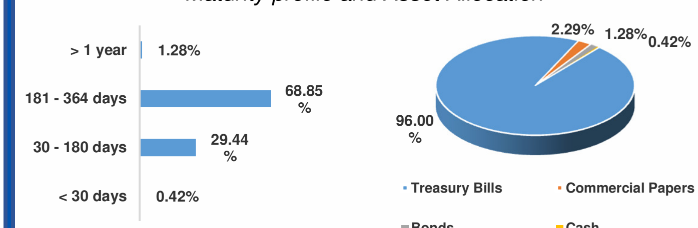
Lower risk — Higher risk
Potentially lower reward — Potentially higher reward

1	**2**	3	4	5

Fund Facts

Base Currency	Naira
Launch Date	**Dec-07**
Status of Fund	**Open Ended**
NAV per Unit	**₦220.46**
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	FY 2017	Q4 2017	3 years	5 years	Inception (2007) to 31 Dec 2017
SIGIF Return	19.03%	4.47%	47.09%	73.66%	166.19%
Fund Index	20.65%	4.44%	30.07%	59.61%	84.60%

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Stanbic IBTC Asset Management

Stanbic IBTC Bond Fund

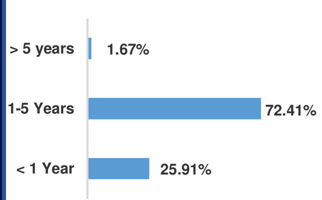
FUND OBJECTIVE: The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk. The Fund seeks to achieve its stated objective by investing at least 65% of its assets in high quality bonds and other fixed income securities, while a maximum of 35% of its assets is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

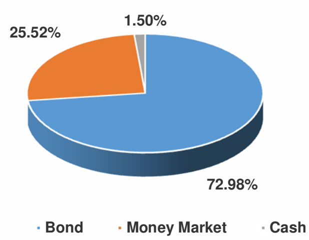
Lower risk				Higher risk
Potentially lower reward				Potentially higher reward
1	2	**3**	4	5

FUND FACTS

Base Currency	Naira
Launch Date	**Feb-10**
Status of Fund	**Open Ended**
NAV per Unit	**₦176.58**
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	FY 2017	Q4 2017	3 years	5 years	Inception (2010) to 31 Dec 2017
SIBOND Return	17.94%	5.94%	49.15%	71.13%	118.45%
Fund Index	15.10%	4.48%	44.27%	80.23%	142.76%

Stanbic IBTC Money Market Fund

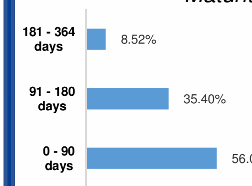
FUND OBJECTIVE: The primary objective of the Fund is to obtain as high a level of current income as is consistent with capital preservation. The Fund is for investors with low risk appetite who aim to maximize current level of income while preserving capital invested. Thus, the fund invests 100% of its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

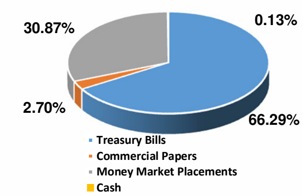
Lower risk				Higher risk
Potentially lower reward				Potentially higher reward
1	2	3	4	5

FUND FACTS

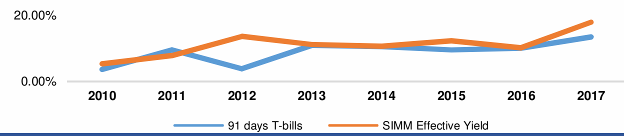
Base Currency	Naira
Launch Date	**Feb-10**
Status of Fund	**Open Ended**
Fund Rating	**Aa (f) by Agusto & Co**
Nature of Fund	**Fixed Income Biased**
Initial Investment	**₦5,000**
Additional Investment	**₦5,000**
Distribution Frequency	**Quarterly**
Bloomberg Ticker	**<STANIMM NL>**
Handling Charge	**20%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

Maturity profile and Asset Allocation





Inception to date
91 Day T-bill Rate vs SIMM Effective Yield



Stanbic IBTC Imaan Fund

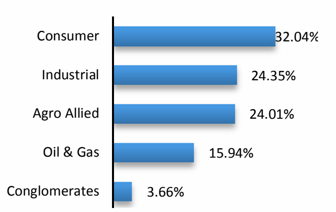
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Imaan Fund is to achieve long–term capital appreciation by investing a minimum of 70% of the Fund’s assets in Shariah compliant equity securities as approved by the Advisory Committee of Experts (ACE) from time to time and a maximum of 30% in Shariah compliant asset backed investments (SUKUK) and cash.

