

MACROECONOMIC REVIEW

US Federal Reserve Board (“US Fed”) held the benchmark rate steady within the target range of 2.25%p.a. to 2.50%p.a. in its last two meetings within the quarter (May and June 2019). However, the US Fed noted concerns around the sustainability of economic expansion, strong labour market conditions, and inflation near its target of 2%

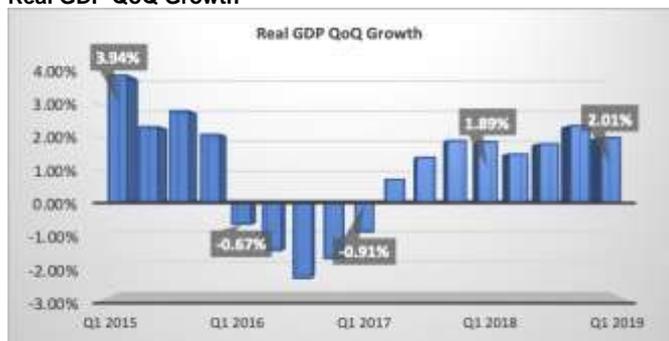
In Europe, uncertainty around Brexit continued to impact the Sterling negatively as it has lost circa 5% and 6% of its value against the Dollar and the Euro respectively since May. This uncertainty was escalated by the exit of the Prime Minister, Theresa May and the higher chances that Boris Johnson, a protagonist of hard Brexit could become Britain’s next Prime Minister. As such, investors are concerned about the uncertainties that would prevail in the aftermath of the expected separation slated for 31 October 2019.

The volatility in the oil market was elevated during the quarter due to demand/supply imbalance, build up in US crude inventories, US / China trade war concerns, coordinated output cuts by major oil suppliers as well as U.S. sanctions and war threats against Iran. As such, crude oil prices which opened the quarter at \$67.58 per barrel traded between a quarter high of \$75.60 per barrel and a quarter low of \$59.45 per barrel but closed the quarter at \$66.55 per barrel.

The Nigeria 2019 budget was signed into law by the President during the quarter (27 May 2019) with total spending estimated at ₦8.92 trillion. The overall policy thrust of the 2019 budget aims to ensure economic diversification, inclusive growth and sustainable development.

According to data released by the Nigerian Bureau of Statistics (“NBS”) in May 2019, Nigeria’s economic growth slowed to 2.01% in Q1 2019 compared to 2.38% recorded in Q4 2018. Temporary suspension of economic activities during the general elections was cited as a major factor responsible for the quarter on quarter decline in the GDP growth rate. The non-oil sector grew by 2.47% in the first quarter of 2019 while the oil sector contracted by 2.40%.

Real GDP QoQ Growth



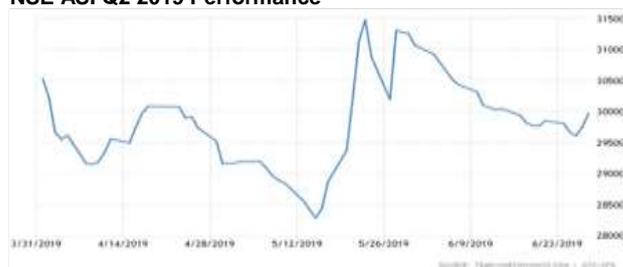
Source: Nigerian Bureau of Statistics

The year-on-year inflation in Nigeria rose to 11.40% in May 2019. Whilst this represents a marginal increase of 0.03% from the rate of 11.37% recorded in the month of April 2019, this is the highest inflation recorded since December 2018, as pressure on food prices continued to feed-through.

FINANCIAL MARKET REVIEW

Despite the initial rally in the Nigerian Stock Exchange All Share index (“NSE ASI”) to a high of 2.82% for Q2 2019 following the listing of listing of MTN Nigeria Plc (MTNN), the NSE ASI declined to close the quarter at (3.46%). The significant weight of MTNN (20% in the index) combined with its 37% return in May 2019 initially moved the NSE ASI into the positive territory, but the index returned to the negative territory as investors took profits on the stock. On a year to date basis, the NSE ASI returned (4.66%). Whilst the market has become larger and broader with the addition of the Telecommunications sector, Dangote Cement Plc continues to hold the largest weight (23%) in the NSE ASI.

