

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

August 2024

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

Yield moderation was the name of the game in August. With ample system liquidity and a pause on the liquidity mop up by the CBN, buy interests dominated market activities across fixed income instruments. The CBN's Standing Deposit Facility circular contributed significantly to this bull run as well, which resulted in banks aggressively mopping up money market instruments in the month.

August saw two treasury bills auctions conducted with the 364-day bill printing lower at 20.90%, a 99bps drop from its initial closing rate of 21.89% earlier in the month. With the CBN only allotting NGN197.13bn compared to NGN909.45bn in subscription, market players flushed the secondary market with unmet bids. As a result, rates on the newly minted 364-day note dipped to 18.55% as at August 30.

At the bond market, the DMO's announcement of a reduction in its total offer for the August auction spooked the market. Consequently, active participation was observed across the bond yield curve as investors filled their bids ahead of the rescheduled auction. At the August auction, the FGN APR 2029, FGN FEB 2031, FGN FEB 2033 closed at 20.30% (+41bps), 20.90% (+10bps) and 21.50% (-48bps) apiece.

Outlook

In September, we expect to see sustained buying interest in the bond market driven by the sustained decline in yields and a robust market liquidity level for September (NGN1.37trn). We expect investors to maintain a cherry-picking strategy across the yield curve.

Contact Details

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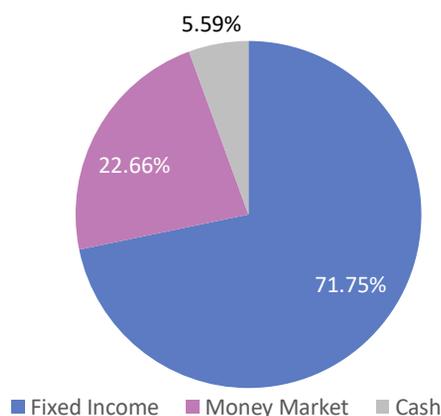
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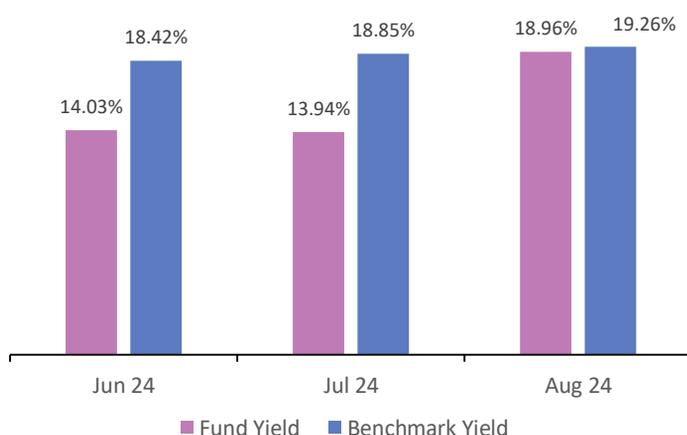
Fund Facts

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	₦ 1.58bn
Offer Price	₦ 1.0000
Current Price	₦1.0492
Distribution	Semi Annual
Distribution Paid	₦ 0.0440
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



CARDINALSTONE EQUITY FUND FACTSHEET

August 2024

About Fund

The CardinalStone Equity Fund is an actively managed open-ended collective investment unit trust scheme that invests in authorised investments.

Fund Objective

The Fund seeks to deliver real returns and achieve long term capital appreciation of its assets by investing in a diversified pool of quoted and unquoted public equity securities on the NGX and the NASD OTC Securities Exchange, subject to a minimum allocation of 70% to equities but a maximum allocation of 20% in unquoted public equities. The Fund shall also have a maximum allocation of 30% to fixed income securities and money market securities.

Equity Market Review

The month of August saw mixed sentiments across all sectors in the equities market as investors reacted to half-year financial results and other corporate actions.

Stocks with noteworthy price movement include PRESCO (+17.53%), OKOMUOIL (+43.05%), UCAP (+76.19), DANGSUGAR (+2.02%), UBA (+13.05%), GTCO (+3.41%), ZENITHBANK (+15.56%), JAIZBANK (+7.14%) amongst others.

Positive sentiment for PRESCO and OKOMUOIL was mainly driven by stellar performance in their half-year result. Similarly, market responded positively to UCAP's 2-for-1 stock split and its 90kobo per share interim dividend. On the other hand, DANGSUGAR experienced a brief rally following the dollar sale at the Retail Dutch Auction System conducted by the CBN on the 6th of August. The company was one of the major beneficiaries of the auction as they successfully secured funds to aid their import needs.

On the banking front, the tier 1 banks saw renewed sentiment as recapitalization exercise commenced, spurring buy activities on the tickers. The expectation of impressive half year result and interim dividend declaration also supported the observed uptick, leaving market return on the stocks in positive territory.

Outlook

In September, we anticipate corporate announcements and the release of financial results as well as interim dividend announcements to be major catalysts driving sentiment across tickers. As such, we expect the local bourse to maintain a mixed sentiment undertone with slight buying activities on select tickers.

