CARDINALSTONE
ASSET MANAGEMENT

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

December 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

System liquidity averaged negative NGN268.78bn in December 2024, despite inflows from FAAC disbursements, CRR refunds, and bond coupon payments. This supported the overarching bearish tone in the fixed income markets, with investors largely on the sidelines.

The NTB market saw three auctions in the month of December, with the 91 and 182-day maturities staying stable at 18.00% and 18.50% respectively (November: 18.00% and 18.50%). However, the one-year maturity shed 60bps m-o-m to close at 22.90% at the last auction of the year (November: 23.50%).

In the bond market, stop rates moved on one of the auction bonds, with the FGN 2029 offered 14bps higher at 21.14% (November: 21.00%). However, the FGN 2031 stayed stable at 22.00%. In bills, post auction, unmet demand filtered into the secondary market, with the one-year NTB trading some 70bps away from auction offer.

This demand in the treasury bills secondary market was short-lived however, following the CBN's offer of NGN500.00bn in OMO across tenors. On the flip side, mild buying activity in the bond secondary market was once again evident on auction maturities, with the FGN 2029 (-9bps) and FGN 2031 (-5bps) settling lower by month close at 21.05% and 21.95%, respectively.

Outlook

We expect bullishness to come into play in January, as investors will have ample liquidity following liquidity inflows from OMO bills (NGN850.57bn), Treasury Bills (NGN311.48bn) and Bond coupons (NGN281.76bn). Investor quietness at the start of the year looks set to change as clarity comes to the market following auction calendar releases.

Contact Details

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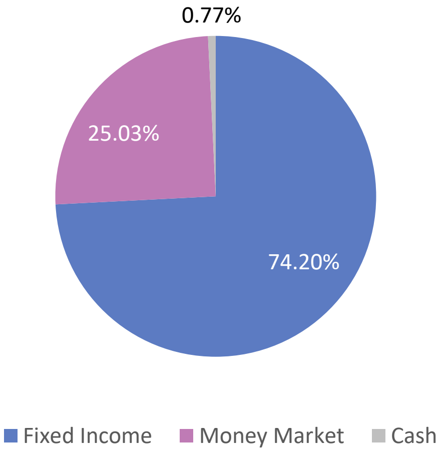
Fund Facts

Launch Date	February 1, 2021
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	70% 3-year FGN Bond and 30% 3M Nigeria Inter Bank Treasury True Yield.
Currency	Nigeria Naira (₦)
Fund Size	₦ 1.55bn
Offer Price	₦ 1.0000
Current Price	₦1.1054
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