

## Economic Review

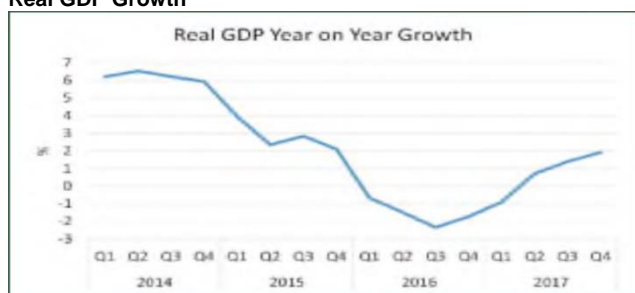
During the quarter, data released by "Focus Economics" indicated that the global economy expanded 3.30% in Q4 2017. This represents the strongest global expansion in six years and was driven by supportive monetary policies by central banks, recovery in investment and consumption in large economies, as well as higher commodity prices. The U.S and Chinese economies which account for 35 – 40% of global economy expanded by 2.50% and 6.80% year-on-year respectively in Q4 2017. Similarly, the unemployment rates in these economies continue to decline, thereby providing a positive impetus for consumption.

Also, the Eurozone economy advanced 2.70% year-on-year in Q4 2017 while unemployment rate in the region remained at 8.60% in January 2018, unchanged from the nine-month low recorded in the previous month and below 9.60% recorded a year earlier. Unlike the US and China where inflation has been on a downward trend, the consumer price inflation in the Euro Area came in at 1.10% year-on-year in February 2018, compared to 1.30% reported in the previous month.

### NIGERIA ECONOMIC REVIEW – Q1 2018

According to the National Bureau of Statistics (NBS), the Nigerian economy expanded by 1.92% year-on-year in Q4 2017. The economy therefore maintained a positive growth since its emergence from recession in Q2 2017 and recorded a full year marginal growth rate of 0.83% in 2017, compared to the decline of 1.58% recorded in 2016.

#### Real GDP Growth



Source: Nigerian Bureau of Statistics

The non-oil sector grew by 1.47% in Q4 2017 and contributed 92.83% to the Gross Domestic Product (GDP), while the oil sector, which accounts for the largest share of Nigeria's foreign exchange earnings grew by 8.40% in Q4 2017 and contributed 7.17% to the GDP. The major drivers of the recovery in non-oil sector include agriculture, trade, and transportation.

Inflation also increased by 13.34% (year-on-year) in March 2018, lower than 14.33% recorded in February 2018. This is the fourteenth consecutive disinflation since January 2017. The Food Index remains a key driver of the inflationary trend as its pace of increase slowed to 16.08% (year-on-year) in March, compared to 17.59% recorded in February 2018.

#### Inflation-Composite Price Index



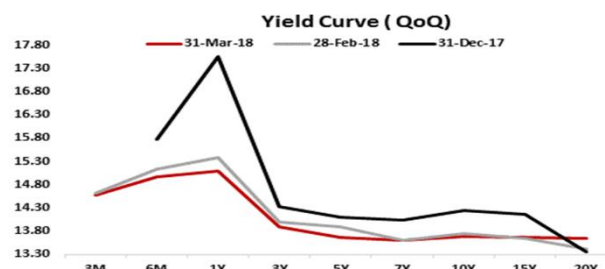
Source: Nigerian Bureau of Statistics

## MARKET REVIEW

The Nigerian bourse started the year on a positive note primarily due to positive sentiments which permeated through the major sectors. In the month of January, Tier 2 banks led the early rally with strong performance posted by select names such as Skye (+194%), Wema (+182.69%), Diamond (+112%), FCMB (+106.76%), Sterling (+94%) and Fidelity (+48.78%). Similarly, Tier 1 names such as Access (+23.92%), Guaranty (+20.61%), UBA (+23.30%), FBNH (+58.52%) and Zenith (+20.90%) also closed higher in the month of January relative to 2017 year-end levels. However, the Nigerian stock market witnessed a sell-off in February in line with global trends as monetary tightening by the US Federal Reserve Bank ("US Fed"), geopolitical tensions and profit taking activities roiled global equity markets. Also, contrary to our expectation, the release of relatively better FY 2017 results and corporate actions failed to renew investors' buying interest while the lower yields in the fixed income market did not result in the expected switch from fixed income securities to equities. As such, the NSE ASI closed the quarter at 8.53% after peaking at 17.91% on 19 January 2018. The Industrial and Banking sectors led the market by returning 10.96% and 9.49% respectively, with FBNH (42.05%), Zenith (14.27%), Guaranty Trust Bank (9.69%) and DangCem (13.04%) mainly responsible for the positive returns in these sectors.

