

# STANBIC IBTC GUARANTEED INVESTMENT FUND ("SIGIF") QUARTERLY FUND FACTSHEET Q3:2016



## FUND FACTS

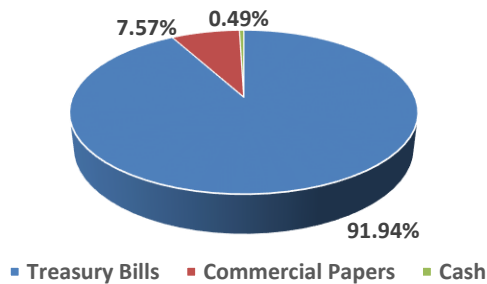
Fund Manager	Stanbic IBTC Asset Management Limited
Base Currency	Naira
Launch Date	December 2007
Fiscal Year End	December
Status of Fund	Open Ended
NAV per unit	₦178.74
Initial Investment	₦50,000
Additional Investment	₦20,000
Last Distribution	₦1.00
Handling Charge	No principal guarantee for withdrawals under 3 months
Bloomberg Ticker	STANGIN NL

## FUND PERFORMANCE

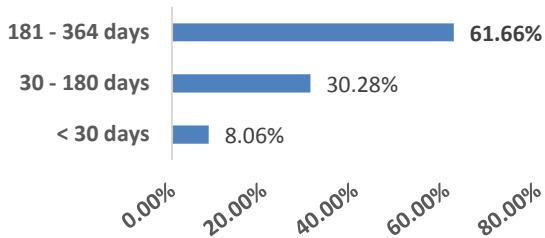
Period	Q3 2016	Q2 2016	Q1 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Return (%)	1.52	1.72	1.97	12.24	4.57	11.77	11.49	6.58
91 day WATBR*(%)	3.42	1.93	1.19	9.48	10.51	10.87	13.72	9.48

\*Weighted Average T-bills Rate

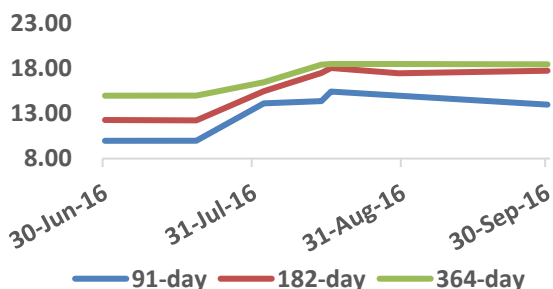
## ASSET ALLOCATION AS AT 30 SEPTEMBER 2016



## MATURITY PROFILE AS AT 30 SEPTEMBER 2016



## TREASURY BILL STOP RATES



## 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.

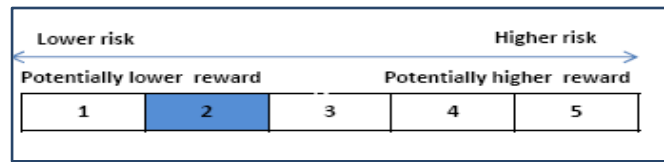
The SIGIF guarantees the principal amount against diminution in value provided the units are held for a minimum period of three months. The SIGIF is therefore ideal for risk-averse investors who still desire an exposure to attractive companies in the equities market.

## INVESTMENT BENEFITS

- Principal guarantee
- A well-diversified portfolio of securities
- Professional management at an affordable fee
- Economies of scale
- Liquidity Provision

## INVESTMENT RISKS

- The value of investments may fluctuate
- Interest rate risk
- Credit risk
- Political risk



## PORTFOLIO MANAGER'S COMMENT

The Stanbic IBTC Guaranteed Investment Fund ("SIGIF") returned 1.52% in Q3 2016 having closed the quarter at an offer price of ₦178.74 from an opening of ₦173.10. On a year to date basis, SIGIF returned 5.30%.

The Fund maintained zero equity position following the low investor confidence in the equity market which returned -4.27% and -1.07% in Q3 2016 and year to date respectively. This is primarily due to lack of liquidity in the forex market despite the flexible exchange rate system. As such, participation from Foreign Portfolio Investors was muted. In addition, H1 2016 results of most corporates were not impressive due to the pressure on operational expenses as well as negative impact of foreign loans revaluation.

In another development, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) met in July and September. The Committee decided in July 2016 to hike the Monetary Policy Rate (MPR) to 14.00% from the previous level of 12.00% and retained the Cash Reserve Ratio (CRR) and Liquidity Ratio at 22.50% and 30.00% respectively. However, at the September meeting all the monetary policy tools were held constant.

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 sustained issuance of Open Market Operations (OMO) bills by the CBN. Therefore, yields in the Treasury bill market traded within a range of 13.00% p.a. to 18.00% p.a. across the curve with the 91, 182 and 364 day bills which opened the quarter at 9.9948% p.a., 12.3000% p.a. and 14.9990% p.a. closing the quarter at 14.0000% p.a., 17.2700% p.a. and 18.3000% p.a. respectively. On the other hand, the rise in yield in the bond market was not as impressive as 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.

During the quarter, the Fund Manager exited its lower yielding instruments and strategically positioned the Fund to take advantage of rising yields on the long end of the Treasury bill curve. As such, the return for the quarter was subdued due to the losses incurred while selling to position in higher yielding bills.

## INVESTMENT STRATEGY

In the upcoming quarter, we expect that yields in the fixed income market would remain largely around current level of 13.00% p.a. to 18.50% p.a. across the curve due to CBN's stance of maintaining attractive interest rate via mopping up of excess liquidity so as to encourage foreign investment flows.

In light of the outlook, the Fund Manager will continue to extend duration by investing in long dated bills and OMOs to lock-in on maturities with attractive yields while also expressing an opportunistic investment in bonds to take advantage of decent long term yields.