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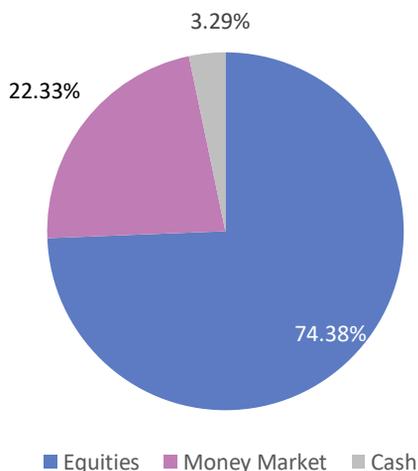
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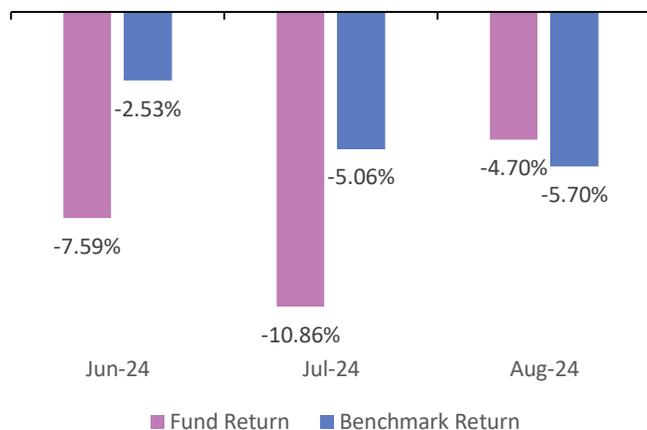
Fund Facts

Launch Date	February 1, 2024
Fund Type	Open-Ended
Asset Class	Equity
Risk Profile	High
Benchmark	NGX-30
Currency	Nigeria Naira (₦)
Fund Size	₦ 583mn
Offer Price	₦ 1.0000
Current Bid/Offer Price	₦ 0.9233/0.9319
Distribution	Annual
Distribution Paid	Nil
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



CARDINALSTONE DOLLAR FUND FACTSHEET

August 2024

About Fund

The CardinalStone Dollar Fund is an actively managed open-ended collective investment unit trust scheme that will invest in Authorized Investments

Fund Objective

The Fund primarily seeks to provide investment income and diversification by investing in investment-grade Nigerian sovereign and corporate Eurobonds, as well as money market instruments.

Market Review

During the month, market activities was rife with mixed sentiment. In the first week, selloffs dominated market activities due to renewed tensions in the Middle East and unrest in several African nations. For context, fears of retaliatory attacks on Israel and instability in Kenya, Ghana, and Nigeria led to a sell-off, causing prices to fall sharply.

In a flip of fate, the second week experienced a recovery buoyed by beat-down prices and renewed anticipation of a rate cut by the U.S. Federal Reserve in September. As a result, renewed buying interest filtered through the market with Angola's Eurobonds performing best, gaining \$0.62 in the second week. The uptick in prices trickled into the Nigerian and Ghana yield curve with \$0.12 and \$0.37 in gains respectively in the second week of August.

Positive momentum was sustained on the Nigerian Eurobond curve to end the month with a 28bps decrease in yield on an average. The announcement of Nigeria's local USD bond supported the observed rally. As a result, average yield on the Nigeria's yield curve closed at 9.06% (+).

The launch of Nigeria's USD local bond targeted at local and diaspora investors couple with the positive comments from U.S. Federal Reserve Chair Jerome Powell's at the recent Jackson-Hole Conference boosted market sentiment in the SSA Eurobond region.

Outlook

We expect the market to adopt a wait and look approach for the first half of the month as investors await the Fed's decision in the September meeting. While the CBN continues its efforts to address FX challenges, we anticipate that Nigerian Eurobonds will sustain their positive rally. Performance across other SSA markets is also expected to follow suit particularly towards the end of the month, as investors react to a potential rate cut in September, assuming conditions remain favorable.

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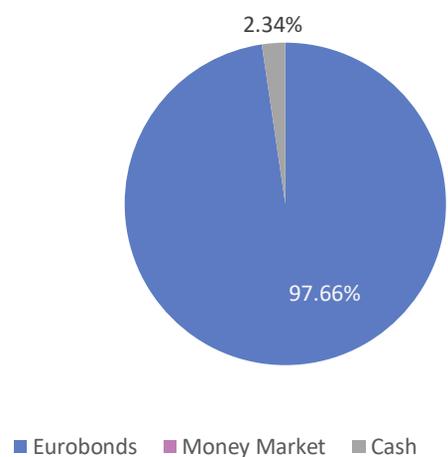
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Fund Facts

Launch Date	February 5, 2024
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	3-year Federal Government of Nigerian Eurobond
Currency	United State Dollars(\$)
Fund Size	\$ 1.92mn
Offer Price	\$ 1.0000
Current Price	\$ 1.0393
Distribution	Semi Annual
Distribution Paid	Nil
Minimum Holding Period	6 months from date of purchase.
Minimum Investment	\$ 500
Management Fee	1%
Early Redemption Charge	2% of the redemption value

Fund Asset Allocation



Fund Performance