The Monetary Policy decisions were put on hold due to the impasse between the executive and legislative arms of government which meant that the Central Bank of Nigeria ("CBN") was unable to form a quorum for the MPC. To that extent, the monetary parameters remained unchanged with the Monetary Policy Rate (MPR) at 14%, Cash Reserve Ratio (CRR) at 22.50% and Liquidity Ratio (LR) at 30% respectively.

In a bid to lower its overall borrowing cost, the Nigerian government issued \$2.5bn Eurobond at yields of 7.143% – 7.696% in February 2018 compared to yields in the range of 13.40 – 13.74% for naira denominated debts with the longest tenor. The CBN also reduced the frequency of its expensive OMO issuances which are typically sold around yields of 12.60% – 14.40%. These actions resulted in a gradual reduction in yields across the yield curve.



Source: SIAML Research

The decline in yields during the quarter inspired investors to book capital gains at the short end of the curve while extending duration at the long in anticipation of a further drop in yields.

In the Foreign exchange (FX) market, liquidity remained strong at the I & E Window as the traded volume increased from \$12.25bn to \$15.28bn during the quarter, while the CBN continued to meet FX demands with an estimated sale of \$4.66bn to wholesale, retail, and individuals for eligible transactions. As such, the spreads between the parallel market and I & E Window remained thin at ₦1.80. The parallel market closed the quarter at ₦362.00/\$ while the fixing at the I & E Window closed at ₦360.20/\$ from ₦363.00/\$. On the other hand, the CBN continued to maintain its hold on the official market which changed marginally to close the quarter at ₦305.65/\$ relative to ₦306.00/\$ recorded in the previous quarter. In conclusion, the growing level of FX reserves, which closed the quarter at \$46 billion was a major driver of the stability witnessed in the FX market.



## OUTLOOK

On the global scene, we expect growth to continue on an upward trajectory, backed by the continued expansion of large economies such as the U.S, China and the Eurozone. This should in turn boost demand for output from commodity driven economies in Asia and sub-Saharan Africa.

Furthermore, the tax cut for corporates in the US should boost the economy with increased consumption, expansion of wages and reduction in unemployment levels. We therefore expect US inflation to inch upwards with possible rate hikes by the U.S. Fed in Q2 2018.

We also expect crude oil prices to remain firm and trade above \$60 in Q2 2018 as the production cut agreements are sustained by OPEC and Non-OPEC members. Furthermore, rising diplomatic tensions between the UK and its allies against Russia may support oil prices.

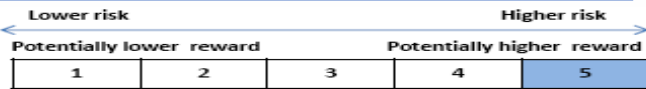
In Nigeria, we expect investors to cautiously participate in the equities market with most prices closing at above intrinsic values at the end of Q1 2018. We opine that the release of Q1 2018 results could serve as a useful indicator to investors on companies likely to experience significant revenue and profit expansions. Furthermore, the continued accretion to the FX reserves and simultaneous drop in yields of fixed income instruments could trigger asset class switch amongst portfolio investors.

Although, the aforementioned drivers should be positive for the market, we opine that the political discord between the various arms of government, increased electioneering towards the general elections in 2019 and a potential dissolution of the agreement between OPEC and non-OPEC members could be a threat to active participation by both local and foreign investors.

We expect the CBN to ease its monetary policy parameters at its Q2 2018 monetary policy committee (MPC) given the positive outlook on inflation, and having built a robust foreign exchange reserve to allay the fears of foreign investors. This is also in alignment with the desire of the government to reduce its cost of borrowing in naira as well as stimulate the economy. To that extent, we expect increased system liquidity with Treasury bill rates revolving around the single to the early double digits while bond yields on the other hand are expected to move southwards between 12.50% and 13.00%. Consequently, we expect more corporates to approach the market in a bid to refinance expensive debts at cheaper levels. The banks are also likely to boost lending activities to the real sector in a bid to maintain earnings as yields on government securities continue to decline.

