

MACRO ECONOMIC UPDATE



GLOBAL

- China's Consumer Price Index (CPI) rose by 0.6% YoY in August 2024 after reporting a 0.5% YoY growth in July 2024. Food (+2.8% YoY) and Core (+0.3% YoY) prices recorded increases. On a MoM basis, the CPI came in at 0.4% MoM in August July's 0.5% MoM acceleration.
- In the UK, headline CPI rose by 2.2% YoY in August 2024, unchanged from July 2024. On a MoM basis, CPI rose by 0.3% in August 2024, the same rate as in August 2023.
- In September, the global equities market was mixed. While the SHCOMP (+17.39% MoM), NASDAQ (+2.68% MoM), S&P 500 (+2.02% MoM) and EURO STOXX 50 (+0.86% MoM) recorded gains, the NIKKEI 225 (-1.88% MoM) and FTSE 100 (-1.67% MoM) closed negative.

DOMESTIC

- At the 297th CBN MPC meeting held on the 23rd and 24th of September 2024, the committee hiked interest rate by 50bps to 27.25% and CRR of deposit money banks to 50% while other parameters remained constant.
- Nigeria's trade surplus rose by 33.63% QoQ to NGN6.95trn in Q2:2024, from NGN5.20trn in Q1:2024. This was driven by higher exports (+1.31% QoQ to NGN19.42trn) and lower imports (-10.71% QoQ to NGN12.47trn). However, total trade value declined by 3.76% QoQ to NGN31.89trn.
- Headline inflation declined for the second consecutive month, by 125bps to 32.15% YoY from 33.40% YoY in July. This was driven by a sharp fall in food inflation by 201bps to 37.52% YoY. However, core inflation rose by 12bps to 27.58% YoY. Likewise, headline inflation cooled to 2.22% MoM in August from 2.28% MoM in July, due to food inflation easing by 10bps to 2.37% MoM. Core inflation, however, rose by 11bps to 2.27% MoM.
- The Stanbic IBTC PMI remained relatively unchanged in September, remaining contractionary as it printed at 49.8pts compared to 49.9pts in August 2024. Businesses continued to grapple with difficult demand conditions, primarily driven by the inflationary environment, depreciation of the naira, and other macroeconomic headwinds.

FIXED INCOME

Primary Market

- In September 2024, the Central Bank of Nigeria (CBN) held three (3) Treasury bill auctions, with the total amount on offer decreasing to NGN622.73bn, down from NGN626.06bn in August. The average stop rate fell to 17.80%, compared to 19.70% in August, while the bid-to-cover ratio rose significantly to 2.22x. The CBN sold NGN622.84bn worth of Treasury bills in September, up from NGN507.12bn in August.
- At the September FGN bond auction, the Debt Management Office (DMO) offered NGN190bn in bonds across the reopening of the APR-2029 (NGN70bn), FEB-2031 (NGN70bn), and MAY-2033 (NGN50bn) instruments. The average stop rate and bid-to-cover ratio declined to 19.68% and 2.18x, respectively. In the end, The DMO sold NGN264.52 billion worth of bonds.
- In the Open Market Operation (OMO) auction held in September, the CBN offered NGN500bn worth of OMO bills across all tenors. The average bid-to-cover ratio declined significantly to 0.51x, compared to 1.53x at the previous auction. Additionally, the average stop rate surged by 249bps MoM to 8.12%, up from 7.29% in August. The CBN successfully sold NGN252.90bn worth of OMO bills.

Secondary Market

- The Nigerian Fixed Income Market closed 2024 on a negative note, as the average yield increased by 26bps MoM to 20.35%. The NT-Bills market recorded a sharp rise in average yields, climbing 71bps to 21.92%, while FGN Bonds saw a modest decline of 18bps MoM, reducing the average yield to 18.77%.

EQUITIES

- In September 2024, the Nigerian equities market made a rebound as the NGX All Share Index (NGX ASI) gained 2.22% MoM to 98,558.79 points (vs. -1.22% MoM to 96,580.01 points in August 2024). Consequently, the year-to-date (YtD) return increased to 31.81% from 29.16% YtD in August 2024.
- On a sectoral basis, the Banking (+10.18% MoM), Oil and Gas (+6.97% MoM) and Insurance (+1.36% MoM) sectors closed positive, while the Industrial Goods (-1.25% MoM) and Consumer Goods (-0.69% MoM) sectors ended the month negative.



Mutual Fund Performance

September 2024

AGGRESSIVE GROWTH FUND



Fund Objective:

- ❖ The objective of the Fund is to provide long term capital growth opportunities for investors with a high-risk tolerance.

Investment Approach:

- ❖ The ARM Aggressive Growth Fund is an open-ended fund with a permissible investment limit of 70% - 100% in stocks of companies quoted on the Nigerian Stock Exchange.
- ❖ A top-down approach is used in the stock selection into the Fund.
- ❖ The Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme under the Investments & Securities Act 1990.

Fund Details	
Benchmark	NGX30 Index
Comparable	FMAN List of Equity Funds
Custodian	Rand Merchant Bank Limited
Trustee	FBNQuest Trustees Nigeria Limited
Launch Date	2007
AuM	₦3.77 Billion
Management Fee	1.5% of Net Asset Value
Annual Expense Ratio (YtD)	2.24%
Min Initial Investment	₦ 50,000.00
Incentive Fee	Maximum of 20% of excess returns above benchmark
Portfolio Allocation	Equity (70% - 100%): Fixed Income (0-30%)

