

### 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%)

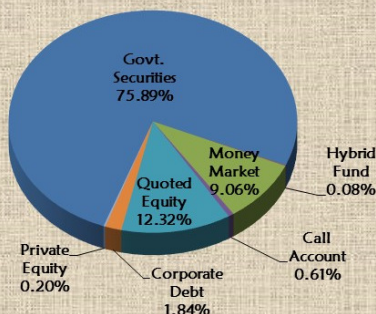
#### • Infrastructural Funds (5%)

#### • 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 Nov 30, 2015 has risen to approximately 5.220 trillion.
- 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	113-mth	114-mth	115-mth	116-mth	117-mth	118-mth	119-mth	
Jul-06	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Cumula-
Unit Price N1.00	N2.81	N2.84	N2.82	N2.83	N2.86	N2.90	N2.98	***
% Return	181%	184%	182%	183%	186%	190%	198%	198%

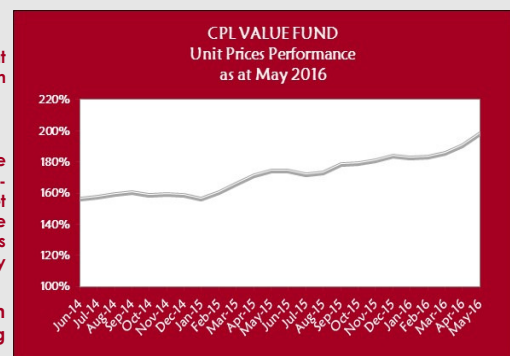
### Investment Objective

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 May 31, 2016 with a unit price of N2.9833 The Fund assets, invested within regulatory limits, were allocated to Government Securities (75.89%), Corporate Debt (1.84%), Money Market (9.06%), Quoted Equities (12.32%), Hybrid Fund/ REITs (0.08%), Private Equities (0.20%) and Call Account (0.61%). The graph shown in this report represents the performance of the Fund from June 2014 to May 31, 2016.

We are pleased to inform you that we have returned 198% 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 0.36% in Q1, 2016 as against the growth of 2.11% in Q4, 2015.
- At the NIFEX, the Naira remained stable to close at N199.05/USD in May 2016 as against N198.99/USD in April 2016. The parallel market rate however, weakened to N350/\$ in May 2016 from N323/\$ in April 2016.
- The foreign reserves dropped further to USD26.39bn in May 2016 from USD27.09bn in April 2016.
- Brent crude price further strengthened to USD49.89pb in May 2016 from USD47.74pb in April 2016.
- The MPR was retained at 12% while the CRR was also left unchanged at 22.5%.
- Inflation (YoY) for April 2016 increased to 13.70% from 12.80% in March 2016.

#### Government Securities

- FGN Bonds worth N0.686trn were traded in 3,364 deals during the month of May 2016 as against N0.679trn in 3,936 deals in April 2016.
- The Auction of 15.54% FGN Feb 2020 (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 May 2016 and successful bids were allotted at higher rate of 13.2490%, 13.7430%, and 13.9000% respectively.

#### Money Market

- The average market rates for May 2016 closed higher than in April 2016 due to system liquidity that was largely moderated.
- The OBB and the O/N rates for May 2016 closed slightly lower at 3.00% and 3.50% respectively as against 3.50% and 3.54% respectively in April 2016.
- The NIBOR rates for 30, 90 and 180 days also closed higher at 9.36%, 11.65% and 13.13% respectively in May 2016 as against 8.20%, 10.39% and 12.05% respectively in April 2016.

#### Stock Market

- The Nigerian Stock Exchange All-Share Index (ASI) which opened the month at 25,062.41 closed higher at 27,663.16 in May 2016. The ASI increased by 10.38% compared to an decrease of 0.96% in April 2016. It also, recorded a cumulative YTD decline that moderated to 3.42%.
- The monthly traded volume decrease by 23.96% while traded value increased by 67.03% respectively as against the decrease of 31.02% and 30.47% respectively in the preceding month of April 2016.
- The market capitalization of all listed equities increased by 10.20% at the end of May 2016 to close at 9.500trillion compared to 8.621trillion at the end of April 2016.
- Building sub-sector retained its position as the most capitalized in the market at the end of May 2016.

### Market News

- The Presidency gave final consent to the year 2016 fiscal budget.
- Sporadic vandalization of oil companies facilities were carried out by the Niger Delta militants.
- The FGN removed subsidy on PMS/Petrol bringing new pump price within the bands of N135 – N145 per litre from N86 per litre.
- A faction of the NLC embarked on a subtle protest strike following FGN's removal of subsidy on petrol.
- The MPC of the CBN gave signal of partial naira devaluation by promising a flexible interbank forex market subject to further guidelines.
- The nation's economy witnessed downturn as reflected in the weak macroeconomic indicators such as negative GDP, rising CPI and declining PMI.
- The CBN has further extended the deadline for BVN enrollment for Nigerian customers in Diaspora to 30th June 2016.

### Outlook for next month.

- We expect market rates to increase in response to the increasing inflation figures coupled with the rally towards the end of 2<sup>nd</sup> quarter of financial institutions. We shall continue to monitor the market and also, invest in the short to medium term as market opportunity arises.
- We expect an active but volatile equities market in view of uncertainties surrounding the implementation of flexible FX regime. We shall continue to monitor the market for stocks with strong fundamentals, good corporate governance and high returns.
- We expect a cautious Bonds market in view of expected higher May inflation figure and upcoming June 2016 auction calendar. We also expect T-Bills market to continue its bullish run but later revert to profit taking and alignment of yields to expected increase in May inflation. We shall continue to track the market closely to take advantage of good yields in the market.