

FREQUENTLY ASKED QUESTIONS ON THE CARDINALSTONE BALANCED FUND

What is the CardinalStone Balanced Fund?

The CardinalStone Balanced Fund is an open-ended mixed mutual Fund that invests in equities of listed and unlisted Nigerian companies, money market instruments and bonds to achieve long-term capital appreciation for its investors.

Who is the target audience for the CardinalStone Balanced Fund?

The Fund is targeted at Retail, High Net Worth Individuals (HNIs), and institutional investors with moderate-risk appetites who want to achieve long-term capital appreciation.

What type of securities does the CardinalStone Balanced Fund invest in?

The CardinalStone Balanced Fund invests in equities of listed companies such as those on the NGX, NASD OTC and unlisted companies. The Fund also invests in money market and fixed-income instruments such as treasury bills, commercial papers, banker's acceptance, corporate and sovereign bonds, and other securities as stipulated in the fund trust deed.

What is the management team for the CardinalStone Balanced Fund like?

The CardinalStone Balanced Fund is managed by experienced professionals complemented by a deeply experienced Investment Committee with a strong track record of investing in the equities and fixed income markets. The Fund's management team has a deep understanding of the capital market and leverages rigorous research and analysis, and a robust risk management framework to select investments for the Fund's portfolio. This two-tiered approach to fund management comprising a seasoned Investment Team and a diligent Investment Committee strengthens our ability to make sound investment choices and manage the Fund's assets effectively, with a focus on delivering the best possible outcomes for our investors.

What is the investment strategy for the CardinalStone Balanced Fund?

The CardinalStone Balanced Fund employs sound investment selection, portfolio, and risk management practices. The Fund's portfolio strategy leverages deep fundamental and technical analysis to properly assess the inherent risks of the investment objectives of the Fund. The Fund's assets shall be invested at the discretion of the Fund Manager in accordance with the Trust Deed, the investment objective and asset allocation framework of the Fund.

What are the risks associated with investing in the CardinalStone Balanced Fund?

Like all investments, there are risks associated with investing in the CardinalStone Balanced Fund, such as equity risk, liquidity risk, interest rate risk, credit risk, and currency risk. It is important to consider these risks carefully before investing in the Fund and to consult with a financial advisor if you have any questions or concerns.

What is the expense ratio for the CardinalStone Balanced Fund?

The expense ratio is the annual fee charged to investors to cover the Fund's operating expenses. The exact expense ratio for the CardinalStone Balanced Fund may vary, but as disclosed in the Fund's prospectus, the annual management fee and other expenses (excluding the incentive fee) shall not exceed 3.5% of the Net Asset Value of the Fund per annum.

What is the minimum investment required to invest in the CardinalStone Balanced Fund?

The minimum investment in the CardinalStone Balanced Fund is 100,000 units and multiples of 50,000 units thereafter.

How often is the CardinalStone Balanced Fund's performance updated?

The performance of the CardinalStone Balanced Fund is updated on a regular basis, typically daily, in addition to the publication of a monthly Fact Sheet. The Fund's performance can be found on the website.

How is the performance of the CardinalStone Balanced Fund compared to its benchmark?

The performance of the CardinalStone Balanced Fund is benchmarked against the return on the NGX 30 Index, 3-year Sovereign Bond and 91-Day Average Nigerian Treasury Bill or any other benchmark as advised by the Fund Managers Association of Nigeria (FMAN) and approved by the Securities & Exchange Commission.

What is the minimum holding period for the CardinalStone Balanced Fund?

The minimum holding period for an investment in the Fund is 90 (ninety) calendar days from the date of purchase. Units redeemed earlier than the 90 calendar days will incur a processing fee of 20% on the income earned. The minimum holding period commences from the date of purchase/subscription to the Fund.

What is the distribution policy for the CardinalStone Balanced Fund?

The Fund will make distributions on income (after expense) annually to investors, provided it is profitable within the financial year. Unitholders are required to specify their preferred payment options for income distribution on their subscription forms/at the point of investment. Income can either be paid as cash to the unitholder's bank account or reinvested in the Fund as additional units.

Is the CardinalStone Balanced Fund suitable for long-term investment goals?

The suitability of the CardinalStone Balanced Fund for long-term investment goals will depend on an individual's specific financial circumstances and investment objectives. It is important to carefully consider the risks associated with investing in the Fund and to consult with a financial advisor.

How does the CardinalStone Balanced Fund ensure the quality of its investments?

The CardinalStone Balanced Fund employs a rigorous investment process to select high-quality securities for its portfolio. The Fund's management team conducts thorough research and analysis of the securities and only invests in securities that meet the Fund's quality standards.

The Fund Manager adheres to the investment objective of the Fund and invests in such a manner that is permissible under the Trust Deed and approved by the Fund Investment Committee. The Fund Manager is subject to certain restrictions as specified in the Trust Deed.

Is the CardinalStone Balanced Fund actively managed or passively managed?

The CardinalStone Balanced Fund is an actively managed mutual fund, meaning that its portfolio is selected and managed by professional investment managers.

What is the investment objective of the CardinalStone Balanced Fund?

The Fund seeks to deliver real returns and achieve a long-term capital appreciation of its assets by investing in a diversified pool of quoted and unquoted public securities trading on either the Nigerian Exchange or the NASD OTC Securities Exchange and Fixed-Income or money market securities.

How does the CardinalStone Balanced Fund manage risk?

The CardinalStone Balanced Fund employs several risk management strategies, including diversification, active portfolio management, and market intelligence. The Fund's investment team regularly monitors market conditions and adjusts the portfolio as needed to reduce risk and ensure that the Fund's investment objectives are being met.

Is there a guaranteed Rate of Return on a Mutual Fund investment?

No. The return on the Fund is dependent on general trends and the condition of the equities and fixed income market from time to time. As the Fund Manager has no influence over changes in the market, it is, therefore, impossible to guarantee any rate of return on the investment.

How do I invest in the CardinalStone Balanced Fund?

Investors can purchase units in the Fund by completing a purchase order form via the [online portal](#)

How do I withdraw funds from the CardinalStone Balanced Fund?

Funds can be redeemed online through your mutual funds account. Alternatively, you may complete a Redemption Form and return the electronic certificate to the Fund Manager. Once these documents are verified, the redemption request will be processed within five business days.

Do I get proof of investment?

After payment confirmation, an e-certificate indicating the number of units held will be emailed to you.

How do I monitor my investment?

We provide online access via our online mutual Fund portal. We also publish our yields in leading Nigerian newspapers on weekdays.

Can I transfer my units to another party?

Units in the CardinalStone Balanced Fund cannot be transferred.

Can I use my holdings in the CardinalStone Balanced Fund as collateral for a loan?

Yes, Units of the Fund can be used as collateral for obtaining credit facilities from various financial institutions. However, this depends on each financial institution's lending policy.

Is the CardinalStone Balanced Fund listed on The Nigerian Stock Exchange?

No, the Fund is not currently listed in the Daily Official Memorandum list of The Nigerian Stock Exchange.