## Stanbic IBTC Nigerian Equity Fund

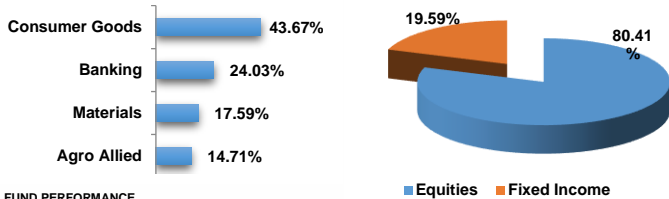
**FUND OBJECTIVE:** The primary objective of the Stanbic IBTC Nigerian Equity Fund is to deliver real returns and achieve long term capital appreciation of its assets by investing a minimum of 60% of the portfolio in equity securities quoted on the Nigerian Stock Exchange and a maximum of 40% in high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



### FUND FACTS

Base Currency	Naira
Launch Date	Feb-97
Status of Fund	Open Ended
NAV per Unit	₦10,346.99
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

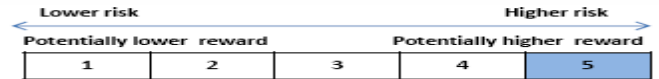


### FUND PERFORMANCE

Period	Q1 2018	FY 2017	3 years	5 years	10 years
SINEF Return	5.06%	27.46%	14.66%	8.01%	(21.08%)
Fund Index	6.31%	30.75%	16.92%	44.00%	5.49%

## Stanbic IBTC Ethical Fund

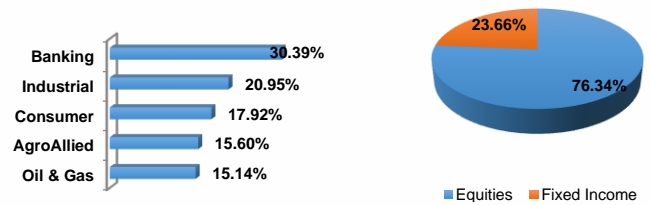
**FUND OBJECTIVE:** The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciation by investing a minimum of 60% in equity securities of socially responsible companies quoted on the Nigerian Stock Exchange and a maximum of 40% in high quality fixed income securities.



### FUND FACTS

Base Currency	Naira
Launch Date	Jan-06
Status of Fund	Open Ended
NAV per Unit	₦1.09
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

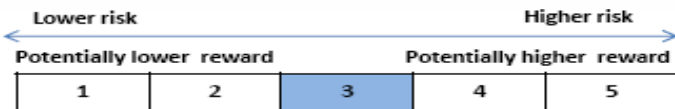


### FUND PERFORMANCE

Period	Q1 2018	FY 2017	3 years	5 years	10 years
SITEF Return	6.86%	30.77%	-36.59%	11.50%	17.09%
Fund Index	6.31%	30.75%	16.92%	44.00%	5.49%

## Stanbic IBTC Balanced Fund

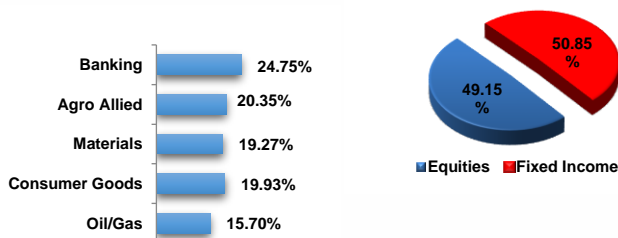
**FUND OBJECTIVE:** The primary objective of the Stanbic IBTC Balanced Fund is to achieve stable capital appreciation by investing a maximum of 60% of the portfolio in both quoted and un-quoted equity securities with up to 15% in alternative investment instruments such as private equity, Real Estate Investment Trust ("REITs"), Mortgaged 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	₦2,376.42
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



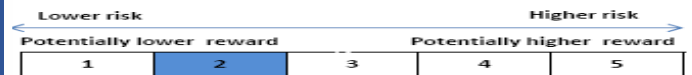
### FUND PERFORMANCE

Period	Q1 2018	FY 2017	3 years	5 years	Inception (2012 to 31 Dec 2017)
SIBAL Return	4.80%	22.79%	35.96%	64.58%	64.58%
FUND Index	6.31%	22.29%	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.

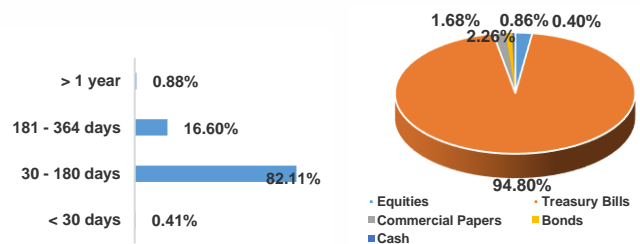
The SIGIF guarantees the principal amount against diminution in value provided the units are held for a minimum period of three months.



