

MACROECONOMIC REVIEW

In Q3 2019, global trade volume growth declined, thereby constraining growth for export-dependent Emerging Markets and the Eurozone. This was largely due to further escalation of the US-China trade war in spite of the restart of trade negotiations, rising tensions surrounding Brexit in the UK, as well as other geopolitical concerns across globe. These negative sentiments therefore continued to dampen global growth prospects for 2019 to around 3.2%, which is in line with the projection of International Monetary Fund (“IMF”).

Despite comfortable labour markets and consumer spending conditions, the US Federal Reserve Board (“US Fed”) elected to cut Fed Funds rate to 1.75%p.a. - 2.00%p.a. in its September meeting. The US Fed justified the cut as protection against downside risks from weaker global growth and higher trade policy uncertainty.

The European Central Bank (“ECB”) and other Central Banks are also trending along the path of sustained monetary policy easing, either by interest rate cuts or stimulation of long-term lending in their respective economies. As such, the quarter ended with rising concerns around currency wars as countries were focused on competitiveness to stimulate domestic activities and export earnings.

The Oil market witnessed significant volatility in the later part of the quarter with the targeted disruption of 50% of Saudi Arabia’s output, which accounts for circa 5% of global oil supply. Consequently, Crude Oil prices (gauged by Brent) which opened the quarter at \$66.55 per barrel rose to a quarter high of \$71.95 per barrel, but moderated to close the quarter at \$60.78 per barrel. The moderation was driven by the confidence in Saudi Arabia’s ability to restore the lost output quicker than initially anticipated.

According to data released by the Nigerian Bureau of Statistics (“NBS”) in September 2019, Nigeria’s economy grew by 1.94% in Q2 2019 compared to 2.10% in Q1 2019 and 1.50% recorded in Q2 2018. Whilst this represents the largest Q2 growth in the last four years, the Quarter-on-Quarter slowdown highlights concerns around the sustainability of the fragile recovery underway. The non-oil sector accounted for 91% of GDP, while the oil sector for 9% of Gross Domestic Product (“GDP”).

Year-on-Year (y/y) inflation slowed marginally to 11.02% in August 2019 compared to 11.08% recorded in July 2019. The moderation was driven by 22 basis points and 12 basis points decline in food inflation and core inflation to 13.20% y/y and 8.7% y/y respectively.

The Monetary Policy Committee (“MPC”) of the CBN maintained the Monetary Policy Rate (“MPR”) at 13.50%p.a. at the last meeting held on 19 and 20 September 2019. Similarly, all other policy levers were also maintained; the asymmetric corridor of +200/-500 basis points around the MPR; the CRR at 22.50% and the Liquidity Ratio at 30.00%. This decision was considered essential to support the GDP growth and attainment of single digit inflation.

Furthermore, in a bid to stimulate the economy and improve the government’s fiscal position, the Federal Executive Council (“FEC”) approved a budget of ₦10.07 trillion for 2020 (13% increase over 2019). The estimate is within the 2020-2022 Medium Term Expenditure Framework (“MTEF”) and Fiscal Strategy Paper (“FSP”). In addition, the FEC approved the increase in Value Added Tax (“VAT”) rate from 5.0% to 7.5% during the quarter. However, the National Assembly has rejected the proposed 7.5% VAT currently planned by the Federal Government to take effect by January 2020. They are seeking legislative action to rather impose a 9% communication service tax on electronic communication services such as SMS, MMS and Data usage from Telecommunication and Internet Services Providers as well as Pay Per View TV stations .

FINANCIAL MARKET REVIEW

The Nigerian Stock Exchange All Share index (“NSE ASI”) continued its downward trend during the quarter with a loss of 7.80%. This brings the year to date position to a loss of 12.09% following returns of (1.24%)

and (3.49%) in Q1 and Q2 respectively. The Industrial and Banking sectors which jointly accounts for 46% of market capitalization were the major drivers of the negative performance.

The market performance remained subdued by negative investors’ sentiment and weak macroeconomic conditions.