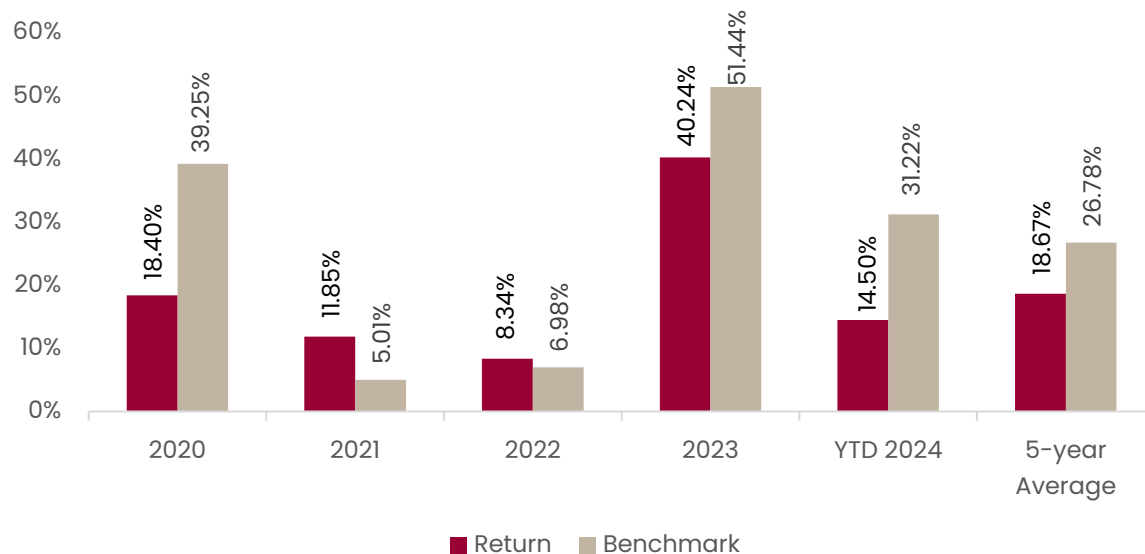
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Financial Services	29%	OVERWEIGHT
Industrials	27%	OVERWEIGHT
Consumer Goods	14%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	23%	OVERWEIGHT
ACCESS	15%	OVERWEIGHT
BUAFOODS	9%	UNDERWEIGHT

AGGRESSIVE GROWTH FUND

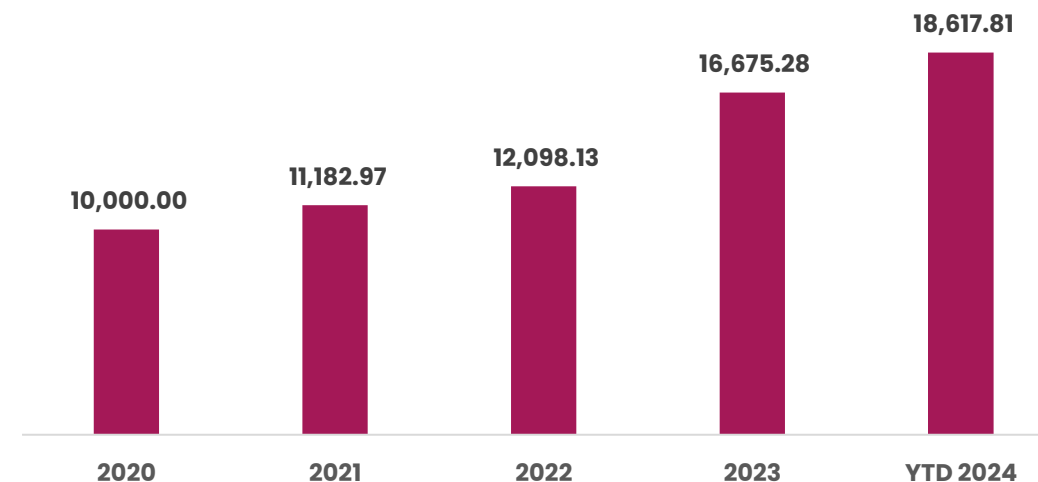


Fund Performance

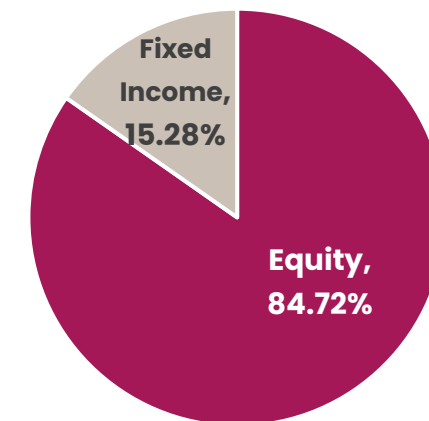


	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	18.40%	11.85%	8.34%	40.24%	14.50%	18.67%
Benchmark	39.25%	5.01%	6.98%	51.44%	31.22%	26.78%

Growth of N10,000 investment from 31/12/2020 to Date



Asset Allocation



Portfolio Analysis	
Portfolio Beta	1.09
Number of Stocks	22
Monthly Relative Returns	1.04%
Dividend Yield (2023)	2.50%

DISCOVERY BALANCE FUND



Fund Objective:

- ❖ The fund objective is to provide long term capital growth opportunities for investors with a medium risk tolerance.

Investment Approach:

- ❖ The ARM Discovery Balance Fund is an open-ended fund that invests in equities on the Nigerian Stock Exchange and domestic fixed income securities.
- ❖ A top-down approach is used in the variable and non-variable income assets selection into the Fund.
- ❖ The Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme under the Investments & Securities Act 1990.

Fund Details	
Benchmark	NGXASI:40%, NITTY:40%, FGN 2YR BOND 20%
Comparable	FMAN List of Balanced Funds
Custodian	Rand Merchant Bank Limited
Trustee	FBNQuest Trustees Nigeria
Launch Date	1995
AuM	₦6.56 Billion
Annual Expense Ratio (Ytd)	2.18%
Min Initial Investment	₦10,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark
Asset Allocation	Equity (40%-60%): Fixed Income (40%-60%)
Risk Profile	Moderate