### FUND FACTS

Base Currency	Naira
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

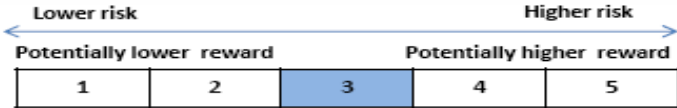


### FUND PERFORMANCE

Period	Q1 2018	FY 2017	3 years	5 years	Inception (2007 to 31 Dec 2017)
SIGIF Return	4.44%	19.03%	47.09%	73.66%	166.19%
Fund Index	4.37%	20.65%	30.07%	59.61%	84.60%

### Stanbic IBTC Bond Fund

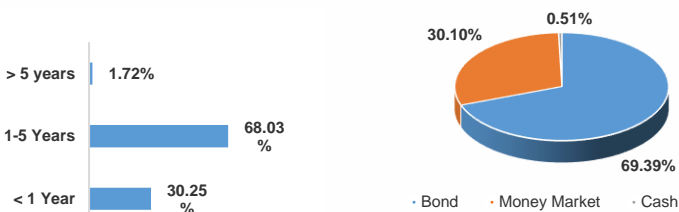
**FUND OBJECTIVE:** The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk. The Fund seeks to achieve its stated objective by investing at least 65% of its assets in high quality bonds and other fixed income securities, while a maximum of 35% of its assets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

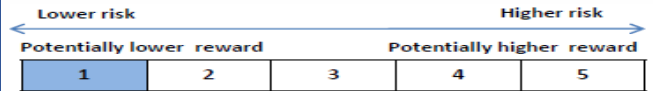


#### FUND PERFORMANCE

Period	Q1 2018	FY 2017	3 years	5 years	Inception (2010) to 31 Dec 2017
SIBOND Return	3.77%	17.94%	49.15%	71.13%	118.45%
Fund Index	3.25%	15.10%	44.27%	80.23%	142.76%

### Stanbic IBTC Money Market Fund

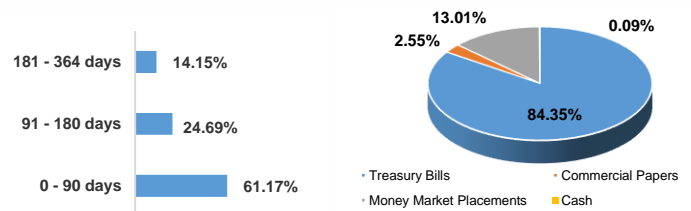
**FUND OBJECTIVE:** The primary objective of the Fund is to obtain as high a level of current income as is consistent with capital preservation. The Fund is for investors with low risk appetite who aim to maximize current level of income while preserving capital invested. Thus, the fund invests 100%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



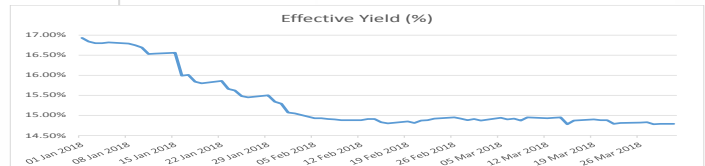
#### FUND FACTS

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

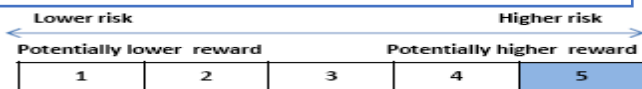


#### Effective Yield (%)



### Stanbic IBTC Imaan Fund

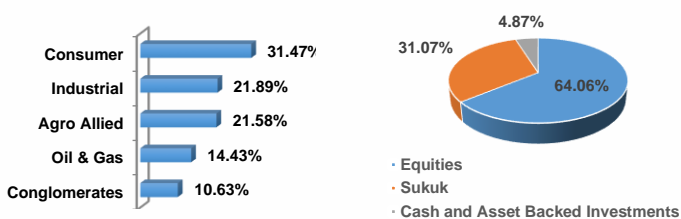
**FUND OBJECTIVE:** The primary objective of the Stanbic IBTC Imaan Fund is to achieve long-term capital appreciation by investing a minimum of 60% of the Fund's assets in Shariah compliant equity securities as approved by the Advisory Committee of Experts (ACE) from time to time and a maximum of 30% 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	₦194.27
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

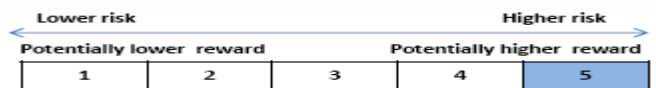


#### FUND PERFORMANCE

Period	Q1 2018	FY 2017	FY 2016	3 years	Inception (2013) to 31 Dec 2017
SIMAAN Return	6.47%	37.83%	-3.96%	25.93%	46.08%
Fund Index (ASI)	6.31%	42.30%	-6.17%	10.34%	-34.06%

