

Strategy Overview

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

• Govt. Securities

i. Fed Govt. (Including FGN Eurobonds) (80%)

ii. State/ Local Govt. (20%) - Guaranteed/ ISPO

iii. State/ Local Govt. (3%) - Not Guaranteed

• Corporate Bond/Debt (35%)

• Supra-national Bonds (20%)

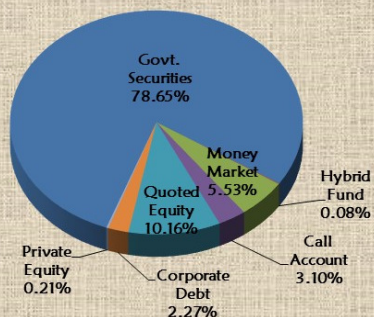
• Infrastructural Funds (5%)

• Money Market Instruments (35%)

• Ordinary Share (including GDRs) (25%)

• Private Equity (5%)

CURRENT ASSET ALLOCATION



Industry and Regulatory Update

- The total value of pension industry assets under the Contributory Pension Scheme (CPS) as at July 31, 2016 has risen to approximately 5.82trillion.
- The National Pension Commission (PenCom) has released the Draft Guideline on Withdrawal from RSA towards Equity Contribution for Payment of Residential Mortgage.
- The new Pension Reform Law 2014 has made it compulsory for State and Local Governments to adopt the CPS for the benefit of their employees.
- PenCom has reiterated on the right of Public and Private sector employees to Life Insurance Policy taken on their behalf by their employers while also directing the employers to provide evidence of compliance with the policy.
- The amended pension reform act 2014 has reviewed the minimum contributions upward to 18% from 15% such that employer and employee contributions are now 10% and 8% respectively. Also, it has expanded the contribution base by stipulating a new minimum of 3 rather than 5 employees for employers to enroll in the scheme.
- NSITF-All individuals who had worked in organizations that contributed to the defunct NPF/NSITF schemes should contact us at info@crusaderpensions.com or 01-2713800-4 for further information on the transfer of their NSITF contributions.
- Contributors with changes in personal and employment details should contact us at the above address or through our website: www.crusaderpensions.com.

Launch	116-mth	117-mth	118-mth	119-mth	120-mth	121-mth	122-mth	
Jul-06	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Cumulative
Unit Price N1.00	N2.83	N2.86	N2.90	N2.98	N3.02	N3.02	N3.03	***
% Return	183%	186%	190%	198%	201%	202%	203%	203%

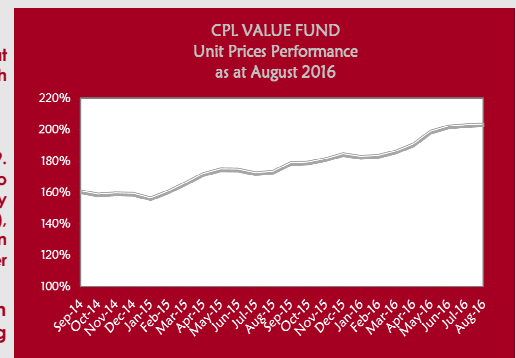
Investment Objective

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 August 31, 2016 with a unit price of N3.0289. The Fund assets, invested within regulatory limits, were allocated to Government Securities (78.66%), Corporate Debt (2.27%), Money Market (5.53%), Quoted Equities (10.16%), Hybrid Fund/ REITs (0.08%), Private Equities (0.21%) and Call Account (3.10%). The graph shown in this report represents the performance of the Fund from September 2014 to August 31, 2016.

We are pleased to inform you that we have returned 203% on Funds under our management till date and we remain among the industry leader in terms of return on investment.



Market Overview

Macroeconomic Indicators

- Real GDP declined by 2.06% in Q2, 2016 as against the decline of 0.36% in Q1, 2016 bringing the economy into technical recession.
- At the interbank market, the Naira appreciated to N316.24/USD in August 2016 as against N319.75/USD in July 2016. The parallel market rate however, weakened to N420/\$ in August 2016 from N380/\$ in July 2016.
- The foreign reserves dropped further to USD25.44bn in August 2016 from USD26.21bn in July 2016.
- Brent crude price appreciated to close at USD46.89pb in August 2016 from USD42.25pb in July 2016.
- The MPR was reviewed upward to 14% while the CRR was also left unchanged at 22.5%.
- Inflation (YoY) for July 2016 increased to 17.10% from 16.50% in June 2016.

Government Securities

- The Auction of 14.50% FGN Feb 2021 (5-year) re-opening, 12.50% FGN Jan 2026 (10-year) re-opening and 12.40% FGN Mar 2036 (20-year) re-opening, took place during the month of August 2016 and successful bids were allotted at higher rates of 15.08%, 15.28% and 15.53% respectively as against previous stop rates of 14.50%, 14.90%, and 14.98% respectively.

Money Market

- The average market rates for August 2016 closed higher than in July 2016 due to system illiquidity for most part of the month.
- The OBB and the O/N rates for August 2016 closed higher at 16.00% and 18.00% respectively as against 3.75% and 4.25% respectively in July 2016.
- The NIBOR rates for 30, 90 and 180 days also closed higher at 16.85%, 17.68% and 20.40% respectively in August 2016 as against 15.36%, 17.17% and 19.47% respectively in July 2016.

Stock Market

- The Nigerian Stock Exchange All-Share Index (ASI) which opened the month at 28,009.93 closed lower at 27,599.03 in August 2016. The ASI decreased by 1.47% compared to an increase of 5.36% in July 2016. It also, recorded a cumulative YTD decline of 3.64%.
- The monthly traded volume and value increased by 9.83% and 25.49% respectively as against the decrease of 33.62% and 39.81% respectively in the preceding month of July 2016.
- The market capitalization of all listed equities also decreased by 1.47% at the end of August 2016 to close at 9.479trillion compared to 9.620trillion at the end of July 2016.
- Building sub-sector retained its position as the most capitalized in the market at the end of August 2016.

Market News

- The Central Bank of Nigeria (CBN) has directed banks to allow customers with BVN to deposit cheques into their saving accounts.
- The FGN plans to peg oil benchmark at \$42.5 in 2017 and \$50 in 2018-2019 appropriation years respectively as part of its MTEF policy.
- The CBN has instructed all Authorized FX Dealers/banks to allocate 60 percent of all forex purchases from all sources to manufacturers.
- South Africa overtook Nigeria as the largest economy (in dollar terms) two years after close chase.
- The nation's economy officially enters recession as inflation figure peaked at 17.1 percent with GDP declining by 2.06 percent.
- The outstanding eight (8) banks suspended from the FX market by the CBN on the ground of default in respect of NLNG & NNPC deposit meant for FGN Treasury Single Account (TSA) were re-admitted after due consideration.

Outlook for next month.

- We expect market rates to trend upward in response to higher July inflation. We shall continue to monitor the market and also, invest in the short to medium term as market opportunity arises.
- We expect volatile equities market with bearish sentiments in view of opportunity cost of higher yields in fixed income. We shall continue to monitor the market for stocks with strong fundamentals, good corporate governance and high returns.
- We expect highly bearish government securities market in view of higher inflation for July 2016. We shall continue to track the market closely to take advantage of good yields in the market.