

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%)

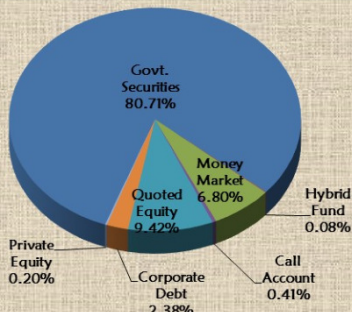
• Infrastructural Funds (5%)

• 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	118-mth	119-mth	120-mth	121-mth	122-mth	123-mth	124-mth	
Jul-06	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Cumulative
Unit Price N1.00	N2.90	N2.98	N3.02	N3.02	N3.03	N3.05	N3.07	***
% Return	190%	198%	201%	202%	203%	205%	207%	207%

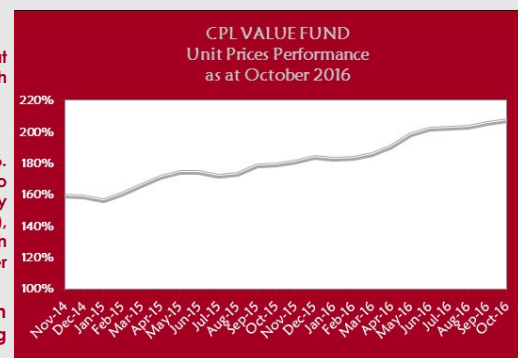
Investment Objective

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 October 31, 2016 with a unit price of N3.0686. The Fund assets, invested within regulatory limits, were allocated to Government Securities (80.71%), Corporate Debt (2.38%), Money Market (6.80%), Quoted Equities (9.42%), Hybrid Fund/ REITs (0.08%), Private Equities (0.20%) and Call Account (0.41%). The graph shown in this report represents the performance of the Fund from November 2014 to October 30, 2016.

We are pleased to inform you that we have returned 207% 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 recession.
- At the interbank market, the Naira appreciated to N310.87/USD in October 2016 as against N315.00/USD in September 2016. The parallel market rate also strengthened to close at N470/\$ in October 2016 from N475/\$ in September 2016.
- The foreign reserves dropped further to USD23.95bn in October 2016 from USD24.57bn in September 2016.
- Brent crude price depreciated to close at USD48.61pb in October 2016 from USD50.04pb in September 2016.
- The MPR was retained at 14% while the CRR was also left unchanged at 22.5% and liquidity ratio at 30%.
- Inflation (YoY) for September 2016 increased to 17.90% from 17.60% in August 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 October 2016 and successful bids were allotted at lower rates of 15.2990%, 15.4771% and 15.4880% respectively as against previous stop rates of 15.14%, 15.53% and 15.59% respectively.

Money Market

- The average market rates for October 2016 closed higher than in September 2016 due to system liquidity squeeze .
- The OBB and the O/N rates for October 2016 closed higher at 15.50% and 16.75% respectively as against 14.33% and 14.83% respectively in September 2016.
- The NIBOR rates for 30 and 90 and 180 days closed higher at 19.29%, 20.48% and 21.64% respectively in October 2016 as against 18.90%, 19.84% and 20.35% respectively in September 2016.

Stock Market

- The Nigerian Stock Exchange All-Share Index (ASI) which opened the month at 28,335.40 closed higher at 27,220.09 in October 2016. The ASI decreased by 3.94% compared to an increase of 2.67% in September 2016. It also, recorded a cumulative YTD decline of 4.97%.
- The monthly traded volume and value decreased by 53.87% and 32.43% as against the increase of 41.43% and decrease of 19.49% respectively in the preceding month of September 2016.
- The market capitalization of all listed equities also decreased by 3.94% at the end of October 2016 to close at 9.350trillion compared to 9.733trillion at the end of September 2016.
- Building sub-sector retained its position as the most capitalized in the market at the end of October 2016.

Economic News

- FG has estimated a budget of N6.8trn for 2017 which is over 13 percent above that of 2016.
- IMF has downgraded Nigeria's growth forecast for 2017 from erstwhile 1.1 percent to 0.6 percent. Meanwhile Fitch projects a growth rate of 2.6 percent.
- The Nigeria government's dialogue with the restive militants via the Niger Delta Leaders has progressed as FG plans \$10bn infrastructure development fund for the region.
- The IMF affirms Nigeria as the Africa's biggest economy ahead of South Africa and Egypt.
- Moody's International announced that top five (5) Nigerian banks face common credit challenges due to weakening domestic operating environment. They are Zenith, GTB, Access, UBA and FBN.
- The country witnessed the release of 21 out of about 300 Abducted Chibok School girls by the Boko Haram sect following negotiation under the auspices of international agencies.

Outlook for next month.

- We expect market rates to increase as banks prepare to tidy up for last quarter of the year amidst liquidity challenges. We shall continue to monitor the market and also, invest in the short to medium term as market opportunity arises.
- We expect moderately volatile equities market with tendencies to bargain hunting in view of Q3, 2016 earning season. We shall continue to monitor the market for stocks with strong fundamentals, good corporate governance and high returns.
- We expect active government securities market to remain largely active in view of higher yields and as a safe haven for investors. We shall continue to track the market closely to take advantage of good yields in the market.