

May 2009

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%)

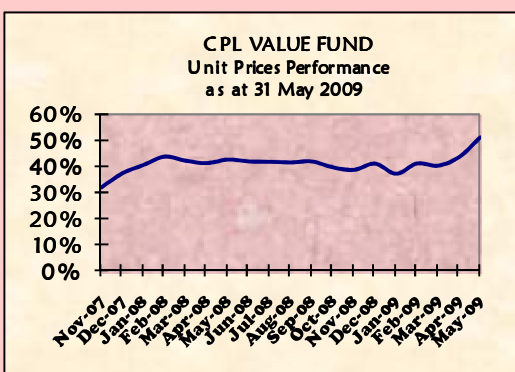
Launch	28-mth	29-mth	30-mth	31-mth	32-mth	33-mth	34-mth	
Jul-06	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	April-09	May-09	Cumulative
Unit Price	N1.00	N1.39	N1.41	N1.37	N1.41	N1.40	N1.43	N1.51
% Return	39%	41%	37%	41%	40%	43%	51%	51%

Investment Objective

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

CPL VALUE FUND

CPL Value Fund closed 31 May 2009 with a unit price of N1.5125. Launched 28 July 2006, the Fund has recorded a cumulative return of 51%. The Fund assets, invested within regulatory limits, were allocated to Government Securities (52.08%), Money Market (33.31%), Ordinary Shares (13.14%), REITS (0.69%) and Call account (0.78%). The graph shown in this report represents the performance of the Fund from August 2007 to 31st May 2009.



CURRENT ASSET ALLOCATION

Industry and Regulatory update

The total number of registered contributors in the Scheme is still less than 4 million.

- Pensions contributions hit N1.1 trillion naira as at December 2008
- Funds transferred from NSITF account to one of the PFAs, Trust Fund Pension in 2004 as enshrined in the Pension Act is due for transfer to beneficiaries respective PFAs at the end of June 2009.
- Contributors to the NSITF whose funds are with Trust Fund Pensions are allowed to move same to their preferred PFAs from July 1, 2009.
- According to PenCom, 86% of the fund with NSITF has already been transferred, while the transfer of the remaining 14% is to be supervised by PenCom beginning from July 1, 2009.
- In order to further safeguard the interest of aged retirees, PenCom has directed that a separate portfolio be created by PFAs for Retirees Fund as distinct from RSA with effect from Feb 1, 2009.

Market Overview

Government Securities

In May '09, turnover of 1.5billion units worth 1.52 trillion in 9,256 deals was recorded in the OTC market for Federal Government bonds, as against 1.31billion shares worth N1.36trillion during April '09 in 9,215 deals.

The most active bond (measured by turnover volume) were:

- 5th FGN Bond 2013 Series 1 — 129.4m units followed by
- 6th FGN Bond 2012 Series 1 — 121.31m units.

During the month of May 2009, the Federal Government through the DMO mobilized N50billion from the market through the sale of FGN Bond.

The auctions of 6FGN S2: 3-year, 5FGN S4: 5-year and 6FGN S3: 20-year (all reopening) which took place during the month had stop rates of 10.50%, 11.20% and 12.49% respectively.

Money Market

The Monetary Policy by Central Bank of Nigeria (CBN) remained as reviewed last month (April '09). The Monetary Policy Rate (MPR), Cash Reserve Ratio (CRR) and Minimum Liquidity Ratio (MLR) remained pegged at 8.00%, 1% and 25% respectively.

Also, lending and Deposit rates for Banks and Discount House remained pegged at a maximum of 22% and 15% respectively.

Stop rates on 91 days, 182 days & 364 days Treasury Bills increased to 3.14%, 5.05% & 6.75% respectively as at May 09, 2009.

NIBOR rates declined as follows (with the exception of 7 days) as at May 27, 2009:

- 7 days @ 15.1667%
- 30 days @ 15.9167%
- 60 days @ 16.0417%
- 90 days @ 16.5000%

The released Inflation figure for April '09 reduced to 13.30% from 14.40% (March 2009).

Stock Market

Equity Investors heaved a sigh of relief in May as most of them earned marginal returns from their investment after about 18 months of depression. This rebound was attributed to rising confidence of investors boosted by impressive performances of some quoted companies.

Trading volume and value rose by 0.1% and 34.23% respectively when compared with preceding month. A turnover of 7.96b shares worth N56.9 billion in 135,499 deals was recorded during the month as against turnover of 7.956b shares worth N42.4billion in 121,940 deals recorded in March 2009. The market capitalization of 295 listed securities rose by 24.81% to close at N9.45 trillion as against N7.57 trillion in March '09. The top five equities with market capitalization of N2.02 trillion were dominated by the banks with three representatives. The Breweries, and Food & Beverages & Tobacco subsectors had one representative each. Banking sub sector remained the most capitalized led by First Bank Plc followed Zenith Bank Plc while Nigerian Breweries moved from second position in April to third position in May '09. The 20 most capitalized companies totaled N4.66 trillion representing 68.8% of the equity market and 49.34% of the entire capitalization, up by 45.63% from the N3.2 trillion in April 2009.

The Nigerian Stock Exchange All-Share Index which opened at 21491.11 rose by 38.2% or 8,209.13 points to close at 29,700.24 in May '09 compared to an increase of 8.261% in April 2009. The market recorded more Gainers and less Losers as in preceding month.

Unlike the previous month, the stock market recorded a positive return of 6.92% on a dividend-adjusted basis, in May '09 compared to a negative return of 5.03% in April '09.

Outlook for next month.

- We expect a renewed favourable drift towards the stock market due to improved performances of quoted companies and upward market trend.
- We anticipate the release of favourable Corporate Announcements of companies with April and May Year Ends to the market.
- We expect increased attraction to sovereign bonds as it protects the principal investment and guarantee modest return on them.

