

July 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	41-mth	42-mth	43-mth	44-mth	45-mth	46-mth	47-mth	
Jul-06	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Cumulative
Unit Price								**
N1.00	N1.64	N1.65	N1.71	N1.74	N1.75	N1.77	N1.79	
% Return	64%	65%	71%	74%	75%	77%	79%	79%

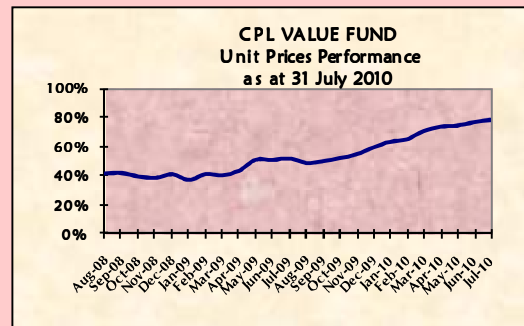
Investment Objective

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.

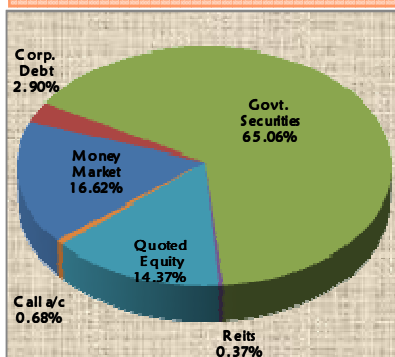
CPL VALUE FUND

CPL Value Fund closed July 31, 2010 with a unit price of N1.7874. The Fund assets, invested within regulatory limits, were allocated to Government Securities (65.06%), Corporate Debt (2.90%), Money Market (16.62%), Ordinary Shares (14.37%), and REITS (0.37%). The graph shown in this report represents the performance of the Fund from Aug 2008 to July 31, 2010.

We are pleased to inform you that we have returned 79% on Funds under our management till date. We are therefore the industry leader in terms of return on investment.



CURRENT ASSET ALLOCATION



Industry and Regulatory Update

- According to National Pension Commission's Director General, the contributory pension system has generated N1.73 trillion in the last seven years.
- PenCom has set additional requirements for processing of Retirement Benefit. This requires the physical presence of Ministries, Departments and Agencies' (MDA's) Pension Desk Officer for the purpose of identification. The Pension Officer shall also present letter of introduction that carries the particulars of such retiring employee.
- The National Insurance Commission (NAICOM) & National Pension Commission (PenCom) have jointly issued detailed guidelines for Implementation of the Life Annuity Scheme for intending retirees who prefer this 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 based on submission.
- PenCom also sent to all PFAs the list of employers & employees with 15% pension contribution under the Pension Reform Act (PRA) 2004 who had remitted to NSITF prior to licensing of new PFAs. This was to enable PFAs identify employees that registered with them and to forward their RSA details to Trustfund Pensions for eventual transfer to their respective PFAs.

Market Overview

Government Securities

- In July '10, turnover of 1.32bn units worth N1.45trillion in 12,561 deals was recorded in the OTC market for Federal Government bonds, as against 1.22bn units worth N1.34trillion during June '10 in 12,091 deals.
- The most active bonds (measured by turnover volume) were: 7th FGN Bond 2015 Series 2 — 223.3m units followed by 6th FGN Bond 2029 Series 3 — 131.61m units.
- During the month of July 2010, N36b 4th FGN Bonds 57 was delisted while, 7th FGN Bond 2030 53 was admitted on daily official list.
- In July 2010, the auctions of 7FGN S1: 3-year, 7FGN S2: 5-year (all reopening) and 7FGN S3: 20-year (new issue) took place during the month with stop rates of 7.4800%, 8.8500% and 10.0000% respectively.

Money Market

- The Monetary Policy Rate (MPR) remained as reviewed at 6.00%. Also, the liquidity and cash ratio were 25% and 1% respectively.
- Central Bank of Nigeria (CBN) has further extended its guarantee on inter-bank lending as well as Pension fund placements with banks earlier slated to end on December 31, 2010 to June 30, 2011.
- Stop rates on 91 & 182 & 364 days Treasury Bills were 2.5000%, 3.5100% & 3.9000% respectively as at July 30, 2010.
- The Inflation rate for July 2010 dropped from 11.00% to 10.30% (Year on Year) and from 11.60% to 11.50% (12-Months Average).
- A total fund of N150bn was injected by Bank of Industry (BOI) for on-lending to Manufacturing sector & SMEs. This has further strengthened system liquidity.
- Also, during the month, the President finally gave consent to the Asset Management Corporation of Nigeria (AMCON) Bill

Stock Market

- The stock market recorded improvements during the month due to the effect of impressive half year results of some quoted companies and the consent of Mr. President to the AMCON Bill which brought renewed confidence into the market. The Nigerian Stock Exchange All-Share Index which opened the month at 25,384.14 rose by 1.84% or 460.04 points to close at 25,844.18 compared to a decline of 3.05% in June '10. The market recorded less Gainers (47) and more Losers (72) during the month. The NSE ASI recorded a cumulative YTD/return of 24.09% compared to Dec 31, 2010 value of 20,827.17
- Trading value declined by 3.2% while trading volume increased by 7.5% as against decline of 20.2% and 14% respectively in preceding month of June '10. However, cumulative turnover of 62.5b shares worth N495.8b was recorded from Jan - July 2010 as against 56.61b shares valued at N373.93b in the corresponding period of 2009.
- The market capitalization of the 261 listed securities increased by 1.9% to close at N8.37 trillion as against N8.22 trillion in June '10. The top five equities with market capitalization of N2.08 trillion (up from N2.01 trillion in June '10) were dominated by the banks with four representatives while the Breweries subsector (Nig. Breweries Plc) made the fifth representative. Nigeria Breweries Plc retained its first position as the most capitalized quoted company while Zenith Bank also retained its second position.
- The ranking of 20 most capitalized companies totaled N4.5 trillion in July '10 representing 71.2% of the equity market and up by 2.27% from N4.4 trillion recorded in June '10.

Outlook for next month.

- With increased influx of funds into the system for developmental projects and financing of 2011 election behind the corner we still expect the financial sector to remain saturated with high liquidity. Thus, the interbank rates are still expected to remain low.
- The recent development on AMCON Bill is expected to have a positive impact on the activities in the stock market alongside expectation of more favourable corporate action announcements by quoted companies. We shall however, remain cautious while targeting equities with good fundamentals and prospect for growth.
- We expect increased attraction to sovereign bonds being a safe haven for investors and would therefore continue to actively invest in them for long term and capital gains.

