STANBIC IBTC BOND FUND (“SIBOND”)
QUARTERLY FUND FACTSHEET Q3:2016

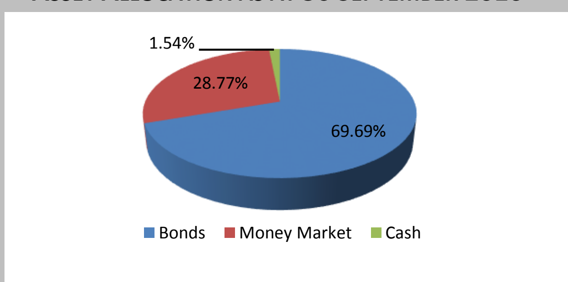
FUND FACTS

Fund Manager	**Stanbic IBTC Asset Management Limited**
Base Currency	**Naira**
Launch Date	**February 2010**
Fiscal Year End	**December**
Status of Fund	**Open Ended**
Initial Investment	**₦100,000**
Additional Investment	**₦100,000**
Distribution Frequency	**Half Yearly (30 June and 31 December)**
Handling Charge	**1% redemption charge if done within the first ninety one (91) Days.**
NAV Per Unit	**₦150.13**
Bloomberg Ticker	**STANIBF NL Equity**

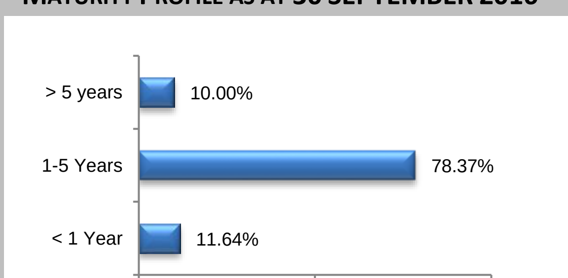
FUND PERFORMANCE

Period	YTD 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	FY 2014	FY 2013	FY 2012
SIBOND Return	4.21%	2.75%	0.32%	1.15%	17.26%	7.61%	7.03%	10.68%
3-year FGN Bond Weighted Average Yield (p.a.)	9.31%	3.61%	3.11%	1.38%	13.12%	12.43%	14.22%	15.12%

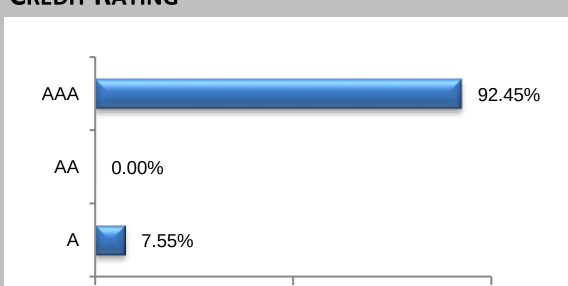
ASSET ALLOCATION AS AT 30 SEPTEMBER 2016



MATURITY PROFILE AS AT 30 SEPTEMBER 2016



CREDIT RATING



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.

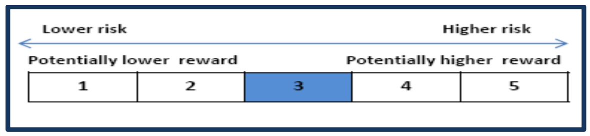
The Fund seeks fixed income exposure by investing in a diversified portfolio of high quality bonds of supranational and corporate issuers, including Federal Government bonds, State Government bonds, corporate bonds, Eurobonds and other fixed income securities.

INVESTMENT BENEFITS

- Competitive returns
- Provides steady income stream through half-yearly distributions
- Access to diversified portfolio of bonds provides a more stable source of income than equity investments

INVESTMENT RISKS

- Interest rate risk
- Inflationary Pressure
- Economic and political Risk
- Foreign exchange risk
- Volatility risk



PORTFOLIO MANAGER’S COMMENT

The Stanbic IBTC Bond Fund (“SIBOND”) opened the quarter with an offer price of ₦146.59 and closed the quarter with an offer price of ₦150.13, thereby returning 2.75% for Q3 2016. The applicable benchmark of weighted average 3-year Federal Government bond for the quarter closed at 3.61%.

The Monetary Policy Committee (“MPC”) of the Central Bank of Nigeria (“CBN”) met in July 2016 and decided to increase the Monetary Policy Rate (“MPR”) from 12.00% to 14% while holding all other monetary policy tools constant. The decision of the committee is aimed at ensuring that the benefit of the flexible foreign exchange policy put in place in the previous quarter is fully realized. In addition, there was aggressive mop up of liquidity by the CBN through OMO auctions to support exchange rate and encourage foreign flows into the system. As a result, Treasury bill yields increased across the curve as the 91, 182 and 364 day treasury 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. Similarly, the USD/NGN exchange rate which was ₦283.25 at the beginning of the quarter closed at ₦315.00 (a further depreciation of circa 11.21%).

On the other hand, the secondary bond market was characterized with minimal activity and mixed sentiments throughout the quarter on account of investors search for real return amidst rising inflation (which was 17.61% year-on-year as at August). However, the bond market did not respond accordingly to the monetary policy tools as bond yields did not increase as much as Treasury bills. Thus, the bond yield which opened the quarter at 14.50% p.a., 13.69% p.a. and 14.13% p.a. for the 5-year, 10-year and 20-year tenor closed higher at 15.14% p.a., 15.54% p.a. and 15.60% p.a. respectively.

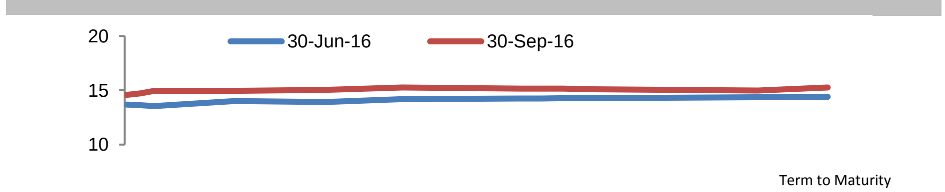
In order to stabilize fund performance and rebalance the portfolio, the Fund Manager invested at the short end of the bond curve to minimize volatility. In addition, the low yielding money market instruments were sold down and reinvest in higher yielding Treasury bills at the long end of the Treasury bill curve.

INVESTMENT STRATEGY

The bond market is expected to experience increased volatility on the back of improving participation of foreign investors in the market as we expect continued tightening of liquidity to support exchange rate stability and further encourage foreign investment flows.

In the light of the outlook, the Fund Manager will maintain bond exposure to the short end of the curve and realize profit as the opportunity presents itself. Furthermore, the Fund Manager would seek to maximize return on the money market instruments by seeking exposure to high yielding instruments extending duration whenever possible.

YIELD CURVE



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