



June 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	40-mth	41-mth	42-mth	43-mth	44-mth	45-mth	46-mth	
Jul-06	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Cumulative
Unit Price								**
N1.00	N1.60	N1.64	N1.65	N1.71	N1.74	N1.75	N1.77	
% Return	60%	64%	65%	71%	74%	75%	77%	77%

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 June 30, 2010 with a unit price of N1.7713. The Fund assets, invested within regulatory limits, were allocated to Government Securities (61.85%), Corporate Debt (2.92%), Money Market (20.08%), Ordinary Shares (13.96%), and REITS (0.37%).The graph shown in this report represents the performance of the Fund from July 2008 to June 30, 2010.

We are pleased to inform you that we have returned 77% on Funds under our management till date. We are therefore the industry leader in terms of return on investment.

CURRENT ASSET ALLOCATION

Market Overview

Government Securities

- In June '10, turnover of 1.22bn units worth N1.34trillion in 12,091 deals was recorded in the OTC market for Federal Government bonds, as against 782.53m units worth 937.72m during May '10 in 7,039 deals.
- The most active bonds (measured by turnover volume) were: 7th FGN Bond 2013 Series 1 — 250.7m units followed by 6th FGN Bond 2029 Series 5 — 163.6m units.
- During the month of June 2010, two (2) FGN Bonds were delisted namely - 3rd FGN 2011 S 4 and FRN 23rd DS 2010.
- In June 2010, the auctions of 7FGN S1: 3-year, 6FGN S5: 20-year and 7FGN S2: 5-year (all reopening) took place during the month with stop rates of 6.2400%, 8.6900% and 7.6089% 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 June 30, 2010.
- The Inflation rate for May 2010 dropped from 12.50% to 11.00% (Year on Year) and from 11.80% to 11.00% (12-Months Average).
- The Central Bank of Nigeria (CBN) has said that the proposed Asset Management Corporation of Nigeria (AMCON) will clear \$10 billion (about N1.5trillion) of bad loans from the banking system by the end of this year. Thus, AMCON has been given a three (3) months extension for eventual take off.

Stock Market

- The stock market continued on its dwindling performance as its performance indicators dropped further during the month of June '10. The Nigerian Stock Exchange All-Share Index which opened the month at 26,183.21 dropped by 3.05% or 799.07 points to close at 25,384.14 compared to a decline of 0.92% in May '10. The market recorded less Gainers (22) and more Losers (99) during the month. The NSE ASI recorded a cumulative YTD/ return of 21.88% compared to Dec 31, 2010 value of 20,827.17
- Trading value and volume declined by 20.2% and 14% respectively as against decline of 30% and 35% respectively in preceding month of May '10. However, cumulative turnover of 54.83b shares worth N436.97b was recorded from Jan - June 2010 as against 46.4b shares valued at N301.54b in the corresponding period of 2009.
- The market capitalization of the 260 listed securities dropped by 2.5% to close at N8.22 trillion as against N8.425 trillion in May '10. The top five equities with market capitalization of N2.01 trillion (up from N1.92 trillion in May '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 Plc displaced First Bank Plc to occupy second position.
- The ranking of 20 most capitalized companies totaled N4.4 trillion in June '10 representing 71% of the equity market and down by 2.43% from N4.48 trillion recorded in May '10.

Outlook for next month.

- With the expected rise in fiscal expenditure by FGN coupled with emergence of Asset Mgt. Company (AMC) we expect a boost in the financial sector with resultant improvement in the interest rate. Thus we remain set to take advantage of the recovery.
- The foregoings are 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 in year 2010.
- 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.

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.