NSE ASI Q2 2019 Performance



The Monetary Policy Committee (“MPC”) of the Central Bank of Nigeria (“CBN”) maintained the Monetary Policy Rate (“MPR”) at 13.50%p.a. at its 124th meeting which held in May after its decision to cut the MPR from 14%p.a. to 13.5%p.a. in Q1 2019. All other policy levers were also maintained; the asymmetric corridor of +200/-500 basis points around the MPR; the Cash Reserve Ratio (“CRR”) at 22.5% and the Liquidity Ratio at 30%. This decision was considered essential to support the growth momentum of the economy.

The Fixed Income market was predominantly bullish throughout the quarter with the prices of instruments trending upwards and their respective yields going in the opposite direction. This was a continuation from Q1 2019 when the market witnessed increased investment flows and oversubscriptions at auctions which led to a decline in yields and the frequency of auctions. The lower yield regime, particularly in the short end of the yield curve led to increase in the issuance of Commercial Papers (“CP”) such as Nigerian Breweries and Dangote Cement CPs.

The I&E Window indicated by Nigerian Autonomous Foreign Exchange (“NAFEX”) fixing, closed at ₦357.53/\$ from ₦355.78/\$ at the beginning of the quarter, while the spread between the rates at the I&E Window and the parallel market contracted to ₦0.26/\$ from ₦0.60/\$ recorded at the start of Q2 2019. Similarly, the parallel market which opened the year at ₦363/\$, opened the quarter at ₦360/\$ and eventually closed the quarter at ₦361/\$.

OUTLOOK

The World Bank estimates global growth to slow to 2.6% in 2019 as against 2.9% earlier projected in January 2019 reflecting weaker than expected trade and investment given the escalation of trade tensions. Focus Economics however projects global growth of 2.9% in 2019 with support from tight labor markets and accommodative monetary policies despite the key downside risk of the US – China trade dispute.

On the local scene, Economic activity is expected to gain some traction with accelerated credit provision and the implementation of the new minimum wage package by the FGN, which should in turn support consumer demand and production in the non-oil segment of the economy. However, we expect growth to remain fragile considering the slow progress with structural reforms, infrastructure spending and potential risks to oil price stability.

We expect the lull in the stock market to continue with occasional spikes driven by speculative activities. Furthermore, we do not expect the macroeconomic conditions to positively impact the sentiments of value investors towards the stock market.

We expect the monetary policy parameters to be maintained in the quarter given the fragile state of the economy. Increasing the cost of credit would further diminish economic activities and impact negatively on expected output growth. On the other hand, a poorly managed loosening would worsen inflationary pressures and become a disincentive to foreign portfolio flows, resulting in a rebound of exchange rate pressures.

We therefore expect yields along the curve to trade within a band of 11%p.a. – 14.50%p.a. for most part of Q3 2019 as the CBN continues to adopt various measures to control liquidity and interest rates.

Stanbic IBTC Nigerian Equity Fund

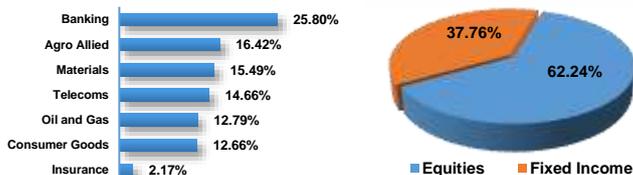
FUND OBJECTIVE: The Stanbic IBTC Nigerian Equity Fund aims to achieve long term capital appreciation by investing a minimum of 60% of the portfolio in listed equities and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-97
Status of Fund	Open Ended
NAV per Unit	₦8,067.58
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANNEQ NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation



FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years	20 years
SINEF Return	(6.21%)	(0.48%)	(12.24%)	27.46%	17.91%	(28.29%)	12.23%	886.00%
Fund Index	(0.66%)	0.33%	(6.32%)	30.75%	21.24%	12.64%	59.42%	345.89%

Stanbic IBTC Ethical Fund

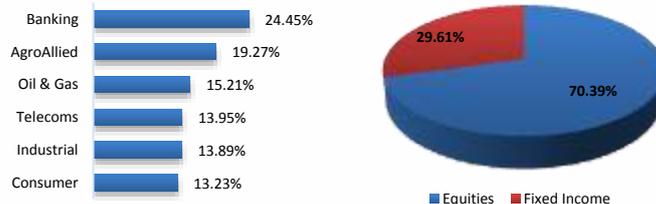
FUND OBJECTIVE: The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciation by investing a minimum of 60% of the portfolio in listed equities of socially responsible companies and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-06
Status of Fund	Open Ended
NAV per Unit	₦ 0.91
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANETH NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation

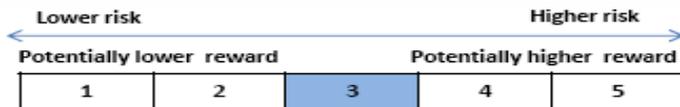


FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years
SITEF Return	(7.14%)	1.03%	(4.90%)	30.77%	27.63%	(18.28%)	(8.17%)
Fund Index	(1.08%)	0.33%	(6.32%)	30.75%	21.24%	12.64%	59.42%

Stanbic IBTC Balanced Fund

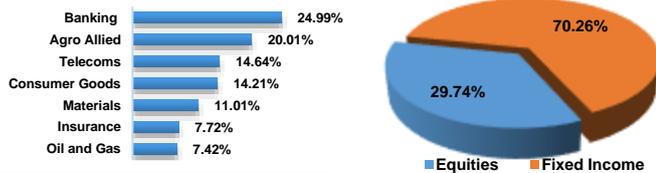
FUND OBJECTIVE: The Stanbic IBTC Balanced Fund aims to provide stable capital appreciation by investing a maximum of 60% of the portfolio in both listed and un-listed equities with up to 15% in alternative investments such as Private EPquity, Real Estate Investment Trusts ("REITs"), Mortgaged Backed Securities ("MBS") e.t.c and a minimum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-12
Status of Fund	Open Ended
NAV per Unit	₦2,382.81
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANBAL NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Equity Sectorial and Asset Allocation



FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years
SIBAL Return	(0.66%)	2.73%	2.98%	22.61%	38.69%	33.06%	143.95%
FUND Index	(1.08%)	0.33%	(6.32%)	22.29%	21.24%	12.64%	59.42%

Stanbic IBTC Guaranteed Investment Fund

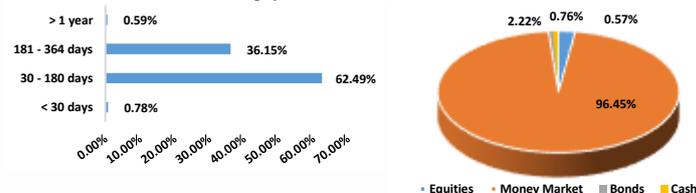
FUND OBJECTIVE: The Stanbic IBTC Guaranteed Investment Fund aims to achieve both capital preservation and growth by investing a minimum of 75% of the portfolio in high quality fixed income securities while a maximum of 25% can be invested in listed equities. The Fund guarantees principal amount against diminution in value provided the investment is held for a minimum period of three months.



FUND FACTS

Base Currency	Naira
Launch Date	Dec-07
Status of Fund	Open Ended
NAV per Unit	₦258.28
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANGIN NL>
Handling Charge	No principal guarantee for withdrawals under 3 months.

Maturity profile and Asset Allocation



FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	3 years	5 years	Inception to 31 Dec 2019
SIGIF Return	3.48%	2.91%	14.41%	49.94%	75.98%	201.49%
Fund Index	1.01%	1.70%	3.74%	31.29%	44.68%	100.03%

Past performance is not an indicator of future performance and individual investors' returns may differ depending on individual asset allocation.

Stanbic IBTC Bond Fund

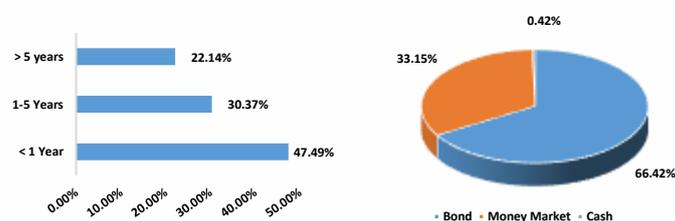
FUND OBJECTIVE: The Stanbic IBTC Bond Fund aims to achieve competitive returns on investments with moderate risk by investing a minimum of 65% of its portfolio in high quality bonds, while a maximum of 35% of its assets are invested in quality money market instruments including treasury bills.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
NAV per Unit	₦204.80
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Yearly
Bloomberg Ticker	<STANIBF NL>
Handling Charge	20% on income earned for withdrawals under 91 days

Maturity profile and Asset Allocation



FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	3 years	5 years	Inception to 31 Dec 2018
SIBOND Return	3.64%	5.26%	10.79%	40.92%	77.14%	155.72%
Fund Index	3.24%	3.40%	12.96%	45.71%	82.30%	142.94%

Stanbic IBTC Money Market Fund

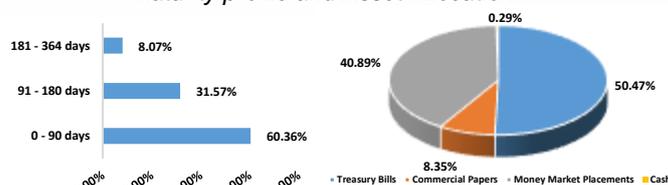
FUND OBJECTIVE: The Stanbic IBTC Money Market Fund aims to achieve both stable income generation and capital preservation by investing 100% of the portfolio assets in high quality short-term securities such as Treasury Bills, Commercial Papers, Bankers Acceptance and Fixed Deposits that are rated not less than "BBB".



