Stanbic IBTC Balanced Fund ("SIBAL")
QUARTERLY FUND FACTSHEET Q3:2016

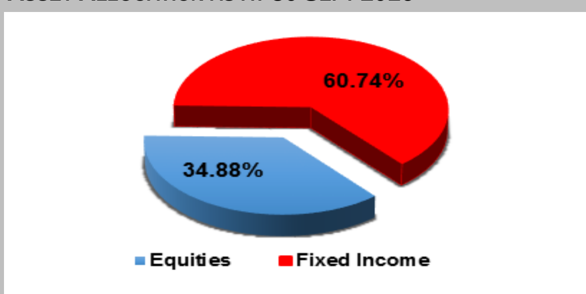
FUND FACTS

Fund Manager	**Stanbic IBTC Asset Management Limited**
Base Currency	**Naira**
Launch Date	**Jan-12**
Fiscal Year End	**December**
Status of Fund	**Open Ended**
NAV per Unit	**₦1,830.36**
Nature of Fund	**Equity Biased**
Initial Investment	**₦50,000**
Additional Investment	**₦20,000**
Distribution Frequency	**Yearly**
Bloomberg Ticker	**<STANBAL NL>**
Handling Charge	**1% redemption charge if within the first ninety one (91) Days.**

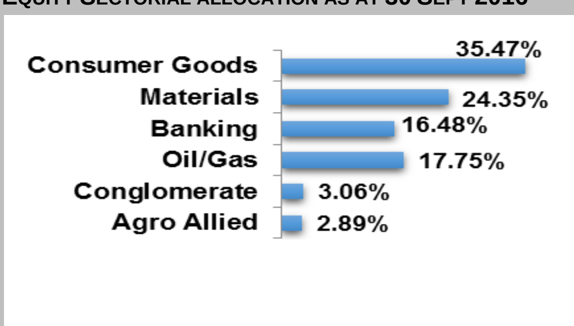
FUND PERFORMANCE

Period	9M 2016	2015	2014	2013	2012
SIBAL Return	7.99%	1.77%	(5.73%)	27.29%	20.29%
ASI	(1.07%)	(17.36%)	(16.14%)	47.19%	35.45%
91 Day T Bill rate	6.56%	9.48%	10.51%	10.87%	13.72%

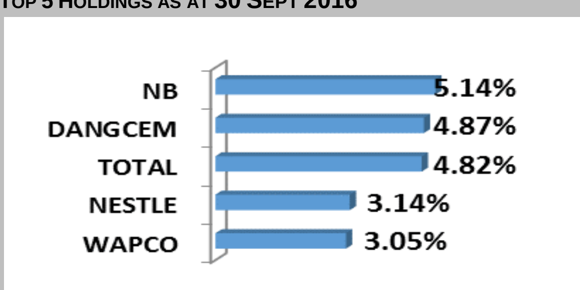
ASSET ALLOCATION AS AT 30 SEPT 2016



EQUITY SECTORIAL ALLOCATION AS AT 30 SEPT 2016



TOP 5 HOLDINGS AS AT 30 SEPT 2016



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.

INVESTMENT BENEFITS

- A well diversified portfolio of stocks
- Professional management
- Economies of scale
- Liquidity Provision
- Transparent & robust reporting
- Direct Debit funding option/initiative

INVESTMENT RISKS

- The value of investments may fluctuate
- Inconsistent government policies
- Economic and political risk

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

PORTFOLIO MANAGER'S COMMENT

The Stanbic IBTC Balanced Fund ("SIBAL") which opened on 01 July 2016 with an offer price of ₦1,786.99 closed the quarter at an offer price of ₦1,830.36, thereby returning 2.43% for the quarter.

The equities market recorded a negative performance of -5.36% & -1.47% in July & August albeit a positive performance of 2.67% was recorded in September. Similarly, all sectorial indices recorded negative performances during the quarter. The lull in the equities market was due to the inability of the recently implemented flexible exchange rate framework by the Central Bank of Nigeria ("CBN") to increase foreign exchange liquidity, significant decline in daily crude oil production and release of subdued H1 2016 results by companies.

On the other hand, yields in the Fixed Income market rose during the quarter by circa 460 basis points across the curve due to the liquidity squeeze prevalent in the system as a result of the continued issuance of Open Market Operations (OMO) bills by the CBN. Therefore, yields in the Treasury bill (T-bills) market traded within a range of 14.00% p.a. to 18.50% p.a. across the curve. Thus, the 91, 182 and 364 day T-bills which opened the quarter at 9.9948% p.a., 12.3000% p.a. and 14.9990% p.a. closed the quarter at 14.0000% p.a., 17.2700% p.a. and 18.3000% p.a. respectively. However, the rise in yield in the bond market was not as impressive as the movement in the T-bills market. This was due to the negative real return on the bond curve which led to a low level of activity in the bond market particularly at the long end of the curve.

During the quarter, the Fund Manager maintained equity exposure around Q2 2016 levels of 30% as appetite to increase exposure was lacking in light of weakening local macroeconomic fundamentals. In addition, due to high yields in the Money Market segment the Fund Manager switched low yielding Treasury bill at sub 10.00% for higher yielding bills at an average of 17.00% p.a.

INVESTMENT STRATEGY

The ability of the government to increase foreign exchange earnings via any or a combination of factors such as sustained increase in daily crude oil production, external borrowing from development finance institutions/investors and sale of certain assets during the quarter to finance capital projects, stimulate aggregate demand and shore up foreign reserves would drive the direction of the equity market. In the Fixed income space, we expect interest rates to remain elevated as the CBN targets real return on investments as we opine that inflation figures will continue to increase at a decreasing rate in Q4 2016 as drivers such as imported inflation and structural issues (impact of high fuel price and electricity price) still persists.

Consequently, we will continue to seek exposure to the medium to long end of the curve to lock-in relatively high yielding Treasury bills while maintaining overall equity exposure around the current level of 30%.

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