

UNITHOLDERS' UPDATE

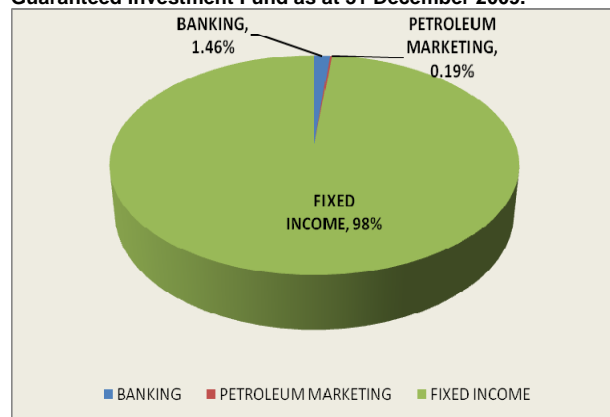
The Stanbic IBTC Guaranteed Investment Fund ("SIGIF") opened the quarter at an offer price of ₦111.41 and closed at an offer price of ₦114.84 thereby appreciating by 3.08%. However, the fund opened the year at an offer price of ₦98.53 and closed the year at ₦114.84, thus, appreciating by 16.55%. This compares favourably to the 364-day Treasury bill rate, which closed at 5.299%. The SIGIF thereby outperformed its benchmark index by 11.20% on a year-to-date basis.

The SIGIF guarantees the principal amount against diminution in value provided the units are held for a minimum period of three months. The SIGIF is therefore ideal for risk-averse investors who want to hedge their exposures in the stock market over the medium to long term.

PORTFOLIO COMPOSITION

In accordance with the Trust Deed, The Fund invests a minimum of 75% of its assets in fixed income securities and a maximum of 25% in equities. As at 31 December 2009, the asset allocation of the Fund was 98.35% in Fixed Income Securities and 1.65% in equities.

Figure 1 shows the portfolio mix held by The Stanbic IBTC Guaranteed Investment Fund as at 31 December 2009.



ECONOMIC REVIEW

During the quarter, the Federal Government and the Central Bank of Nigeria ("CBN") introduced a series of measures to further stimulate the economy. The Federal Executive Council approved a \$2 billion fiscal stimulus from the excess crude reserves aimed at stimulating productive activities by paying existing contractors' debts and boosting local spending. Similarly, the CBN in conjunction with the Ministry of Finance sent a bill to set up an Asset Management Company ("AMC") to the National Assembly for ratification. The AMC, which is expected to provide liquidity into the financial system through the purchase of toxic assets on the banks' balance sheets, will probably be signed into law in early 2010.

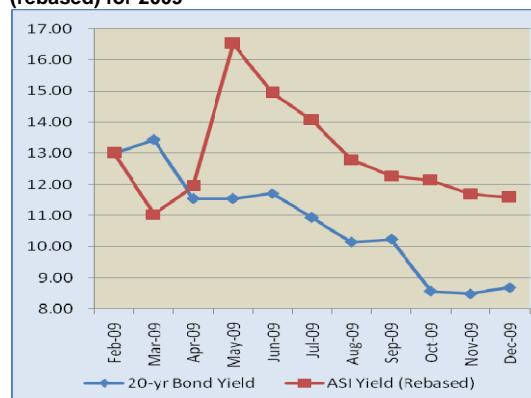
The Monetary Policy Rate ("MPR") was maintained at 6% with a new corridor of 400 basis points below the MPR for Standing Deposit Rate (SDR) and 200 basis points above the MPR for Standing Lending Facility (SLF). The ban placed by the CBN on use of Bankers' Acceptances (BAs) and Commercial Papers (CPs) was removed and new guidelines aimed at standardising the issuance of BA's and CP's were introduced. Also, the 1% general provision on performing loans contained in the existing prudential guidelines for banks has been waived. In addition, the guarantee by the CBN for inter-bank placements and Pension Funds' was extended to 31 December 2010.

The inflation rate which was at 10.4% as at September 2009 increased to 11.6% in October 2009 and by the end of the quarter the rate inched up further to 12.4%. We also expect inflation rate to inch

upwards in the upcoming quarter due to the proposed deregulation of the oil sector, expansionary nature of 2010 budget and the quantitative easing to the tune of ₦500 billion by the CBN to fund the budget shortfall as well as provide liquidity for the AMC.

The foreign exchange rate which was ₦150.90 at the beginning of the quarter hovered between ₦148.10 and ₦150.00 throughout the period before closing at ₦150.70. The foreign reserve also declined from US\$53 billion as at December 2008 to US\$42.47 billion as at December 2009 as a result of the decline in global commodity prices and the restiveness in the Niger Delta in H1 2009. However, following the successful implementation of the Amnesty program by the FGN, we expect to witness an improvement in crude oil production and oil receipts.

Figure 2 shows the yield on 20-year bond and the ASI (rebased) for 2009



During the quarter under review, the Debt Management Office ("DMO") sold a total of ₦114.44 billion worth of 3, 5, and 20 years FGN Bonds. As a result of increased liquidity in the system, the 3, 5, and 20 years Bonds which opened the quarter at yields of 7.88%, 8.14% and 10.39% respectively, closed at 6.75%, 8.32% and 8.50% respectively

TWO NEW MUTUAL FUNDS

We introduced two fixed income mutual funds during the quarter— the Stanbic IBTC Money Market Fund ("SIMM Fund") and the Stanbic IBTC Bond Fund ("SIBOND Fund"). The SIMM and SIBOND Fund, which is designed for risk averse investors, will seek to achieve competitive returns by pooling funds together to obtain a stronger bargaining power in the fixed income markets whilst offering security, diversification and liquidity.

OUTLOOK

On the political landscape, we expect that as the country approaches the general elections in 2011, political risk and uncertainty will heighten as electioneering commences.

Interest rates should continue to trend downwards, as the CBN continues to intensify efforts to enhance liquidity to strengthen the financial system. The Petroleum Industry Bill should also increase local participation and enhance efficiency in the oil sector. Thus, we expect an improvement in the overall fiscal environment in 2010.

The Fund Manager will continue to exploit the positive developments in various sectors of the financial market in line with the tenets of the trust deed to achieve sustainable performance of the Fund.

Key figures as at 31 December 2009

All Share Index
-5.61% (Q4)

91-Day Treasury Bill
3.399%

364-Day Treasury Bill
5.299%

3-Year FGN Bond
7.37%

NAV per unit
₦114.84

No. of Unitholders:
2,428

Benchmark:
364-Day Treasury Bill

Status of Fund:
Open Ended

Launch Date:
December 2007

Base currency:
Naira

Fund Manager:

Stanbic IBTC Asset Management Limited

The Stanbic IBTC Guaranteed Investment Fund is listed on the Nigerian Stock Exchange. Under normal market conditions, stock prices will fluctuate and past performance provides no guarantee of the future.

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