

CARDINALSTONE FIXED INCOME ALPHA FUND FACTSHEET

January 2025

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 positive NGN181.71bn in the first month of the year, on the back of inflows from bond coupon payments, NTB and OMO maturities, and FAAC credits. This supported the bullish tone the fixed income markets saw, with investors actively picking up maturities in both the bond and treasury bill markets.

The NTB market saw two auctions in the month of January, with the 91 and 182-day maturities staying put at 18.00% and 18.50% respectively (December: 18.00% and 18.50%). However, the one-year maturity shed 110bps m-o-m to close at 21.80% at the last auction of the month (December: 22.90%).

In the bond market, stop rates inched higher at the primary market with the FGN 2029 offered at 21.79% (+65bps) (December: 21.14%) and the FGN 2031 offered at 22.50% (+50bps) (December: 22.00%). The DMO also unveiled the new benchmark ten-year bond at 22.60%, with the issue oversubscribed by over 100%. In the treasury bills, post auction, unmet demand filtered into the secondary market, with the one-year NTB trading some 100bps away from auction offer.

This bullishness in treasury bills persisted, with more offers eventually coming to the market by month close, as investors exhausted supply in the secondary market. On the flip side, minimal selling activity in the bond secondary market was observed, with the yields on the FGN 2031 flat at month close, at 22.50%

Outlook

We expect bullishness to continue into February, as investors will have ample liquidity inflow from maturing OMO bills (NGN1.02trn), Treasury Bills (NGN3.26trn) and Bond coupons (NGN322.54bn). Investors will also be looking to the MPC decision (next meeting: Feb 17 - 18 2025) for guidance in the month.

Contact Details

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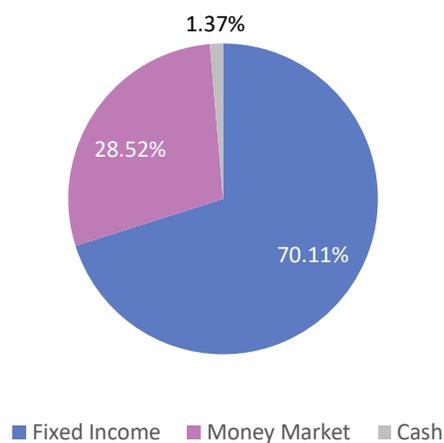
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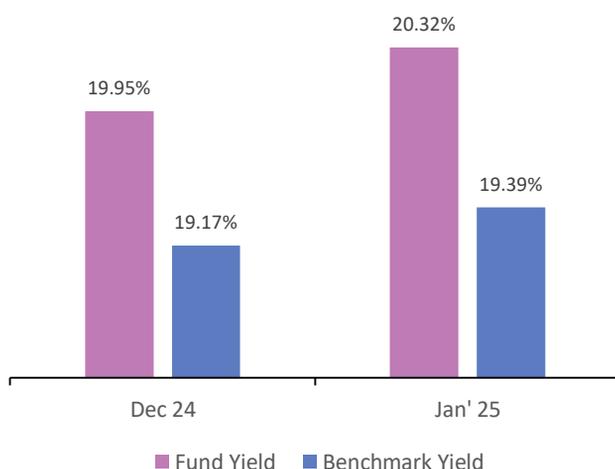
Fund Facts

Launch Date	February 1, 2021
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	70% 3-year FGN Bond and 30% 3M Nigeria Inter Bank Treasury True Yield.
Currency	Nigeria Naira (₦)
Fund Size	₦ 1.63bn
Offer Price	₦ 1.0000
Current Price	₦1.0482
Distribution	Semi Annual
Distribution Paid	₦ 0.0620
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

January 2025

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 ASI began the year on a positive note gaining 25bps on the first trading day of the year. This positive sentiment was a rollover effect of the December "Santa Rally", investors positioning in stocks with expected good full year results amongst others. On a month-to-date basis, the ASI returned 1.53%.

Banking tickers saw sustained buy interest all through the month. As a result, the banking index closed the month with a return of 9.76%, reflecting the gains posted by WEMABANK (+25.82%), FCMB (+17.55%), STANBIC (+11.72%), ZENITHBANK (+11.21%) and FIDELITYBK (+11.14%).

On the flip side, the oil and gas index closed the month with a return of -1.61%. Major drag on the Index's performance was driven by MRS (-25.21%), ARADEL (-4.80%) and TOTAL (-4.01%) which outweighed the gains seen in OANDO (+3.64%), ETERNA (+13.58%) and JAPAUFGOLD (+3.90%). Investors remained risk off on the oilers due to the underwhelming unaudited full year result, stock volatility and general bias towards some of these names.

Similarly, the industrial goods sector closed the month on with a return of -8.52%, buoyed by the massive decline seen in DANGCEM (-17.71%) during the period.