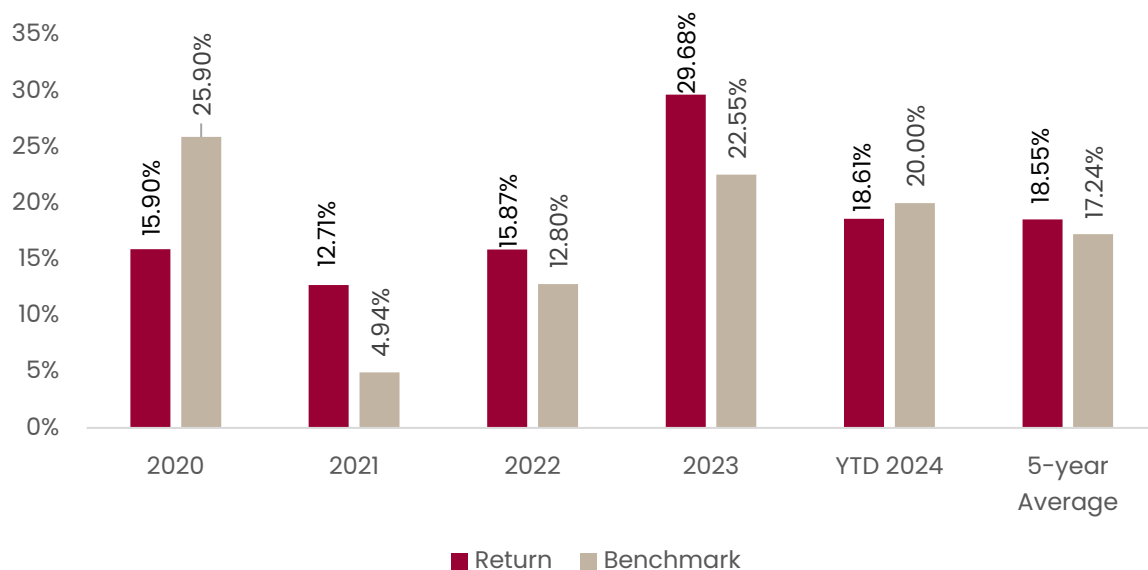
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Financial Services	22%	OVERWEIGHT
Industrials	16%	OVERWEIGHT
Consumer Goods	10%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	11%	OVERWEIGHT
ACCESSCORP	11%	OVERWEIGHT
UBA	8%	OVERWEIGHT

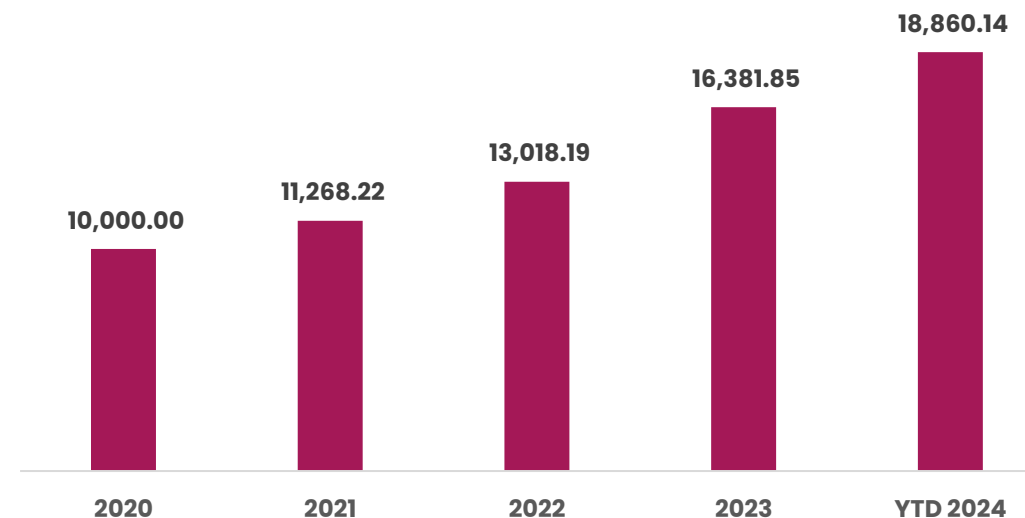
DISCOVERY BALANCE FUND



Fund Performance



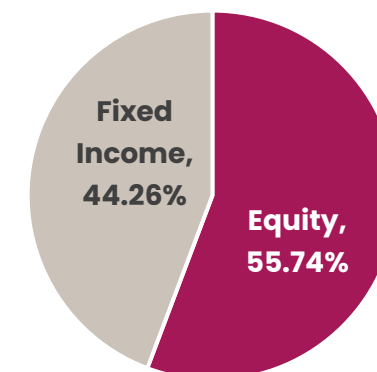
Growth of N10,000 investment since 31/12/2020



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	12.71%	15.87%	29.68%	18.61%	18.55%
Benchmark	25.90%	4.94%	12.80%	22.55%	20.00%	17.24%

Portfolio Analysis	
Portfolio Beta	1.08
Number of Stocks	22
Monthly Relative Returns	1.30%
Dividend Yield (2023)	3.00%

Asset Allocation



Ethical Fund: Shari'ah Compliant

Fund Objective:

The primary objective of the Fund is to achieve long-term capital appreciation and income distribution through investments in a select portfolio of securities and assets in accordance with the principles of Islamic finance and ethical values. The Fund is suitable for investors who wish to achieve long-term capital growth on their investments and have a medium investment risk appetite.

Investment Approach:

- ❖ Invest in Shari'ah compliant equities on the Nigerian Stock Exchange.
- ❖ Invest in investment grade Shari'ah compliant alternative instruments.
- ❖ The Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme under the Investments & Securities Act 1990.

Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Consumer Goods	26%	OVERWEIGHT
Industrials	11%	UNDERWEIGHT
Telecoms	8%	OVERWEIGHT

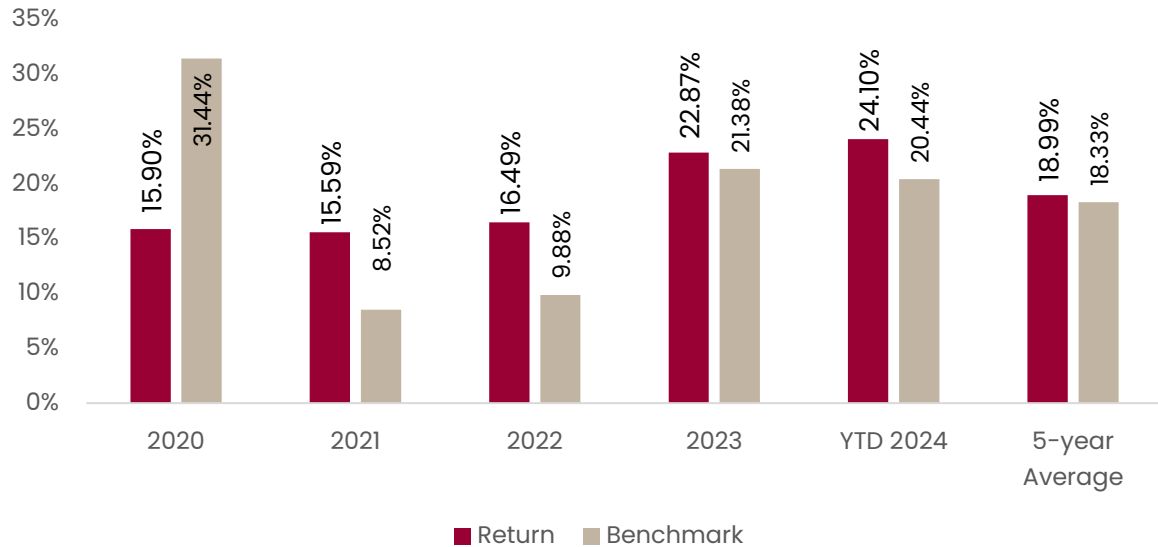
Fund Details	
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Comparable	FMAN List of Ethical Funds
Custodian	Rand Merchant Bank Limited
Trustee	Royal Exchange Plc
Launch Date	2004
AuM	₦982 Million
Annual Expense Ratio (YtD)	2.22%
Management Fee	1.5% of Net Asset Value
Min Initial Investment	₦10,000.00
Incentive Fee	Maximum of 20% of excess returns above benchmark
Asset Allocation	Equity (40%-60%): Alternative Investment (40%-60%)
Risk Profile	Medium

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
BUAFOODS	15%	OVERWEIGHT
OKOMUOIL	7%	OVERWEIGHT
DANGCEM	6%	UNDERWEIGHT

Ethical Fund: Balanced (Shari'ah Based)

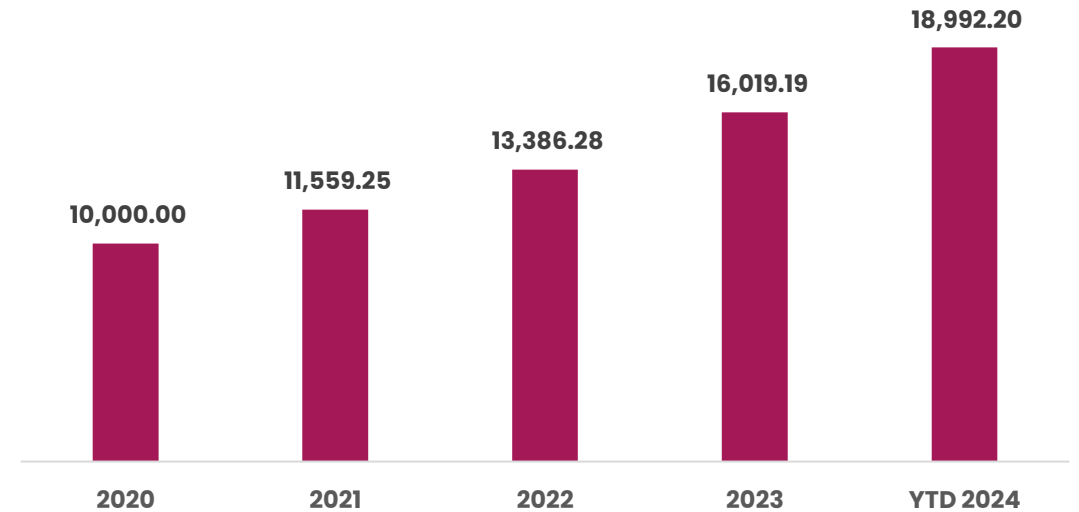


Fund Performance

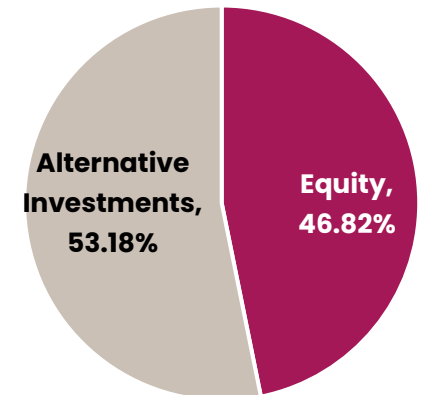


	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	15.59%	16.49%	22.87%	24.10%	18.99%
Benchmark	31.44%	8.52%	9.88%	21.38%	20.44%	18.33%

Growth of N10,000 investment since 31/12/2020



Asset Allocation



Portfolio Analysis	
Portfolio Beta	0.67
Number of Stocks	11
Monthly Relative Returns	0.39%
Dividend Yield (2023)	3.00%

ARM Short-Term Bond Fund

FUND STRUCTURE

The ARM Short Term Bond Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond instruments.

FUND OBJECTIVE

The primary objective of the Fund is to provide investors with competitive returns and diversification benefits through investment in Naira denominated short to medium term investment grade fixed income securities such as money market instruments, FGN and Corporate bonds with a maximum duration of 3 years.

