

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

May 2022

About Fund

The CardinalStone Fixed Income Alpha Fund is a safe, reliable, suitable and attractive investment vehicle targeted at retail investors, high net worth individuals and institutional investors. The Fund welcomes participation from both Nigerian residents and non-Nigerian residents.

Fund Objective

The objective of the Fund is to provide investors with steady return on capital, liquidity and capital preservation by investing in a diversified portfolio of high-quality short-term money market instruments and long-term fixed income instruments which will include Sovereign Treasury Bills, Fixed deposits, Certificate of deposits, Commercial papers, Collateralized repurchase agreements, Banker's acceptances, Corporate Bonds, State Bonds, Sovereign Bonds and any other instrument approved by the SEC.

Fixed Income Market Review

The fixed income market was largely quiet at the start of the month as players stayed on the sidelines in anticipation of the results of the May MPC meeting. The MPC raised the MPR by 150bps to 13% after leaving it constant for 6 years.

We saw markets react to this announcement as yields rose initially across the curve.

The May bond auction was well bid with stop rates closing at (10%, 12.45%, 13%) for the 2025s, 2032s, and 2042s respectively (10%, 12.50% and 12.90%; April)

The NTB auctions held in the month saw rates on the 1-year bill close higher in by about 180bps (4.70% to 6.49%) after closing 9bps lower from the last auction in April (4.79% to 4.70%). On the OMO leg we saw rates remain unchanged despite the hike in MPR rates, signaling a weakness in CBN's decision to raise rates.

Outlook

we expect to see a repricing of assets in the fixed income market upwards over the next month. The yield direction will be largely shaped by CBN's resolve to raise rates, and tighten in a bid to reign in inflation

Contact Details

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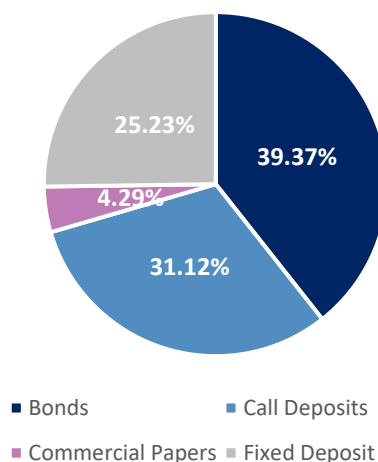
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Fund Facts

Launch Date	February 1, 2021
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	70% 3-year FGN Bond and 30% Nigeria Inter Bank Treasury True Yield.
Currency	Nigeria Naira (₦)
Fund Size	₦ 1.63 bn
Offer Price	₦ 1.0000
Current Price	₦ 1.0441
Distribution	Semi Annual
Distribution Paid	₦ 0.0390
Minimum Holding Period	90 Days
Minimum Investment	₦ 10,000.00
Management Fee	1%
Early Redemption Charge	20% on earned income

Fund Asset Allocation



Fund Performance