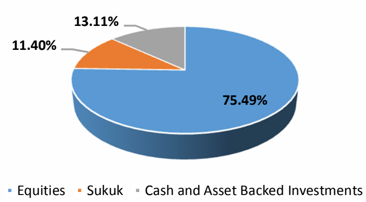
Lower risk				Higher risk
Potentially lower reward				Potentially higher reward
1	2	3	4	**5**

FUND FACTS

Base Currency	Naira
Launch Date	**Oct-13**
Status of Fund	**Open Ended**
NAV per Unit	**₦182.47p**
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	FY 2017	Q4 2017	FY 2016	3 years	Inception (2013) to 31 Dec 2017
SIMAAN Return	37.83%	8.80%	-3.96%	25.93%	46.08%
Fund Index (ASI)	42.30%	7.91%	-6.17%	10.34%	-34.06%

Stanbic IBTC ETF 30

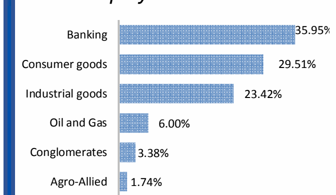
FUND OBJECTIVE: The investment objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange 30 Index (“NSE 30 Index” or “Index”) in terms of price performance as well as income from the underlying securities of the index.

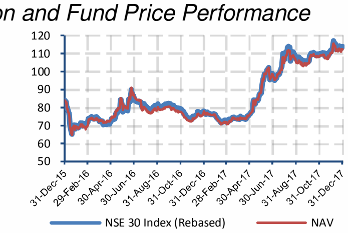
Lower risk				Higher risk
Potentially lower reward				Potentially higher reward
1	2	3	4	**5**

FUND FACTS

Base Currency	Naira
Launch Date	**Jan-15**
Status of Fund	**Open Ended**
NAV per Unit	**₦112.37**
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	Q4 2017	FY 2017	FY 2016	Inception (Dec 2015) to 31 Dec 2016
NAV Return*	7.50%	44.19%	-8.97%	33.75%
NSE 30 Index	7.66%	46.14%	-7.18%	35.65%

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

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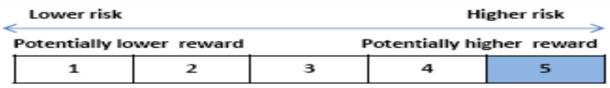
Stanbic IBTC Asset Management

SIAML PENSION ETF 40

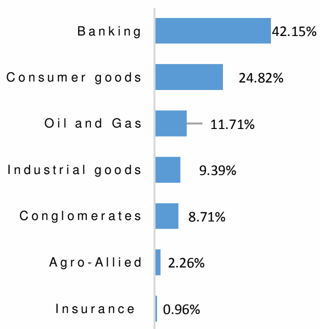
FUND OBJECTIVE: The investment objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.

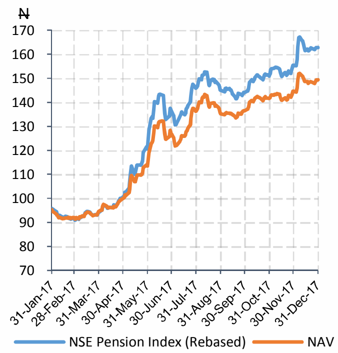


FUND FACTS

Base Currency	Naira
Launch Date	**Jan-17**
Status of Fund	**Open Ended**
NAV per Unit	**₦ 147.64**
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





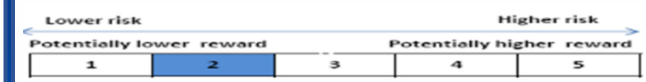
PERFORMANCE (%)

Period	Q4 2017	Q3 2017	Q2 2017	Since Inception
NAV Return*	9.60%	7.45%	34.44%	49.41%
NSE Pension Index	12.94%	5.52%	45.04%	68.49%

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

Stanbic IBTC Dollar Fund

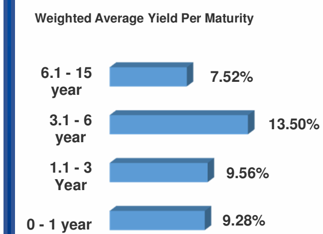
FUND OBJECTIVE: The Stanbic IBTC Dollar Fund objective is to foster diversification of investments in currency terms for the purpose of preservation and appreciation of wealth. It also seeks to optimize returns to both retail, institutional and high net worth individuals who have preference for investing 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.

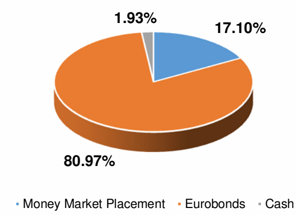


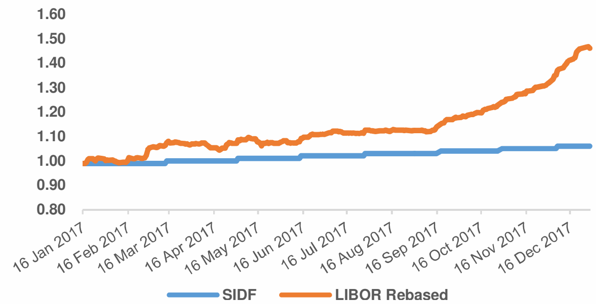
FUND FACTS

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	2.00% of redemption proceeds for withdrawals under 6 months
Base Currency	USD
Launch Date	Jan-17

Maturity profile and Asset Allocation







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.stanbicibtcfundsmanagement.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.*

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