

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

September 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

An overarching bearish theme played out in the month of September, with system liquidity, CBN interventions and undulating investor sentiment directing yield movement in the month. Liquidity challenges remained a dominant theme, as multiple outflows— from FX settlements to OMO auctions and CRR mop-ups— constrained available liquidity, pushing treasury bill yield higher despite the scheduled inflows from FAAC disbursements and bond coupons.

September saw three NTB auctions, with successive declines in the one-year maturity dipping to 18.59% at the second auction (Aug: 20.90%). However, following the fifth Monetary Policy Committee (MPC) meeting of the year, the final auction of the month saw the one year maturity print 141bps higher to close at 20%, in tandem with the MPC's 50bps interest rate hike decision. Post-auction, the new bill saw pockets of active trading, with flows exchanged as low at 19% levels in the secondary market.

Bearishness persisted in the bond market in the month, with the S&P/FMDQ Bond Index settling higher by 324bps to close at 680.64. While the month's bond auction saw a 145bps dip in yield on the MAY-33, sell pressure was sustained at the secondary market due to the liquidity strain amid the DMO's delay in bond coupon payments. As a result, average yield across the yield curve settled higher by 58bp at 18.46%.

Outlook

We expect a bearish October, with a sustained strain on liquidity. We expect the minimal inflow into the system from bond coupons (NGN453.26bn), excluding FAAC inflows, to further support selloffs across the curve.

Contact Details

5 Okotie Eboh Street, Off Awolowo Road, Ikoyi, Lagos, Nigeria.

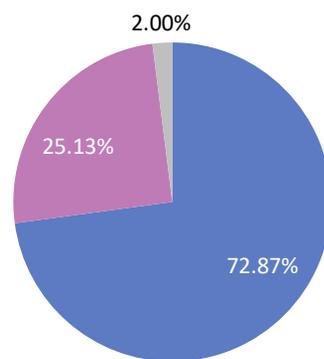
Email: mutualfunds@cardinalstone.com

Website: Cardinalstoneassetmanagement.com/mutual-funds/

Fund Facts

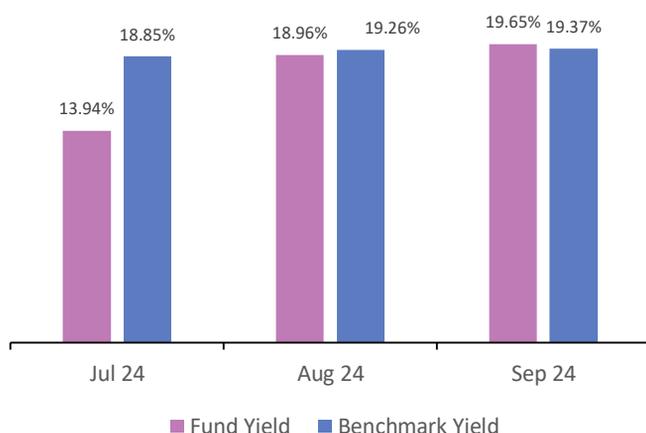
Launch Date	February 1, 2021
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	70% 3-year FGN Bond and 30% Nigeria Inter Bank Treasury True Yield.
Currency	Nigeria Naira (₦)
Fund Size	₦ 1.61bn
Offer Price	₦ 1.0000
Current Price	₦1.0692
Distribution	Semi Annual
Distribution 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



■ Fixed Income ■ Money Market ■ Cash

Fund Performance



CARDINALSTONE EQUITY FUND FACTSHEET

September 2024

About Fund

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

Fund Objective

The Fund seeks to deliver real returns and achieve long term capital appreciation 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

September saw the Nigerian Equities market close on a positive note driven by market speculations amid corporate announcements and half year results.

FIDELITYBK (+31.75%), FBNH (+20.00%) and FLOURMILL (+38.50%) experienced notable rallies during the month as investors positioned ahead of anticipated corporate announcements. A noteworthy rally was seen on the FIDELITYBK ticker due to intensified interest from a major institutional market player. As a result, the stock reached its year high of ₦16.40 before profit taking ensued. FBNH also saw consistent rally for eight trading sessions, pushing the stock to a month-high of ₦33 before profit takers dominated the market. Similarly, FLOURMILL reached its year-high of ₦62 on the back of expectation of a share buy back corporate action.

A number of Tier-1 banks released their respective half-year results alongside dividend announcements which spurred positive reactions around the stocks. UBA (+23.31%), GTCO (+5.49%) and ACCESSCORP (+8.42%) saw positive sentiment post-release of their half-year result and dividend declaration.

All in, the NGX ASI and NGX-30 closed the month with a MTD return of 2.05% and 1.99% respectively. In a similar fashion, Year-to-Date settled at 29.70% and 28.97% apiece.

Outlook

In October, we expect corporate announcements 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.