Index	Q3 2019	YTD 2019
NGSE Oil and Gas Index	(5.49%)	(20.81%)
NGSE Pension Index	(6.14%)	(17.74%)
NGSE Banking Index	(6.23%)	(13.77%)
NGSE Index	(7.79%)	(12.09%)
NGSE 30 Index	(8.66%)	(19.06%)
NGSE Consumer Goods Index	(8.83%)	(24.23%)
NGSE Industrial Index	(0.42%)	(12.49%)

The Fixed Income market was relatively unstable during the quarter, due to CBN policy announcements aimed at forcing banks to lend to critical sectors, accelerated sales by foreign portfolio investors as Oil prices initially declined below \$60.50, huge T-Bill maturities (August and September) and temporary liquidity boost from monthly Federation Account Allocation Committee (“FAAC”) allocations. As expected, the CBN intervened to stabilize rates with aggressive issuance of T-Bills through Open Market Operations. This was done to retain foreign portfolio investors and ensure stability of Foreign Exchange (“FX”) reserves as well as the exchange rate. Consequently, yields on T-Bills firmed up towards the later part of the quarter to close within a range of 12.00%p.a. - 15.50%p.a. levels, while bond yields ranged between 13.50%p.a. and 14.50%p.a.

The Investors’ & Exporters’ (I&E) Window indicated by Nigerian Autonomous Foreign Exchange (NAFEX) fixing closed at ₦362.23/\$ from ₦355.78/\$ at the beginning of the quarter, while the spread between the rates at the I&E Window and the parallel market increased to ₦2.23/\$ from ₦0.26/\$ recorded at the start of Q3 2019. Similarly, the parallel market which opened the year at N363/\$, opened the quarter at N361/\$ and eventually closed the quarter at ₦360/\$.

OUTLOOK

Global growth is expected to remain subdued in Q4 2019 as the trade impasse between the US and China, which both account for circa 41% of Global output remain unresolved. Furthermore, further political complications around Brexit and rising geopolitical tensions such as the attack on Saudi Arabia’s oil installations will continue to impact global confidence and business investment decisions.

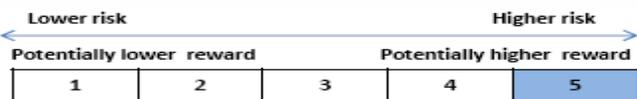
On the local scene, we expect the monetary policy parameters to be maintained in the quarter given the fragile state of the economy and the price stability focus of the CBN. The CBN is also expected to continue to support the fiscal authorities with policies aimed at lowering the cost of borrowing and boost economic activities. Liquidity in the market will also be boosted by maturing T-Bills as well as the pressure on the government to create jobs and stimulate the economy in Q4 2019.

We therefore expect yields to remain within the band of 12.00%p.a. – 14.5%p.a. for most part of Q4 2019 as the CBN remains focused on curtailing inflation and retaining foreign portfolio investments. Similarly, we expect bond yields to remain stable within a band of 13.50% - 14.50%p.a. as investors’ search for yields at these levels should dampen upward pressures in yields.

We remain pessimistic on the direction of the stock market for Q4 2019 considering recent policy announcements that could further curtail economic activities. For instance, the negative outlook for the industrial and services sectors on the back of the planned VAT increases would be priced into the expected revenue growth for companies. Whilst we expect the stock market to continue with its unstable trend in Q4 2019 as selected quality names become oversold and attractive to both speculators and long term value investors, we expect the market to close the year in negative territory for 2019.

Stanbic IBTC Nigerian Equity Fund

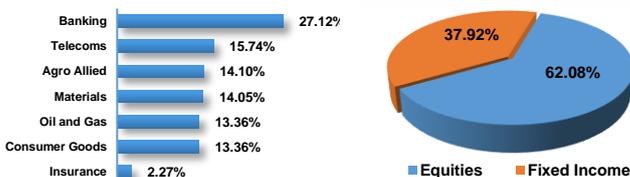
FUND OBJECTIVE: The Stanbic IBTC Nigerian Equity Fund aims to achieve long term capital appreciation by investing a minimum of 60% of the portfolio in listed equities and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-97
Status of Fund	Open Ended
NAV per Unit	₦7,737.32
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

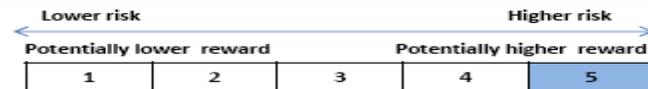


FUND PERFORMANCE

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years	20 years
SINEF Return	-4.09%	-6.21%	-0.48%	-12.24%	27.46%	17.91%	-28.29%	12.23%	886.00%
FUND Index	-3.63%	-0.66%	0.33%	-6.32%	30.75%	21.24%	12.64%	59.42%	345.89%

