

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

February 2023

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 month of February opened with robust system liquidity which further pressured short term rates early in the month.

Money market rates moved largely in line with system liquidity. Early in the month rates hovered around 10% levels due to surplus system liquidity. We however saw rates rise to 17% levels mid month as funding requirements and CBN mop up dried up system liquidity. Finally, rates fell back to 10% levels in the last week of the month as maturities and FAAC inflows hit the system boosting system liquidity.

In the NTB auction held on the 8th stop rates closed lower across tenors (91day: 0.10%; 182day: 0.30%; 364day: 2.24%). In sharp contrast the second auction of the month saw stop rates jump by (290bps, 294bps & 766bps) for the (91day, 182day & 364day) papers to close at (3.00%, 3.24% & 9.90% respectively) as a result of tighter system liquidity.

The bond market remained largely cautious in the month of February, early in the month we saw yields in the secondary market rise to the previous auction levels. In the auction held in the month, stop rates closed around secondary market levels with the longer dated bonds gaining only 10bps (2028s: 13.99%; 2032s: 14.90%; 2037s: 15.90%; 2048s: 16.00%)

Outlook

Significant amount in maturities are expected in March and could put downward pressure on yields, we however expect the DMO & CBN to rollover and mop-up just as much. Hence barring any unforeseen events we expect yields to continue to creep upwards.

Contact Details

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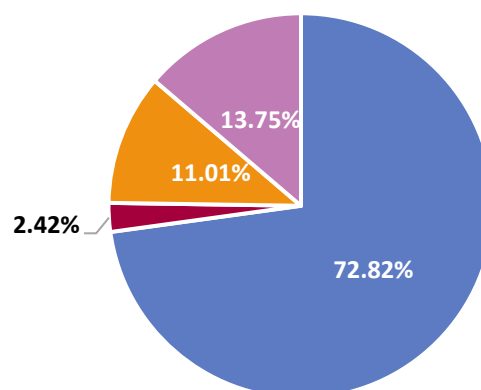
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Fund Facts

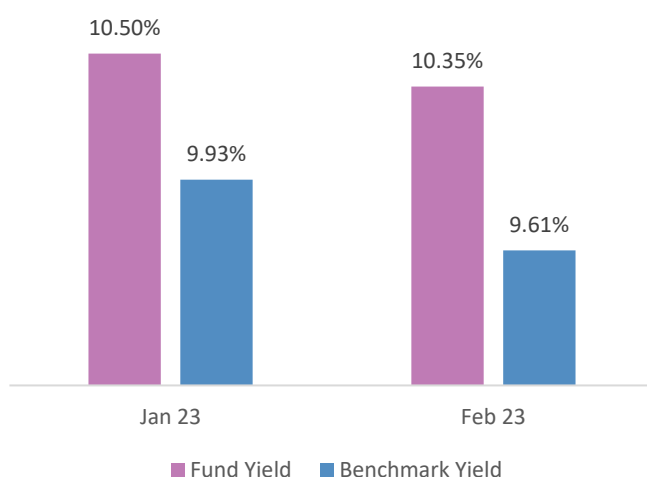
Launch Date	February 1, 2021
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	70% 3-year FGN Bond and 30% Nigeria Inter Bank Treasury True Yield.
Currency	Nigeria Naira (₦)
Fund Size	₦ 1.35 bn
Offer Price	₦ 1.0000
Current Price	₦ 1.0166
Distribution	Semi Annual
Distribution Paid	₦ 0.0400
Minimum Holding Period	90 Days
Minimum Investment	₦ 10,000.00
Management Fee	1%
Early Redemption Charge	20% on earned income

Fund Asset Allocation



■ Bonds ■ Call Deposits ■ Commercial Papers ■ Fixed Deposit

Fund Performance



■ Fund Yield ■ Benchmark Yield