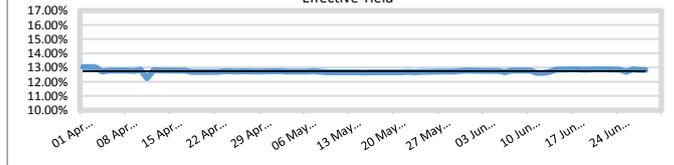
FUND FACTS

Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
Fund Rating	Aa (f) by Agosto & Co
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Quarterly
Bloomberg Ticker	<STANIMM NL>
Handling Charge	20% on income earned for withdrawals under 30 days

Maturity profile and Asset Allocation



Effective Yield



Stanbic IBTC Imaan Fund

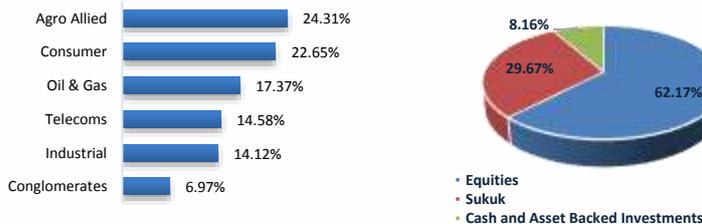
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Imaan Fund is to achieve long-term capital appreciation by investing a minimum of 60% of the Fund's assets in Shariah compliant equity securities as approved by the Advisory Committee of Experts (ACE) from time to time and a maximum of 40% in Shariah compliant asset backed investments (SUKUK) and cash.



FUND FACTS

Base Currency	Naira
Launch Date	Oct-13
Status of Fund	Open Ended
NAV per Unit	₦156.03
Nature of Fund	Equity Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	N/A
Bloomberg Ticker	<STANIMF NL>
Handling Charge	N/A

Maturity profile and Asset Allocation



FUND PERFORMANCE

Period	Q2 2019	Q1 2019	FY 2018	FY 2017	FY 2016	3 years	5 years
SIMAAAN Return	(7.53%)	1.70%	(9.07%)	37.83%	(3.96%)	20.31%	(10.49%)
Fund Index (ASI)	(3.46%)	(1.24%)	(17.81%)	42.30%	(6.17%)	9.74%	(23.95%)

Stanbic IBTC ETF 30

FUND OBJECTIVE: The Stanbic IBTC ETF 30 aims to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange 30 Index ("NSE 30 Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-15
Status of Fund	Open Ended
NAV per Unit	₦83.97
Nature of Fund	Equity Biased
Benchmark	NSE 30 Index
Replication method	Physical- Full replication
Distribution Frequency	Quarterly (Indicative)
Bloomberg Ticker	<STANBICE NL Equity>
Handling Charge	N/A

Equity Sectorial Allocation and Fund Price Performance



PERFORMANCE (%)

Period	Q2 2019	Q1 2019	FY 2018	FY 2017	FY 2016	Inception to 31 Dec. 2018
NAV Return*	(7.28%)	(0.65%)	(18.88%)	44.19%	(8.97%)	8.49%
Benchmark Return	(9.84%)	(1.73%)	(18.87%)	46.14%	(7.18%)	10.06%

*The NAV return is based on the return of the underlying securities. NAV per unit may differ from the market price per unit as displayed on the regulators website or any other media.