Stanbic IBTC Ethical Fund

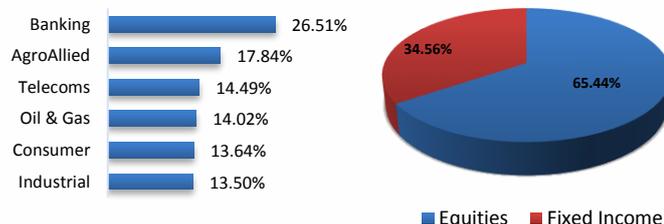
FUND OBJECTIVE: The Stanbic IBTC Ethical Fund aims to achieve long term capital appreciation by investing a minimum of 60% of the portfolio in listed equities of socially responsible companies and a maximum of 40% in high quality fixed income securities.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-06
Status of Fund	Open Ended
NAV per Unit	₦0.86
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

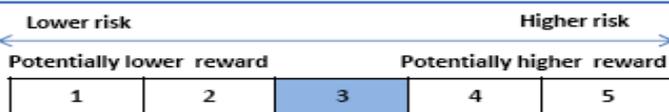


FUND PERFORMANCE

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years
SITEF Return	(5.49%)	(7.14%)	1.03%	(4.90%)	30.77%	27.63%	(18.28%)	(8.17%)
Fund Index	(3.63%)	(1.08%)	0.33%	(6.32%)	30.75%	21.24%	12.64%	59.42%

Stanbic IBTC Balanced Fund

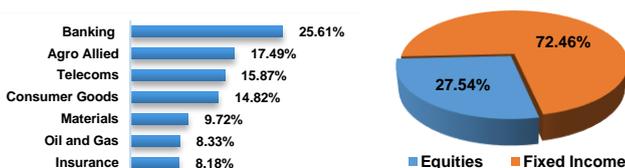
FUND OBJECTIVE: The Stanbic IBTC Balanced Fund aims to provide stable capital appreciation by investing a maximum of 60% of the portfolio in both listed and un-listed equities with up to 15% in alternative investments such as Private EPquity, Real Estate Investment Trusts ("REITs"), Mortgaged Backed 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	₦2,390.94
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

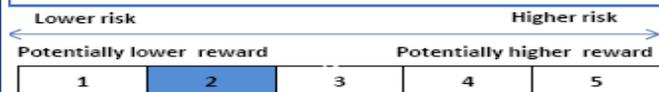


FUND PERFORMANCE

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years	10 years
SIBAL Return	0.34%	(0.66%)	2.73%	2.98%	22.61%	38.69%	33.06%	143.95%
FUND Index	(3.63%)	(1.08%)	0.33%	(6.32%)	22.29%	21.24%	12.64%	59.42%

Stanbic IBTC Guaranteed Investment Fund

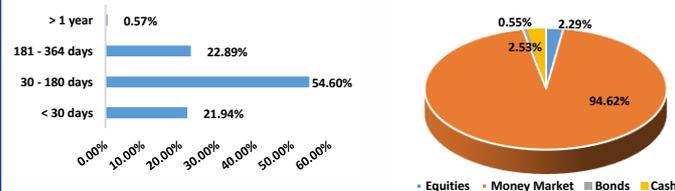
FUND OBJECTIVE: The Stanbic IBTC Guaranteed Investment Fund aims to achieve both capital preservation and growth by investing a minimum of 75% of the portfolio in high quality fixed income securities while a maximum of 25% can be invested in listed equities. The Fund guarantees principal amount against 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	₦267.37
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



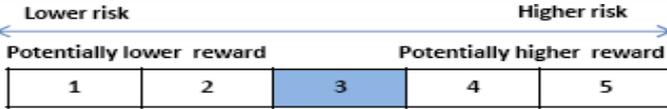
FUND PERFORMANCE

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	3 years	5 years	Inception to 31 Dec 2019
SIGIF Return	3.52%	3.48%	2.91%	14.41%	49.94%	75.98%	201.49%
Fund Index	0.01%	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

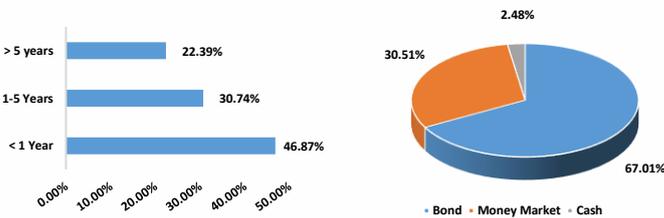
FUND OBJECTIVE: The Stanbic IBTC Bond Fund aims to achieve competitive returns on investments with moderate risk by investing a minimum of 65% of its portfolio in high quality bonds, while a maximum of 35% of its assets are invested in quality money market instruments including treasury bills.