Other stocks with notable MTD returns include MTNN (+25.00%), PRESCO (+23.16%), TRANSCORP (+21.84%) and NESTLE (+11.43%).

Outlook

In February, we expect full year 2024 results, dividend announcements and other corporate announcements to continue to steer sentiment across tickers. As such, we expect the local bourse to experience mixed sentiments with slight buying activities on select tickers.

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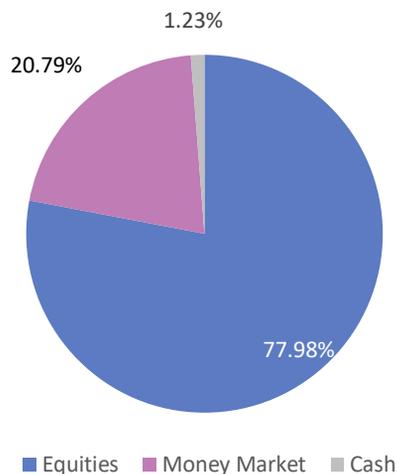
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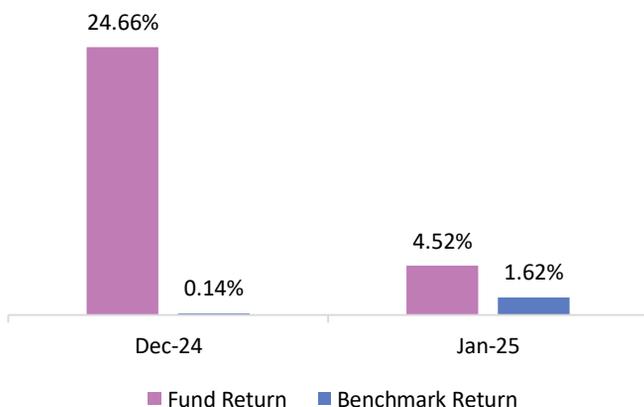
Fund Facts

Launch Date	February 1, 2024
Fund Type	Open-Ended
Asset Class	Equity
Risk Profile	High
Benchmark	NGX-30
Currency	Nigeria Naira (₦)
Fund Size	₦ 1,017.42bn
Offer Price	₦ 1.0000
Current Bid/Offer Price	₦ 1.2948/1.3110
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 MONEY MARKET FUND FACTSHEET

January 2025

About Fund

The CardinalStone Money Market 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 which will include Sovereign Treasury Bills, Fixed deposits, Commercial papers, and any other instrument approved by the SEC.

Fixed Income Market Review

System liquidity averaged positive NGN181.71bn in the first month of the year, on the back of inflows from instrument maturities. This supported the bullish tone the fixed income markets experienced.

The NTB market saw two auctions in the month of January, with the 91 and 182-day maturities unchanged at 18.00% and 18.50% respectively (December 2024: 18.00% and 18.50%). However, the one-year maturity shed 110bps m-o-m to close at 21.80% at the last auction of the year (December: 22.90%).

Similarly, the CBN conducted one auction at the OMO market. With improved market liquidity and interest, the auction recorded a 764% oversubscription, with instrument allotment totaling NGN1trn across the offered tenors. At the auction, the 361-day closed at 22.65%.

In the secondary market, post NTB auction, the bullishness in treasury bills persevered. While we saw a bit of sell interest across the curve, the demand for treasury bills dominated market activities.

On the corporate front, we noted about NGN12.50bn sourced by corporate issuers via commercial paper instruments in the money market. Instruments were offered across the 180days and 270days with average yield hovering at c.30%.

Outlook

Expectations of yield direction in February 2025 are hinged on liquidity inflows in the period from Treasury bills (NGN3.26trn) and OMO bills ((NGN1.02trn) which we see fueling increased market participation. Investors will also be looking to the MPC's decision at its scheduled February meeting for guidance on interest rate direction.

We expect market activities to be influenced by the highlighted factors above in the coming month.