Contact Details

5 Okotie Eboh Street, Off Awolowo Road, Ikoyi, Lagos, Nigeria.

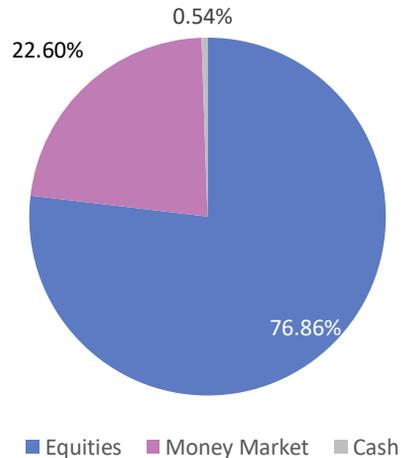
Email: mutualfunds@cardinalstone.com

Website: Cardinalstoneassetmanagement.com/mutual-funds/

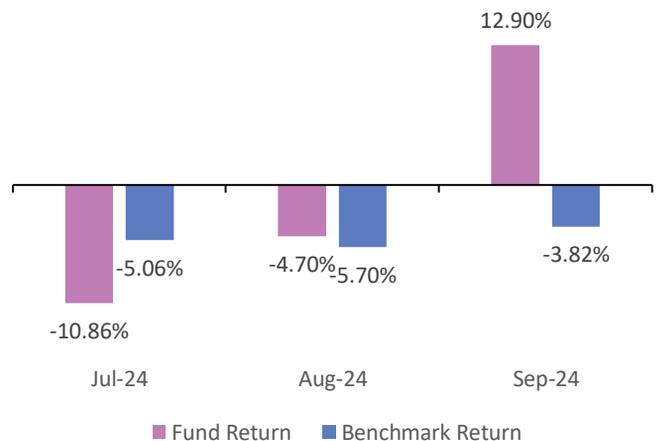
Fund Facts

Launch Date	February 1, 2024
Fund Type	Open-Ended
Asset Class	Equity
Risk Profile	High
Benchmark	NGX-30
Currency	Nigeria Naira (₦)
Fund Size	₦ 940mn
Offer Price	₦ 1.0000
Current Bid/Offer Price	₦ 1.1224/1.1334
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

September 2024

About Fund

The CardinalStone Dollar Fund is an actively managed open-ended collective investment unit trust scheme that invests in authorized investment instruments.

Fund Objective

The Fund primarily seeks to provide a steady stream of income and diversification benefits by investing in investment-grade Nigerian sovereign and corporate Eurobonds, as well as USD-denominated money market instruments.

Market Review

The first week of September saw cautious trading as investors awaited the decision of Federal Reserve at its anticipated meeting. While market awaited the outcome of the Fed meeting, Egypt's Eurobonds rose by \$0.12, driven by an increase in reserves to \$44.4 billion, signaling improved debt management capacity. In contrast, Ghana and Ivory Coast remained flat due to fiscal challenges, while Angola and Nigeria declined from profit-taking.

The market closed positive in the second week across emerging markets. Egypt maintained momentum, gaining \$0.62 on long-dated maturities. Nigeria and Angola registered an average \$0.50 uptick in prices, supported by rising crude oil prices and the noted supply disruptions in the Gulf of Mexico. Senegal also saw a \$0.37 price increase at the long end of the curve.

An unexpected 50 basis point interest rate cut by the U.S. Federal Reserve was the major highlight in the third week. As a result, an extended rally on oil prices and the Sub-Saharan Africa (SSA) Eurobond market was observed. In the fourth week, the market experienced mixed reactions due to several factors including a 50bps interest rate hike in Nigeria, rising tensions in the Middle East, a sharp drop in oil prices from \$76 to \$71 amidst others. By month-end, average yield on Nigeria's sovereign bond fell 15bps from 9.52% in August to 9.37% by September-end. Similarly, average yield on Nigerian corporate bond dipped 4bps from 8.44% in August to 8.40% by September-end.

Outlook

We anticipate that the market will remain vigilant, monitoring country-specific events that could trigger yield direction. With the successful issuance of the FGN domestic bond and Egypt's announcement to re-enter the Eurobond market this year, we expect peer countries to capitalize on this trail and consider Eurobond issues in the near term.

Contact Details

5 Okotie Eboh Street, Off Awolowo Road, Ikoyi, Lagos, Nigeria.

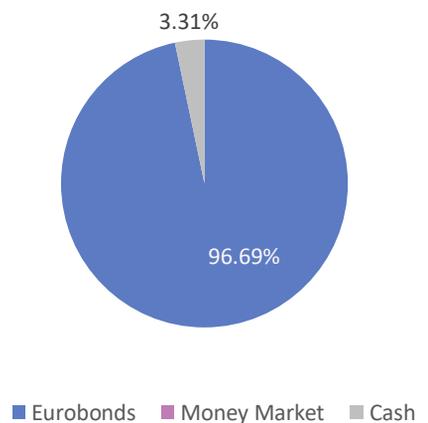
Email: mutualfunds@cardinalstone.com

Website: Cardinalstoneassetmanagement.com/mutual-funds/

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	\$ 2.04mn
Offer Price	\$ 1.0000
Current Price	\$ 1.0459
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