FUND FACTS

Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
NAV per Unit	₦205.56
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	Q3 2019	Q2 2019	Q1 2019	FY 2018	3 years	5 years	Inception to 31 Dec 2018
SIBOND Return	2.57%	3.64%	5.26%	10.79%	40.92%	77.14%	142.02%
Fund Index	3.21%	3.24%	3.40%	12.96%	45.71%	82.30%	142.94%

Stanbic IBTC Money Market Fund

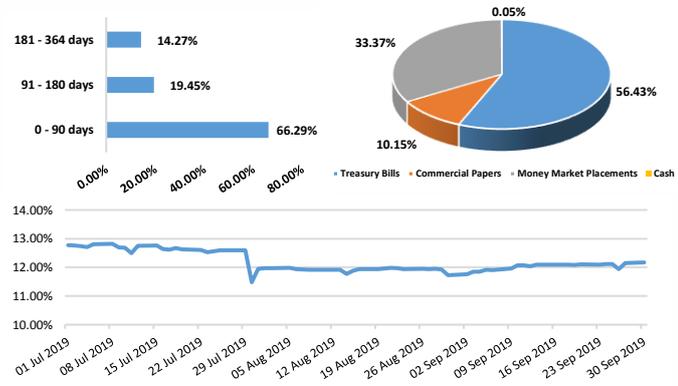
FUND OBJECTIVE: The Stanbic IBTC Money Market Fund aims to achieve both stable income generation and capital preservation by investing 100% of the portfolio assets in high quality short-term securities such as Treasury Bills, Commercial Papers, Bankers Acceptance and Fixed Deposits that are rated not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



FUND FACTS

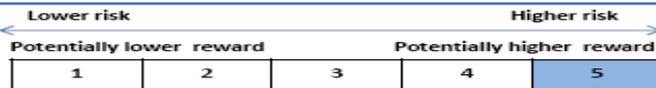
Base Currency	Naira
Launch Date	Feb-10
Status of Fund	Open Ended
Fund Rating	Aa (f) by Augusto & Co
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	Quarterly
Bloomberg Ticker	<STANIMM NL>
Handling Charge	20% on income earned for withdrawals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

Maturity profile and Asset Allocation



Stanbic IBTC Imaan Fund

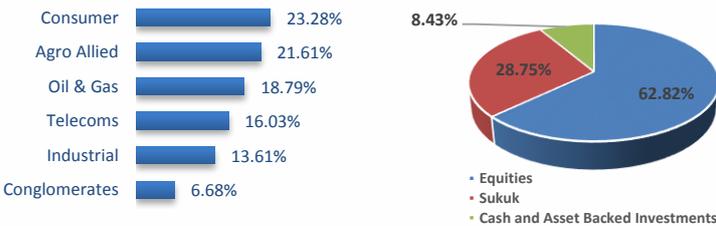
FUND OBJECTIVE: The primary objective of the Stanbic IBTC Imaan Fund is to achieve long-term capital appreciation by investing a minimum of 60% of the Fund's assets in Shariah compliant equity securities as approved by the Advisory Committee of Experts (ACE) from time to time and a maximum of 40% in 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	₦149.88
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	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	3 years	5 years
SIMAAAN Return	(3.94%)	(7.53%)	1.70%	(9.07%)	37.83%	20.31%	(10.49%)
Fund Index (ASI)	(7.80%)	(3.46%)	(1.24%)	(17.81%)	42.30%	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	₦73.20
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 (%)

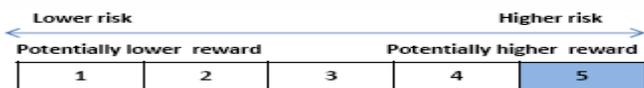
Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	Inception to 31 Dec. 2018
NAV Return*	(12.83%)	(7.28%)	(0.65%)	(18.88%)	44.19%	8.49%
Benchmark Return	(8.66%)	(9.84%)	(1.73%)	(18.87%)	46.14%	10.06%

*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.