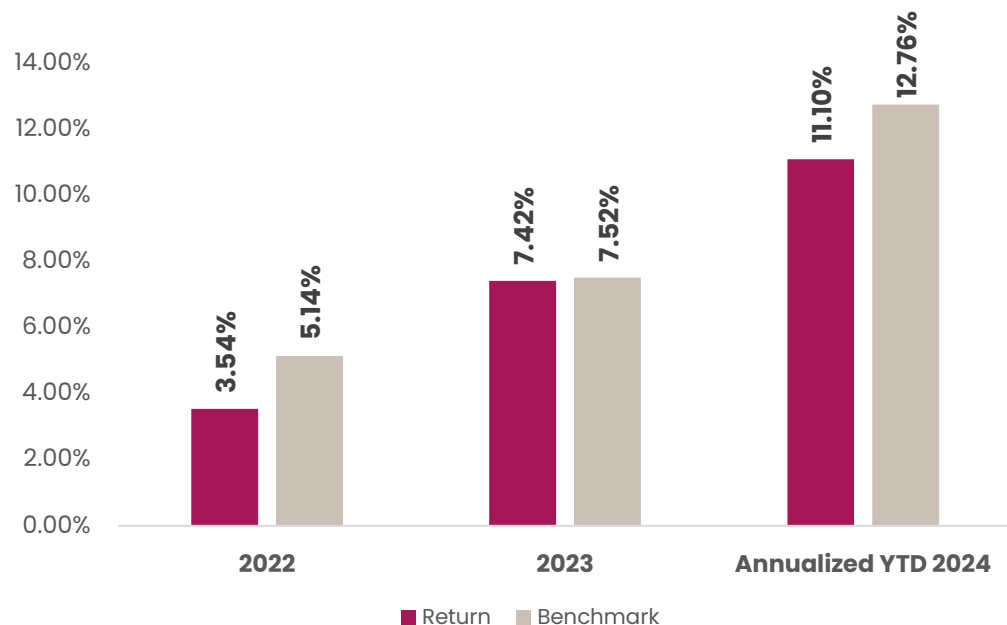
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦833.22m
Expense Ratio	2.50%
Initial Investment	₦10,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum 20% of excess returns above benchmark

Portfolio Analysis	
Risk Profile	Medium
Fund Duration	1.42
Holding Yield	15.34%
Dividend Yield (2023)	6.76%

ARM Short-Term Bond Fund

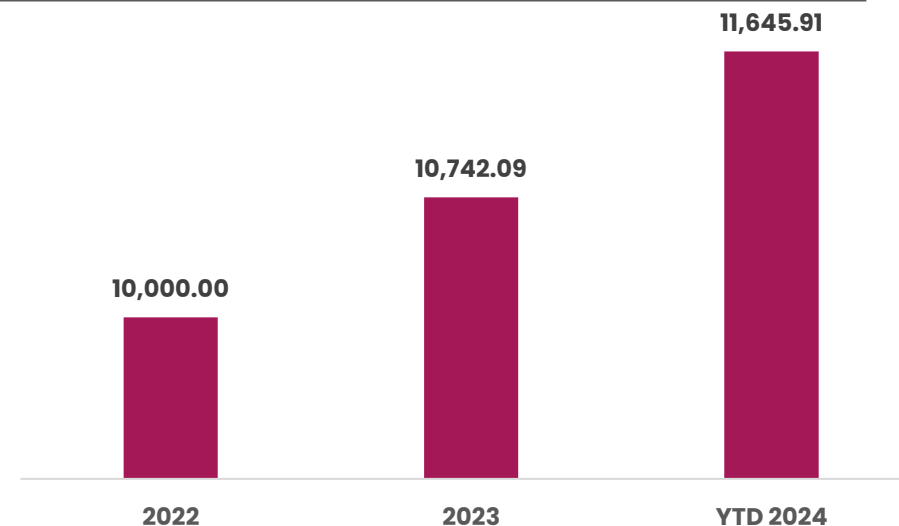


Fund Performance

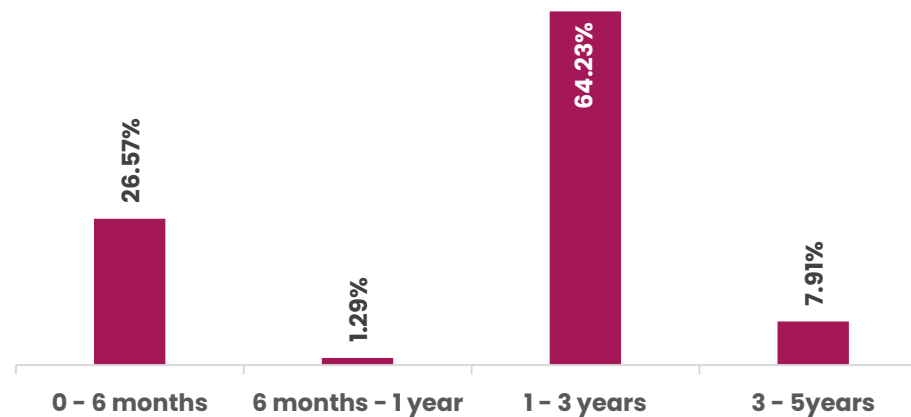


	2022	2023	Annualized YTD 2024
Annual Net Returns	3.54%	7.42%	11.10%
Benchmark	5.14%	7.54%	12.76%

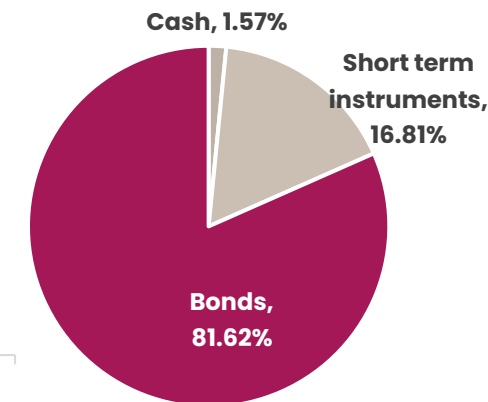
Growth of N10,000 investment since 31/12/22 to Date



Maturity Profile



Asset Allocation



ARM Fixed Income Fund



FUND STRUCTURE

The ARM Fixed Income Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond instruments.

FUND OBJECTIVE

The primary objective of the Fund is to help investors achieve their medium to long-term investment goals by investing in investment grade fixed income securities such as FGN, corporate bonds, and short-term fixed income instruments.