### Stanbic IBTC ETF 30

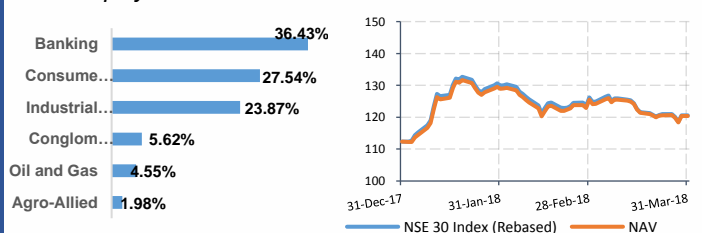
**FUND OBJECTIVE:** The objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange 30 Index ("NSE 30 Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



#### FUND FACTS

Base Currency	Naira
Launch Date	Jan-15
Status of Fund	Open Ended
NAV per Unit	₦120.36
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

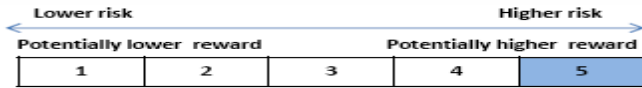
Period	Q1 2018	FY 2017	FY 2016	Inception (Dec 2015) to 31 Mar 2018
NAV Return*	7.11%	44.19%	-8.97%	43.26%
NSE 30 Index	7.30%	46.14%	-7.18%	45.56%

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



## SIAML PENSION ETF 40

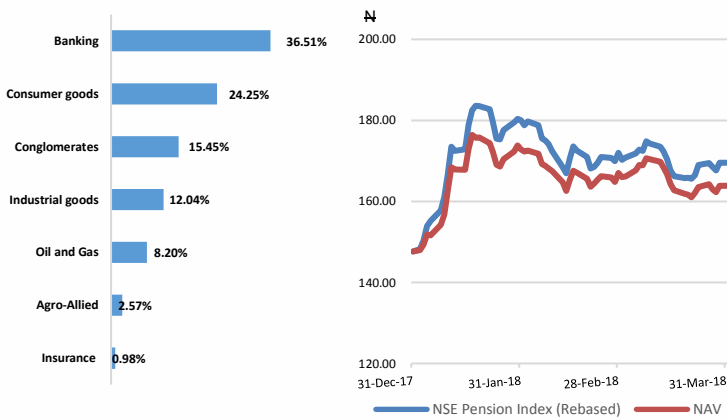
**FUND OBJECTIVE:** The objective of the Fund is to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



### FUND FACTS

Base Currency	Naira
Launch Date	Jan-17
Status of Fund	Open Ended
NAV per Unit	₦ 163.86
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	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Since Inception
NAV Return*	10.99%	9.60%	7.45%	34.44%	63.86%
NSE Pension Index	14.84%	12.94%	5.52%	45.04%	93.51%

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

## Stanbic IBTC Dollar Fund

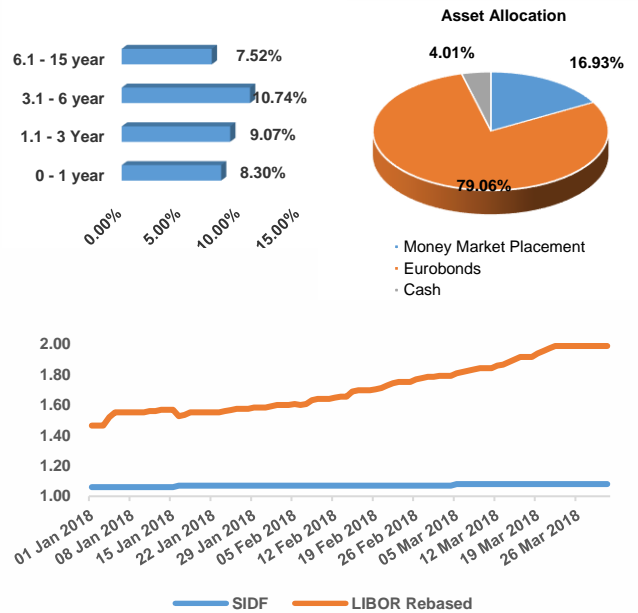
**FUND OBJECTIVE:** The Stanbic IBTC Dollar Fund objective is to foster currency diversification as well as preservation and appreciation of wealth. It also seeks to optimize returns to both retail, institutional and high net worth individuals who have preference for investing in dollar denominated securities 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



## 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.stanbicibtcfundmanagement.com](http://www.stanbicibtcfundmanagement.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).