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

SIAML PENSION ETF 40

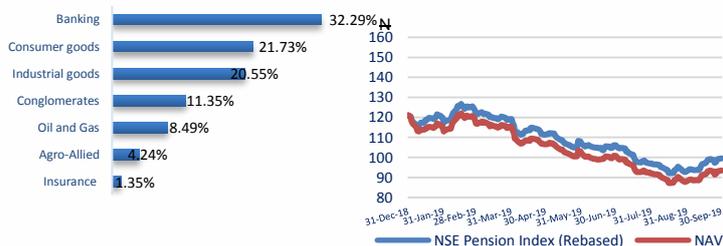
FUND OBJECTIVE: The SIAML Pension ETF 40 aims to replicate as closely as possible, before fees and expenses, the total return of The Nigerian Stock Exchange Pension Index ("NSE Pension Index" or "Index") in terms of price performance as well as income from the underlying securities of the index.



FUND FACTS

Base Currency	Naira
Launch Date	Jan-17
Status of Fund	Open Ended
NAV per Unit	₦ 90.21
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



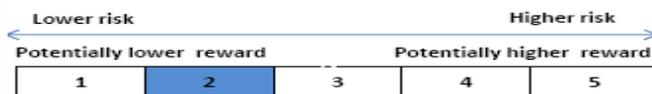
PERFORMANCE (%)

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	Inception to 31 Dec 2018
NAV Return*	(7.32%)	(12.54%)	(4.74%)	(15.48%)	49.41%	24.79%
NSE Pension Index	(6.14%)	(10.92%)	(1.61%)	(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.

Stanbic IBTC Dollar Fund

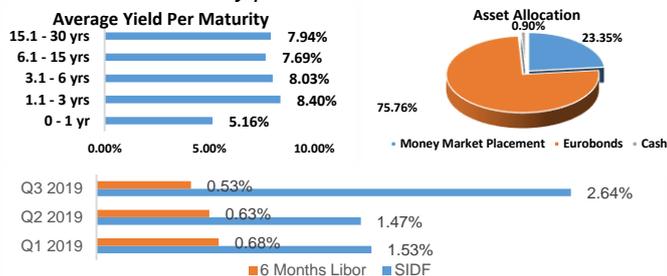
FUND OBJECTIVE: Stanbic IBTC Dollar Fund aims to provide currency diversification, income generation and capital growth in USD. It also seeks to optimize dollar returns of clients by investing a minimum of 75% of the portfolio in high quality Eurobonds, maximum of 25% in short term USD deposits and a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

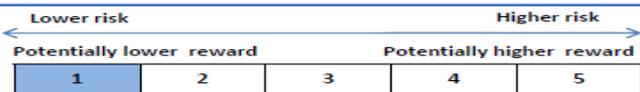


PERFORMANCE (%)

Period	Q3 2019	Q2 2019	Q1 2019	FY 2018	Inception to 31 Dec 2018
NAV Return	2.64%	1.47%	1.53%	7.33%	13.77%
6 Months LIBOR	0.53%	0.62%	0.68%	2.48%	4.00%

Stanbic IBTC Shari'ah Fixed Income Fund

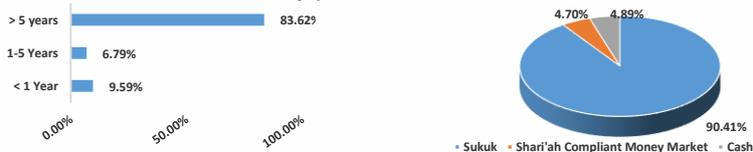
FUND OBJECTIVE: The Stanbic IBTC Shari'ah Fixed Income Fund aims to provide ethically minded investors competitive returns and liquidity on their investments by investing in quality Shariah compliant securities such as Sukuks and other eligible fixed term contracts.



FUND FACTS

Base Currency	Naira
Launch Date	Aug-19
Status of Fund	Open Ended
NAV per Unit	₦100.71
Nature of Fund	Fixed Income Biased
Initial Investment	₦5,000
Additional Investment	₦5,000
Distribution Frequency	At the discretion of the Fund Manager
Handling Charge	Not Applicable
Fund Governance	Overseen by an Advisory Committee of Experts

Maturity profile and Asset Allocation



FUND PERFORMANCE

Period	Q3 2019	Inception to 30 Sep 2019
SISFIF Return*	0.71%	0.71%
Fund Index	1.57%	1.57%

* Shari'ah Fund return from 08 August 2019

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.

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.stanbicibtcfundmanagement.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.