SIAML PENSION ETF 40

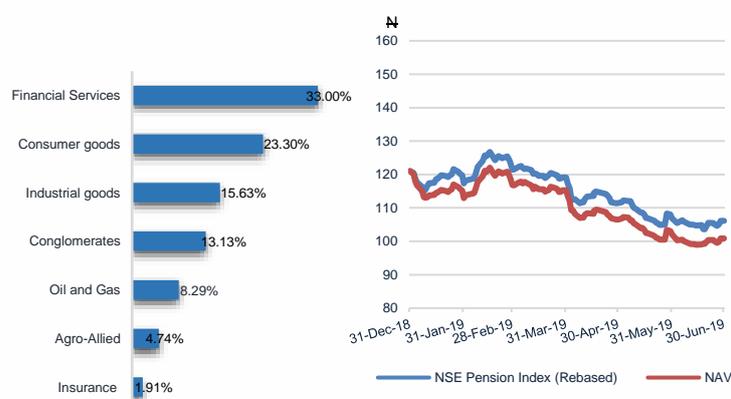
FUND OBJECTIVE: The SIAML Pension ETF 40 aims to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-17
Status of Fund	Open Ended
NAV per Unit	₦ 100.87
Nature of Fund	Equity Biased
Benchmark	NSE Pension Index
Replication method	Physical- Full replication
Distribution Frequency	Quarterly (Indicative)
Bloomberg Ticker	<STANBICE NL Equity>
Handling Charge	N/A

Equity Sectorial Allocation and Fund Price Performance



PERFORMANCE (%)

Period	Q2 2019	Q1 2019	Q4 2018	FY 2018	FY 2017	Inception to 31 Dec 2018
NAV Return*	(12.54%)	(4.74%)	(1.41%)	(15.48%)	49.41%	24.79%
NSE Pension Index	(10.92%)	(1.61%)	(1.53%)	(12.49%)	68.49%	47.45%

*The NAV return is based on the return of the underlying securities. NAV per unit may differ from the market price per unit as displayed on the regulators website or any other media.

How to Invest

- Fill in a [Subscription Form](#) and send alongside support documents to any of our offices in [Lagos, Abuja, or Port-Harcourt](#) or any [branch of Stanbic IBTC Bank Plc.](#)
- An investment account with an E-account number would be created and sent to you.
- Please make the transfer/cheque/draft payable to the Bank account of the Fund including your E-account number in the narration.
- If you are buying from outside Nigeria it is easy to do so. [Find out how.](#)

An email would be sent to you confirming purchase of units and telling you how to log in to your account.

Stanbic IBTC Dollar Fund

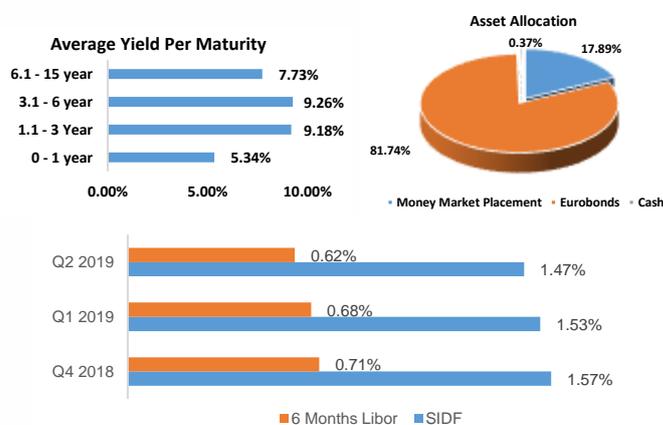
FUND OBJECTIVE: Stanbic IBTC Dollar Fund aims to provide currency diversification, income generation and capital growth in USD. It also seeks to optimize dollar returns of clients by investing a minimum of 75% of the portfolio in high quality Eurobonds, maximum of 25% in short term USD deposits and a maximum of 10% in USD equities approved and registered by the Securities and Exchange Commission of Nigeria.



FUND FACTS

Base Currency	USD
Launch Date	Jan-17
Status of Fund	Open Ended
Nature of Fund	Fixed Income Biased
Initial Investment	\$1,000.00
Additional Investment	\$500.00
Distribution Frequency	Yearly
Handling Charge	20% on interest accrued for withdrawals under 6 months

Maturity profile and Asset Allocation



PERFORMANCE (%)

Period	Q2 2019	Q1 2019	FY 2018	Inception to 31 Dec 2018
NAV Return	1.47%	1.53%	7.33%	13.77%
6 Months LIBOR	0.62%	0.68%	2.48%	4.00%

How to Invest Digitally (existing clients only)

- Option 1 – You can effect a one time investment into your Mutual Fund account by logging on to your online mutual fund account (www.stanbicibtcfundsmangement.com), click on the additional subscription icon and follow through with the sequence. You will be required to use your debit/credit card to make payment for the investment. Please note value will be given 2 business days after the transaction.
- Option 2 - You can effect a transfer from your internet banking platform to the Bank account of the Mutual Fund. Please include your E-account number in the narration.

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Past performance is not an indicator of future performance and individual investors' returns may differ depending on individual asset allocation.