Fund Details

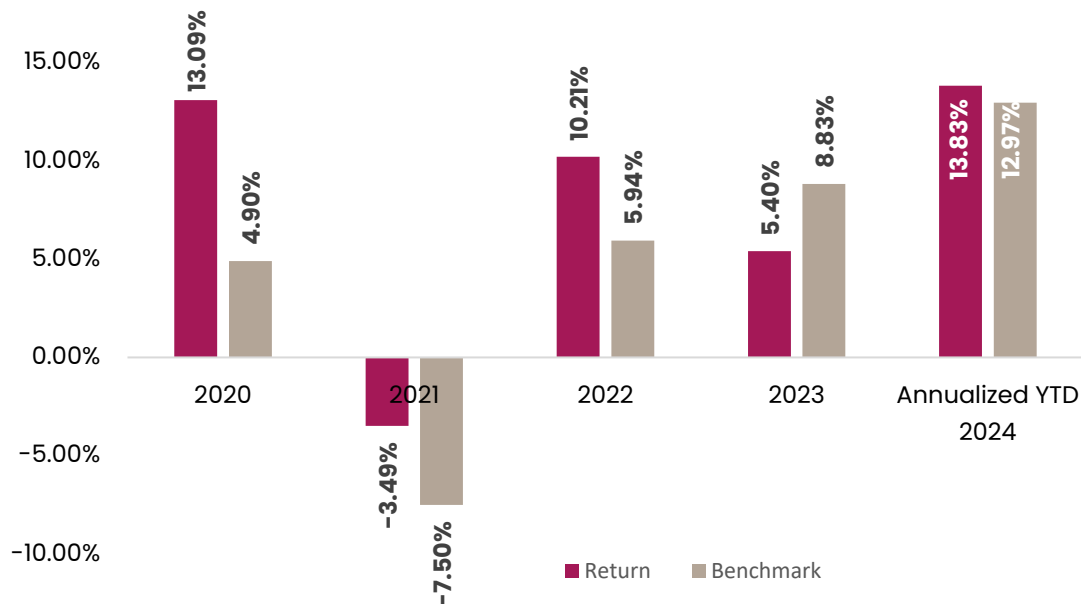
Benchmark	Composite of 5-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	₦1.43bn
Expense Ratio	2.18%
Initial Investment	₦5,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	2.14
Holding Yield	16.67%
Dividend Yield (2023)	6.78%

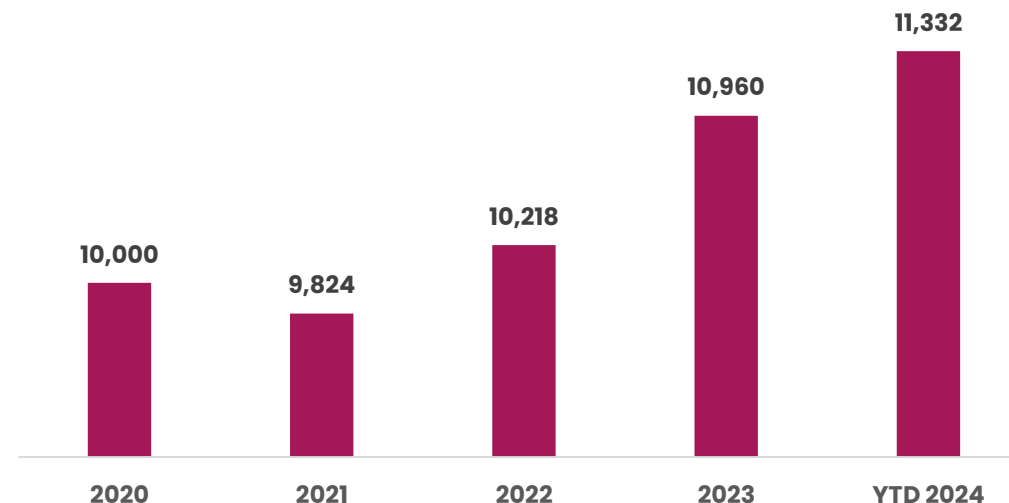


Fund Performance

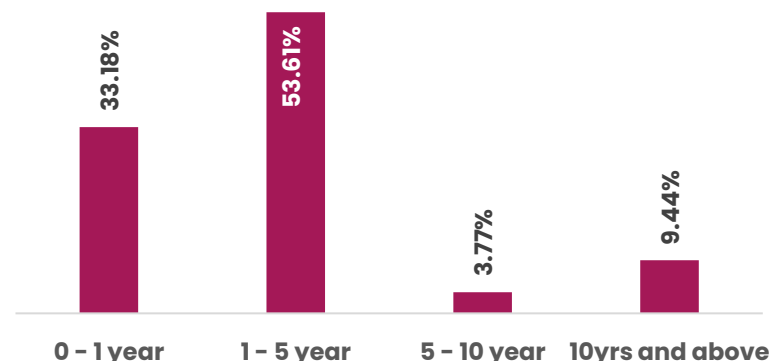


	2020	2021	2022	2023	Annualized YTD 2024
Annual Net Returns	13.09%	-3.49%	10.21%	5.40%	13.83%
Benchmark	4.90%	-7.50%	5.94%	8.83%	12.97%

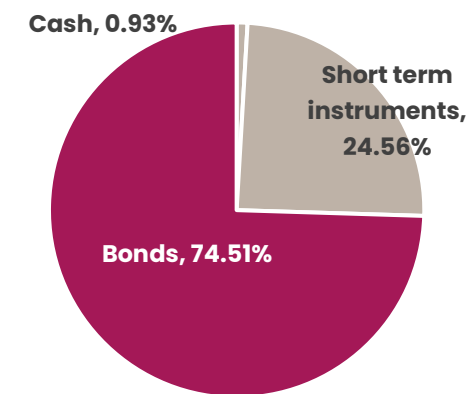
Growth of N10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation



