STANBIC IBTC BOND FUND ("SIBOND")
QUARTERLY FUND FACTSHEET Q2:2016

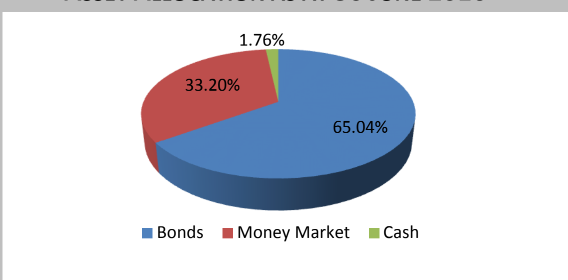
FUND FACTS

Fund Manager	**Stanbic IBTC Asset Management Limited**
Base Currency	**Naira**
Launch Date	**February 2010**
Fiscal Year End	**December**
Status of Fund	**Open Ended**
Initial Investment	**₦100,000**
Additional Investment	**₦100,000**
Distribution Frequency	**Half Yearly (30 June and 31 December)**
Handling Charge	**1% redemption charge if done within the first ninety one (91) Days.**
NAV Per Unit	**₦145.64**
Bloomberg Ticker	**STANIBF NL Equity**

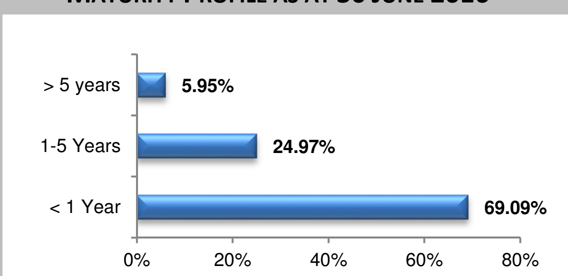
FUND PERFORMANCE

Period	Q2 2016	Q1 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
SIBOND Return	0.32	1.15	17.26%	7.61%	7.03%	10.68%	9.08%
3-year FGN Bond Weighted Average Yield (p.a.)	3.11	1.38	13.12%	12.43%	14.22%	15.12%	11.77%

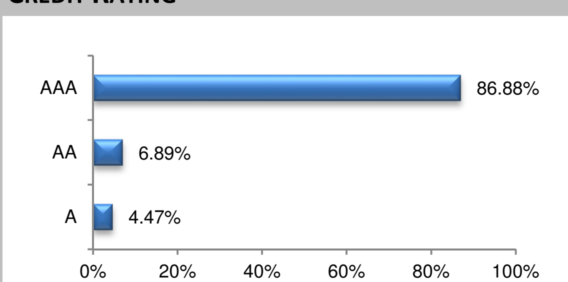
ASSET ALLOCATION AS AT 30 JUNE 2016



MATURITY PROFILE AS AT 30 JUNE 2016



CREDIT RATING



FUND OBJECTIVE

The primary objective of the Fund is to achieve competitive returns on its assets with minimal risk. The Fund seeks to achieve its stated objective by investing at least 65% of its assets in high quality bonds and other fixed income securities, while a maximum of 35% of its assets is invested in quality money market instruments.

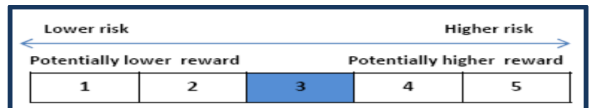
The Fund seeks fixed income exposure by investing in a diversified portfolio of high quality bonds of supranational and corporate issuers, including Federal Government bonds, State Government bonds, corporate bonds, Eurobonds and other fixed income securities.

INVESTMENT BENEFITS

- Competitive returns
- Provides steady income stream through half-yearly distributions
- Access to diversified portfolio of bonds provides a more stable source of income than equity investments

INVESTMENT RISKS

- Interest rate risk
- Inflationary Pressure
- Economic and political Risk
- Foreign exchange risk
- Volatility risk



PORTFOLIO MANAGER'S COMMENT

The Stanbic IBTC Bond Fund ("SIBOND") opened the quarter with an offer price of ₦145.64 and closed the quarter with an offer price of ₦146.11, thereby returning 0.32% for Q2 2016. The applicable benchmark of weighted average 3-year Federal Government bond stood at 3.11%.

The Monetary Policy Committee ('MPC'') of the Central Bank of Nigeria ("CBN") met on 23 and 24 May 2016 and decided to maintain the Monetary Policy Rate (MPR) at 12.00% and held all other monetary policy tools constant. Furthermore, the CBN announced the introduction of flexible foreign exchange which became operational on 20 June 2016. As such, the USD/NGN, which was pegged at ₦199.50/USD for about 20 months, closed the quarter at ₦281.50, a devaluation of circa 41%. The new FX policy also led to aggressive mop up of liquidity to support the exchange rate.

In addition, the Federal Government unveiled a new debt management strategy to run for three years from 2016 to 2019 with more emphasis on external borrowings so as to minimize the crowding out effect on domestic debt market. Similarly, the secondary bond market was volatile throughout the quarter on account of investors search for real return amidst rising inflation (currently at 15.60%) which continued to put an upward pressure on yields. Thus, the bond yield which opened the quarter in the secondary market at 12% p.a., 12.6% p.a. and 13.08% p.a. on the 5-year, 10-year and 20-year tenor closed higher at 13.249% p.a., 13.743% p.a. and 13.9% p.a. respectively.

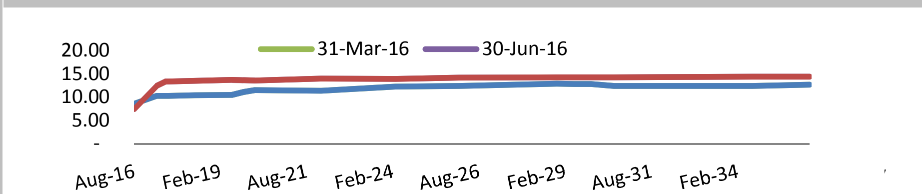
In order to minimize volatility and stabilize fund performance, the Fund Manager actively traded the bond position as volatility persisted in the market especially at the short end of the curve. Also, money market exposure was not maintained at the short end of the curve as rates were generally low until towards the end of the quarter.

INVESTMENT STRATEGY

We do not expect to see a significant increase in volume of bond issuance based on the government's strategy to reduce domestic borrowing. However, activities in the bond market are expected to increase as we expect to eventually see more foreign investors' participation on the back of the flexible exchange rate framework. Furthermore, we expect the tightening of liquidity to support exchange rate stability to sustain rising yield.

The Fund Manager will ride the expected rally in the bond market while taking advantage of any intermittent spike in yields. Furthermore, the Fund Manager would seek to maximize return on the money market instruments by seeking exposure to high yielding instruments via OMO bills, corporate commercial paper issuances and direct money market placement with banks.

YIELD CURVE



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