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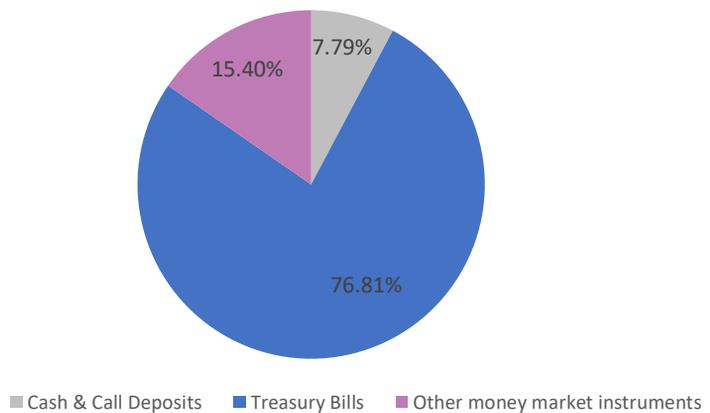
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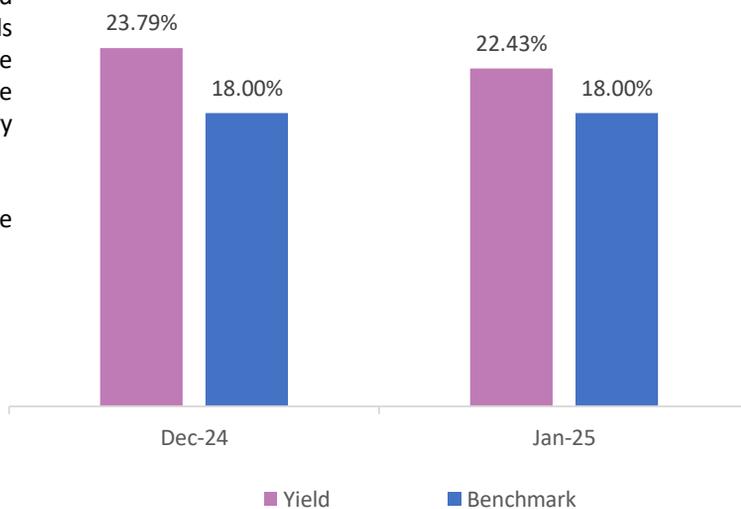
Fund Facts

Launch Date	October 7, 2024
Fund Type	Open-Ended
Asset Class	Fixed Income
Risk Profile	Moderate
Benchmark	90-day average T-bill
Currency	Nigeria Naira (₦)
Fund Size	₦ 3.07bn
Offer Price	₦1.0000
Current Price	₦1.0000
Distribution	Quarterly
Distribution Paid	₦ 0.0253
Minimum Holding Period	30 Days
Minimum Investment	₦ 100,000.00
Management Fee	1%
Early Redemption Charge	20% on earned income

Fund Asset Allocation



Fund Performance



CARDINALSTONE DOLLAR FUND FACTSHEET

January 2025

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

January 2025 was marked by significant global market developments, shaping investor sentiment. The Federal Reserve maintained its federal funds target rate at 4.25%–4.50%, citing mixed economic indicators. The U.S. economy added 230,000 jobs, slightly above expectations of 225,000, while the unemployment rate held steady at 4.2%. The Fed’s decision to maintain its target rates reflected its attempt to balance economic growth with inflation risks.

The inauguration of President Donald Trump introduced fresh policy uncertainties, particularly regarding trade. Proposed tariffs on Canada and Mexico, aimed at addressing immigration and drug trafficking, raised concerns about economic disruptions especially in energy markets. However, oil prices remained relatively stable, with Brent crude averaging \$74.57 per barrel, as weak Chinese demand and oversupply concerns counterbalanced geopolitical risks.

In the SSA Eurobond market, investor activity was subdued following Nigeria’s successful December 2024 issuance. However, demand remained strong for select emerging market debt. During the month, Angola announced plans to issue \$1.5 billion in Eurobonds in Q2 2025 to fund infrastructure projects and refinance debt. Meanwhile, Egypt issued \$1.8 billion in Eurobonds across 5- and 10-year tenors, with yields of 8.5% and 9.5%, attracting an oversubscription of \$5.7 billion.

Nigeria’s yield curve saw notable movements, with sovereign bond yields falling by 26bps to 9.19% (December: 9.45%) and corporate bond yields dipping by 42bps to 7.81% (December: 8.23%). This reflected improved investor confidence and liquidity conditions.

Outlook

Investors are expected to remain cautious, closely monitoring President Trump’s trade and fiscal policies. While uncertainties persist, a gradual rollout of policies may limit market disruptions.

In the SSA Eurobond market, demand is likely to rise as investors seek attractive yields, with Nigeria, Egypt, and Angola drawing interest. Overall, cherry picking across maturities and policy clarity will shape market movements.

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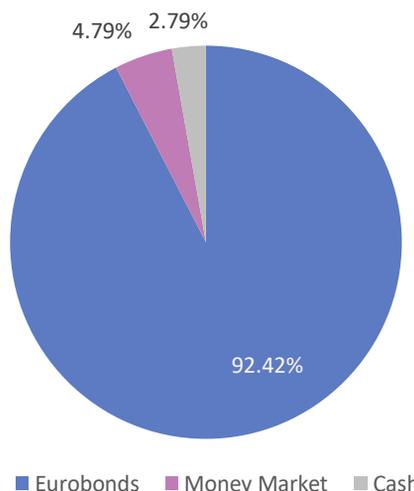
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Fund Facts

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	\$ 3.77mn
Offer Price	\$ 1.0000
Current Price	\$ 1.0825
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