ARM Eurobond Fund



FUND STRUCTURE

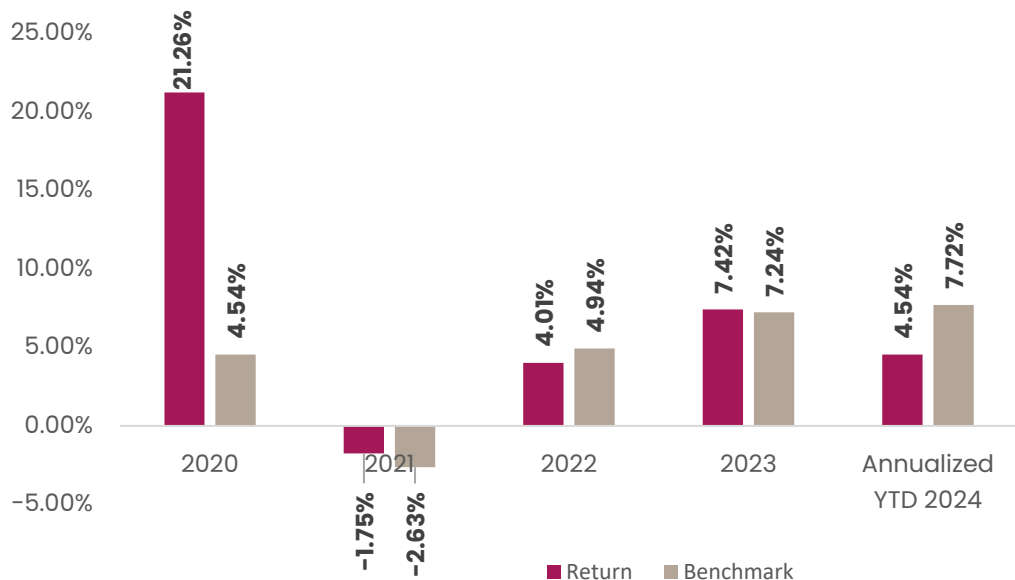
The ARM Eurobond Fund is an open-ended fund that invests in US Dollar denominated fixed income instruments. The Fund is authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007 and is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and a maximum of 100% in bond instruments.

FUND OBJECTIVE

The main objective of the fund is to help investors achieve their long-term investment goals by investing in a broad range of US Dollar denominated instruments and hereby managing local currency devaluation risk.

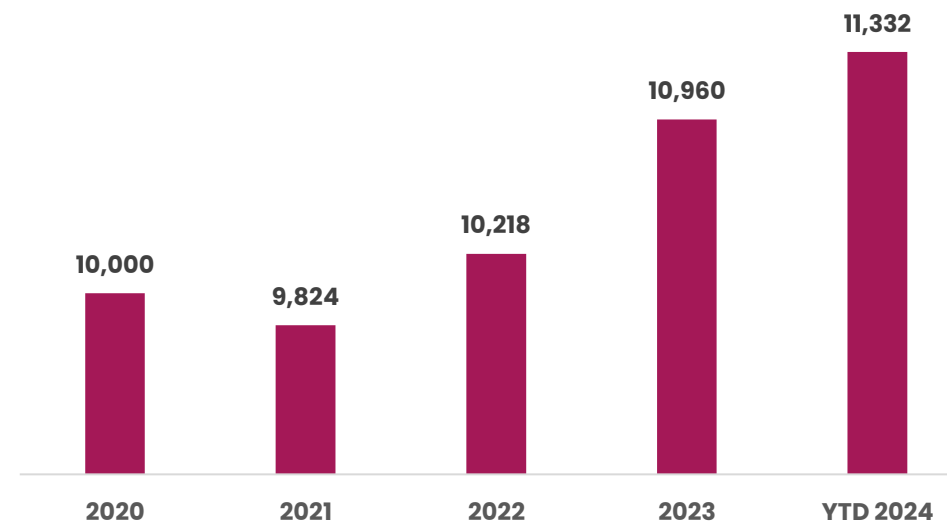
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Eurobond and US Treasury Bills Yield
Comparable	FMAN List of Eurobond Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	\$10.69m
Expense Ratio	2.01%
Initial Investment	\$1,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark
Portfolio Analysis	
Risk Profile	Medium - High
Fund Duration	2.59
Holding Yield	8.88%
Dividend Yield (2023)	6.10%

Fund Performance

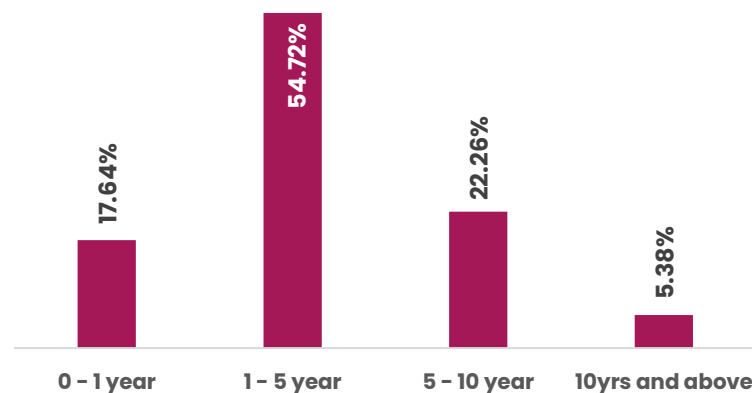


	2020	2021	2022	2023	Annualized YTD 2024
Annual Net Returns	21.26%	-1.75%	4.01%	7.42%	4.54%
Benchmark	4.54%	-2.63%	4.94%	7.24%	7.72%

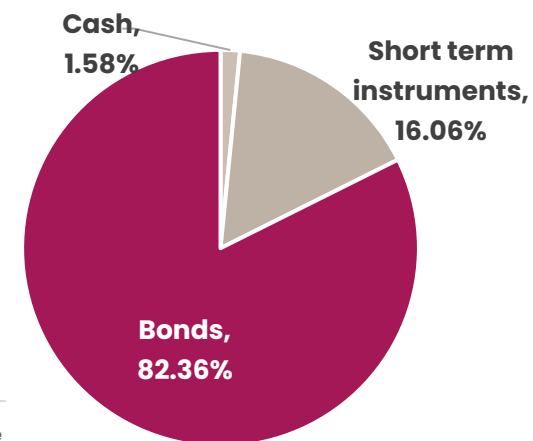
Growth of \$10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation



Money Market Fund

Fund Purpose

- ❖ The primary objective of the Fund is to provide a steady stream of income to investors.

