Stanbic IBTC Balanced Fund ("SIBAL")
QUARTERLY FUND FACTSHEET Q2:2016

Stanbic IBTC Asset Management

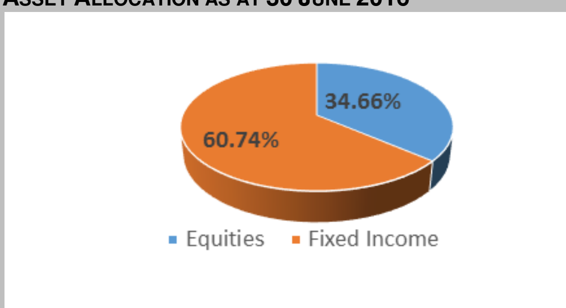
FUND FACTS

Fund Manager	Stanbic IBTC Asset Management Limited
Base Currency	Naira
Launch Date	Jan-12
Fiscal Year End	December
Status of Fund	Open Ended
NAV per Unit	₦1,656.22
Nature of Fund	Equity Biased
Initial Investment	₦50,000
Additional Investment	₦20,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANBAL NL>
Handling Charge	1% redemption charge if within the first ninety one (91) Days.

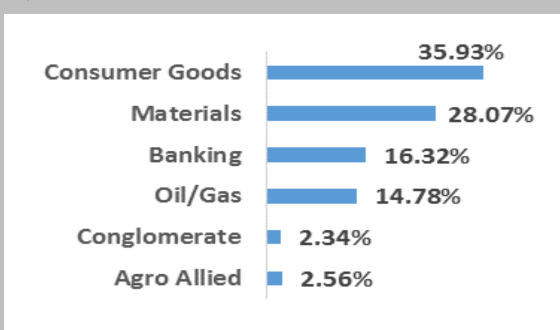
FUND PERFORMANCE

Period	H1 2016	2015	2014	2013	2012
SIBAL Return	5.44%	1.77%	(5.73%)	27.29%	20.29%
ASI	3.34%	(17.36%)	(16.14%)	47.19%	35.45%
91 Day T Bill rate	3.86%	9.48%	10.51%	10.87%	13.72%

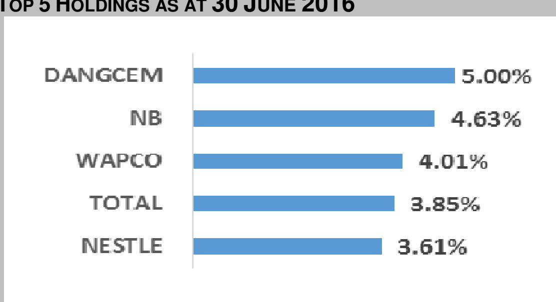
ASSET ALLOCATION AS AT 30 JUNE 2016



EQUITY SECTORIAL ALLOCATION AS AT 30 JUNE 2016



TOP 5 HOLDINGS AS AT 30 JUNE 2016



FUND OBJECTIVE

The primary objective of the Stanbic IBTC Balanced Fund is to achieve decent capital appreciation by investing a maximum of 60% of the portfolio in both quoted and un-quoted equity securities with up to 15% in alternative investment instrument such as private equity, REITs, MBS e.t.c and a minimum of 40% 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
- Economic and political risk

Lower risk				Higher risk
Potentially lower reward				Potentially higher reward
1	2	3	4	5

PORTFOLIO MANAGER'S COMMENT

The Stanbic IBTC Balanced Fund ("SIBAL") which opened on 01 April 2016 with an offer price of ₦1,656.22 closed the quarter at an offer price of ₦1,786.99, thereby returning 7.90% for the quarter. Similarly, the All Share Index returned 16.96% for the quarter, while the weighted average 91 day Treasury bills closed the quarter at 1.93%.

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 the implementation of flexible exchange rate by the Central Bank of Nigeria ("CBN") were key factors responsible for the strong recovery recorded in the equity market in Q2 2016 as the market gained 16.96% in Q2 in contrast to a decline of 11.65% in Q1 2016. On the other hand, the Monetary Policy Committee ("MPC") of the CBN, contrary to market expectation of a further tightening in monetary policy, in light of rising inflation, decided to retain Monetary Policy Rate (MPR) at 12.00% and the Cash Reserve Ratio (CRR) at 22.50% in other to spur growth. In addition, adopting a flexible exchange rate framework to engender flexibility and transparency in operation of the interbank foreign exchange market led to liquidity tightening which in turn caused a spike in yields.

During the quarter, the Fund Manager maintained equity exposure around the lower limit of the Funds' Strategic Asset Allocation by positioning in securities with stronger fundamentals in the Consumer goods, Banking, Industrial and Agricultural sectors. The Fund Manager also positioned to have rolling maturities to take advantage of any uptick in yields by investing at the short end of the yield curve.

INVESTMENT STRATEGY

We posit that clarity regarding the implementation of the budget is expected to reduce economic uncertainty and kick start the economy in H2 2016. In addition, the flexible exchange rate framework would alleviate the lingering foreign exchange scarcity that crippled economic activities in the past one year. Although it is expected to put further pressure on imported inflation and possibly depress operating margins of companies. Consequently, the core of our equity 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 seek to continue to increase exposure to stocks within the Industrial and Agriculture sectors based on the policy direction of the government.

In view of our outlook, we will extend duration on attractive maturities to lock-in on decent yields as the opportunities arise. Also, we would seek to switch securities with low yields by replacing same with higher yielding money market instruments at decent yields.

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