

Stanbic IBTC Ethical Fund ("SIEF")

QUARTERLY FUND FACTSHEET Q2:2016



FUND FACTS

Fund Manager	Stanbic IBTC Asset Management Limited
Base Currency	Naira
Launch Date	January - 2006
Fiscal Year End	December
Status of Fund	Open Ended
NAV per Unit	₦0.82
Nature of Fund	Equity Biased
Initial Investment	₦50,000
Additional Investment	₦20,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANETH NL>
Handling Charge	1% redemption charge if withdrawal is done in less than 3 months.

FUND OBJECTIVE

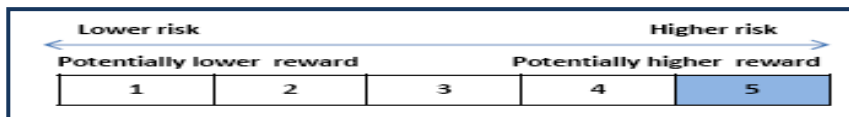
The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciations by investing a minimum of 75% in equity securities of socially responsible companies quoted on the Nigerian Stock Exchange and a maximum of 25% in high quality fixed income securities.

INVESTMENT BENEFITS

- A well-diversified portfolio of stocks
- Professional management
- Economies of scale
- Liquidity Provision
- Transparent & robust reporting
- Direct Debit funding option/initiative

INVESTMENT RISKS

- The value of investments may fluctuate
- Inconsistent government policies
- Political risk



PORTFOLIO MANAGER'S COMMENT

The Stanbic IBTC Ethical Fund ("SIEF" or "the Fund") opened on 01 April 2016 with an offer price of ₦0.71 and closed the quarter with an offer price of ₦0.82 thereby returning 15.69% for the quarter. The All Share Index ("ASI") in the same vein opened the quarter at 25,306.22 and closed at 29,597.79 returning 16.96% for the quarter and 3.34% on a YTD basis.

In sharp contrast to Q1 2016 when it returned (11.65%), the Nigerian bourse closed on a positive note in Q2 2016. This was driven by major developments in the economy such as the signing into law of the ₦6.06 trillion expansionary budget, partial deregulation of the petroleum sector, the Morgan Stanley Capital International (MSCI) decision to retain Nigeria in its frontier index and most importantly, the implementation of a flexible exchange rate by the Central Bank of Nigeria ("CBN"). All of these served as major catalysts for the renewed interest by local and foreign investors in the equities market.

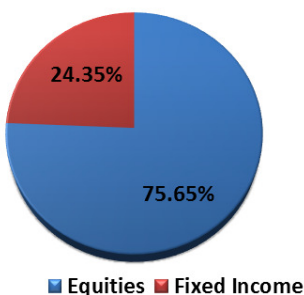
During the quarter, the Fund Manager took advantage of the rally in banking sector stocks by realizing profits on GTBank & Zenith. While exposure to securities in the agricultural sector. Overall, the equity exposure of the Fund was maintained around the lower equity limit for most of the quarter while exposure to money market securities was closer to the upper limit in order to cushion the fund from equity market volatility.

INVESTMENT STRATEGY

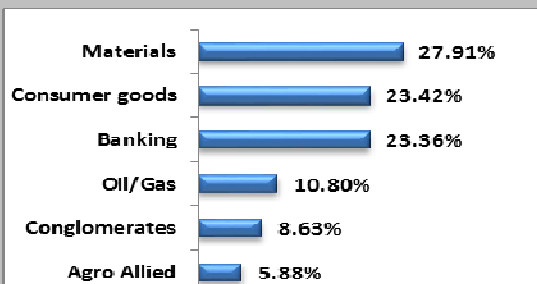
We view the flexible Foreign Exchange (FX) policy as positive for the economy and we expect that this framework would attract additional FX flows into the economy and consequently increase market participation particularly from foreign investors albeit gradually as interest and trust are rebuilt. Consumer Goods companies that are heavily dependent on the importation of raw materials should now be able source dollars more efficiently. Similarly, companies in the banking sector could record significant earnings growth as they would benefit from increases in FX trading income and asset revaluation. Furthermore, the successful execution of the budget is expected to reduce economic uncertainty and rejuvenate the economy in H2 2016. Additionally, the Federal Government's efforts toward resolving the Niger-Delta militancy issues and the expectation that MSCI would retain Nigeria in its Frontier Index when it makes its announcement in September 2016 are all factors that should help sustain investors' interest in equities. Based on the foregoing, we expect a positive performance for the equity market in Q3 2016.

In line with our outlook, our core exposure will be maintained towards blue chip companies as these group of companies tend to outperform when an economy is recovering from a downturn. We would also continue to maintain exposure to stocks in the agriculture and Industrial sectors based on the deliberate policy of the present administration to develop these sectors.

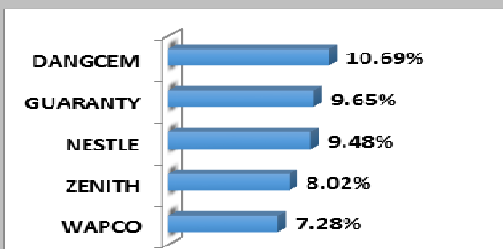
ASSET ALLOCATION AS AT 30 JUNE 2016



EQUITY SECTORIAL ALLOCATION AS AT 30 JUNE 2016



TOP 5 HOLDINGS AS AT 30 JUNE 2016



FUND PERFORMANCE

Period	Q2 2016	Q1 2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
SITEF Return	15.69%	-6.58%	-10.59%	-28.39%	36.96%	24.76%	-27.52%	14.29%	-20.33%	-44.34%	71.32%
Nigeria All Share Index	16.96%	-11.65%	-17.36%	-16.14%	47.19%	35.45%	-16.31%	18.93%	-33.78%	-45.77%	74.73%