Investment Approach

- ❖ The Fund invests in high-quality short-term money market instruments and government securities, which include; Banker's acceptances, certificates of deposits, commercial papers, Fixed Deposits with eligible financial institutions; Short term debt securities issued or guaranteed by the Government of Nigeria, Other instruments introduced and approved by the Central Bank of Nigeria (CBN) from time to time, Other money market or fixed income instruments in which the Fund is permitted to invest under the Trust Deed.
- ❖ A top-down approach is used in securities selection into the Fund.
- ❖ The Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme under the Investments & Securities Act 1990.

Fund Details	
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Comparable	FMAN List of Money market Funds
Custodian	Rand Merchant Bank Limited
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Launch Date	2013
AuM	₦104.09 Billion
Annual Expense Ratio (YtD)	2.02%
Min Initial Investment	₦1,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 15% of excess returns above benchmark
Portfolio Analysis	
Risk Profile	Low
Fund Duration	85.89 days
Monthly Relative Returns	3.87

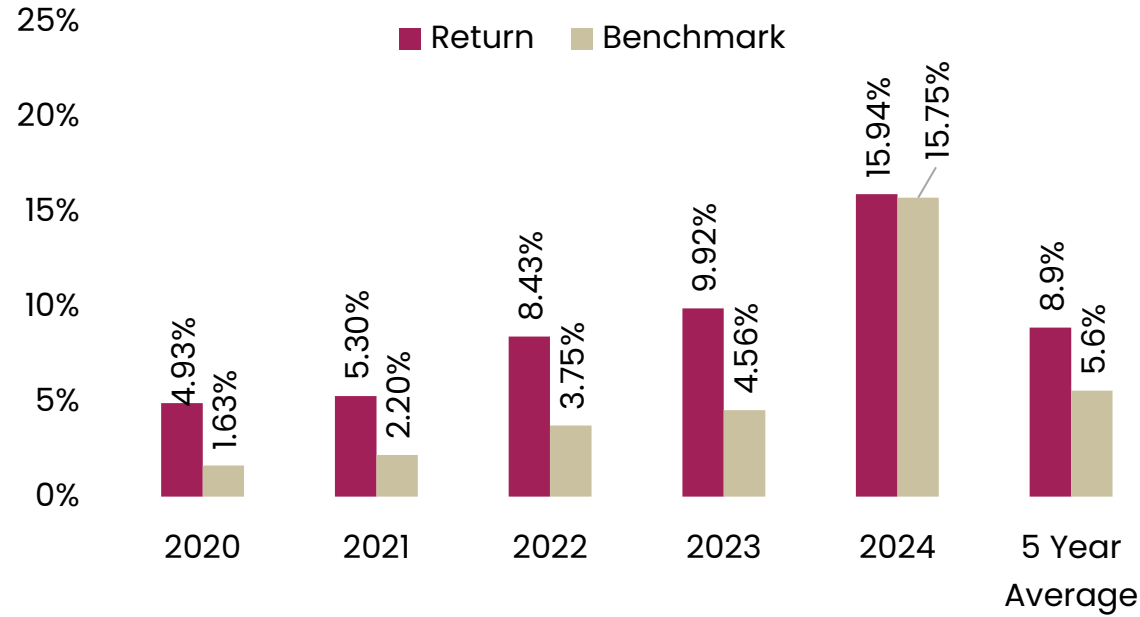
Money Market Fund



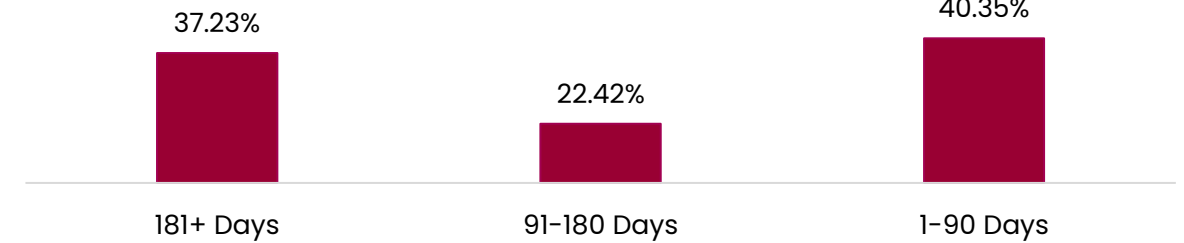
Fund Performance

Maturity Profile

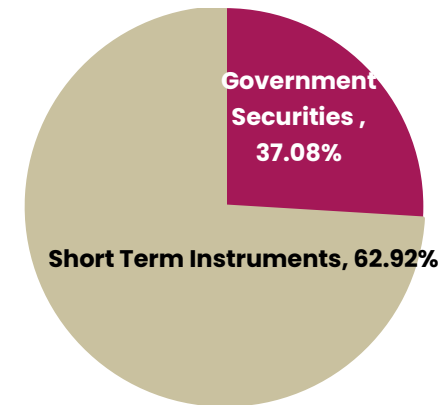
Fund Performance



Maturity Profile



Asset Allocation



	2020	2021	2022	2023	YTD 2024
Annual Net Returns	4.93%	5.30%	8.43%	9.92%	15.94%
Benchmark	1.63%	2.20%	3.75%	4.56%	15.75%

MARKET & MACRO OUTLOOK

GLOBAL MARKETS

We expect the recent rate cuts by major central banks to propel positive sentiments in the global equities market and also improve overall growth in the global economy. Particularly, the efforts by the Chinese government to boost the economy is expected to drive optimism in the equities market.

DOMESTIC MARKETS

EQUITY

In October 2024, we expect the positive run in the market to persist as investors position themselves in tickers with strong fundamentals ahead of the release of Q3:2024 earnings results. Furthermore, dividend declarations and payments could help drive buying interest in the market.

FIXED INCOME

In October 2024, Nigeria's fixed income market is expected to see a moderate increase in liquidity to NGN1.38trn, supported by NGN417.91bn in bond coupons. However, we expect yields in the fixed income market to stay elevated, as CBN seeks to attract foreign inflows by offering competitive returns. Nonetheless, yield should be lower in October, compared to September, as inflation continues to cool.

Thank You





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