

*January 2010*

*Retire the way you desire*

**Strategy Overview**

The Fund investments are subject to regulatory guidelines and limits as set by the National Pension Commission (PENCOM), and are allocated as follows:-

- **Govt. Securities**
  - I. Fed Govt. (100%)
  - II.State Govt.(30%)
- **Corporate Debt(30%)**
- I. Real Estate Investment Trusts (REITs)
- II.Mortgage-Backed Securities (MBS)
- iii.Asset-Backed Securities (ABS)
- **Money Market Instruments (35%)**
- **Ordinary Share (25%)**
- **Open-Close End Fund (5%)**

Launch	35-mth	36-mth	37-mth	38-mth	39-mth	40-mth	41-mth	
Jul-06	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Cumulative
Unit Price								**
N1.00	N1.52	N1.49	N1.50	N1.52	N1.55	N1.60	N1.64	
% Return	52%	49%	50%	52%	55%	60%	64%	64%

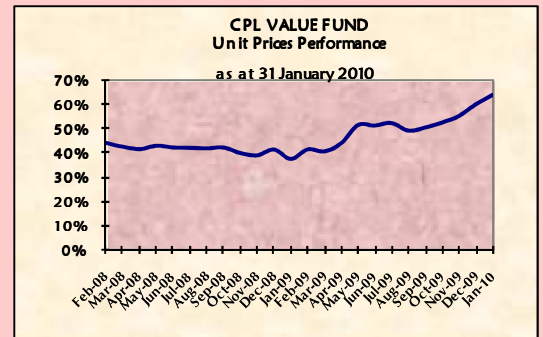
**Investment Objective**

Maximizing total returns by investing in securities and instruments that would deliver long term capital appreciation and income growth without compromising the safety of the funds.

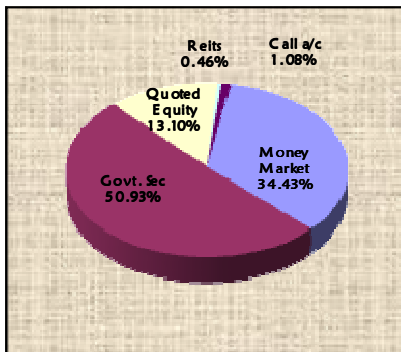
**CPL VALUE FUND**

CPL Value Fund closed January 31, 2010 with a unit price of **N1.6366**. The Fund assets, invested within regulatory limits, were allocated to Government Securities (50.93%), Money Market (34.43%), Ordinary Shares (13.10%), and REITs (0.46%). The graph shown in this report represents the performance of the Fund from Feb 2008 to January 31, 2010.

**We are pleased to inform you that we have returned 64% on Funds under our management till date.**



**CURRENT ASSET ALLOCATION**



**Market Overview**

**Government Securities**

- In Jan '10, turnover of 1.15 billion units worth 1.31 trillion in 13,818 deals was recorded in the OTC market for Federal Government bonds, as against 732.13 million units worth 830.8 billion during Dec '09 in 8,274 deals.
- The most active bond (measured by turnover volume) were: 6th FGN Bond 2029 Series 3 — 128.2m units followed by 5th FGN Bond 2013 Series 1 — 118.5m units.
- The auctions of 6FGN S2: 3-year, 6FGN S4: 10-year and 6FGN S5: 20-year (all reopening) which took place during the month had stop rates of 6.829%, 8.14% and 8.50% respectively.

**Money Market**

- The Monetary Policy by Central Bank of Nigeria (CBN) remained as reviewed i.e. the MPR at 6.00%. Also, the liquidity and cash ratio were 25% and 1% respectively.
- Inter-bank rates in the of January continued to experience a decline as a result of :
  - (1) Cash inflows from the budgetary allocations of N370bn
  - (2) Repayment of matured treasury bills
  - (3) Banks freeze of credit to the real sector.

- Stop rates on 91 & 182 & 364 days Treasury Bills were 4.00%, 5.25% & 5.35% respectively as at January 29, 2009.
- The released Inflation figure for December '09 were 12.00% from 12.40% (Year on Year) and 12.40% from 12.60% (12 Months Average).
- Central Bank of Nigeria (CBN) has extended its guarantee on inter-bank lending originally due to end on March 31, 2010 to December 31, 2010.
- Subject to the approval of National Assembly CBN has proposed the setting up of Asset Management Company (AMC) to be 100 per cent owned by FGN in order to take over impaired assets of banks resulting from their exposure to Capital market loans .

**Stock Market**

- The stock market improved considerably over the last month as all the market indicators rose.
- Trading volume and value increased by 14.00% and 2.00% respectively as against drop of 18.90% and 15.20% respectively in preceding month of Dec '09.
- The market capitalization of 266 listed securities increased by 6.45% to close at N7.50 trillion as against N7.03 trillion in Dec '09. The top five equities with market capitalization of N1.82 trillion (up from N1.67 trillion in Nov '09) which accounted for 33.5% of equities capitalization were dominated by the banks with four representatives while the Breweries subsector made the fifth representative. First Bank of Nigeria Plc retained its position as the most capitalized quoted company. The ranking of 10 most capitalized companies totaled N2.71 trillion representing 49.8% of the equity market.
- The Nigerian Stock Exchange (NSE) All-Share Index which opened at 20,827.17 increased by 8.5% or 1767.73 points to close at 22,594.90 in January '10 compared to a decline of 0.9% in December 2009. The market recorded more Gainers (85) and less Losers (42) during the month.
- The stock market recorded a positive return of 1.93% on a dividend-adjusted basis in January '10 which was higher when compared to a negative return of 3.73% recorded in Dec '09 .

**Industry and Regulatory Update**

- The National Insurance Commission (NAICOM) & National Pension Commission (PenCom) have jointly issued detailed guideline for implementation of Life Annuity Scheme for intending retirees who prefer the option to Programmed Withdrawal Scheme as contained in the Pension Reform Act (PRA) 2004.
- PenCom has sent notice that contributions made on behalf of employees to National Provident Fund (NPF) and or Nigeria Social Insurance Trust Fund (NSITF) have been posted to individual employees accounts.
- PenCom has sent to all PFAs the list of employers & employees with 15% pension contribution under the Pension Reform Act (PRA) 2004 but remitted to NSITF prior to licensing of new PFAs. This was to enable PFAs identify employees that registered with them and then forward their RSA details to Trustfund for eventual transfer to their respective PFAs.

**Outlook for next month.**

- We expect increased interest in the stock market as a result of renewed confidence by investors due to improved performances and favourable CBN policies which have impacted positively on banking stocks which represent over 60% of the NSE market capitalization. Thus, we have increased our holdings in equities with good fundamentals and prospect for growth in year 2010.
- We expect liquidity in the financial sector to remain as banks are unwilling to lend money outside the interbank market with consequent low interest rates.
- We expect increased attraction to sovereign bonds being a safe haven for investors and would therefore continue to invest in them for long term and capital gains.



