



Mutual Fund Fact Sheet

December 2024





MACRO ECONOMIC UPDATE

GLOBAL

- In December 2024, the US Fed further reduced interest rate by 25bps to 4.25%-4.5%, marking the third consecutive rate cut in 2024.
- United States' Manufacturing PMI registered 49.3% In December 2024, compared to the 48.4% recorded in November 2024.
- In Q3:2024, the UK economy remained stagnant in the period, following zero growth in the services sector. Notably, the construction sector grew by 0.7% but this was offset by a 0.4% contraction in production.
- Bank of England maintained rates at 4.75% despite inflation printing higher than the target (2.0%) level at 2.6% in November 2024.
- In December 2024, the NIKKEI 225 (+4.41% MoM), EURO STOXX 50 (+1.39% MoM), SHCOMP (+0.76% MoM), and NASDAQ (+0.48% MoM) indices closed positive, while the S&P 500 (-2.50% MoM) and FTSE 100 (-1.38% MoM) indices closed negative.

DOMESTIC

- Nigeria's headline inflation printed higher as consumer price rose to 34.60% YoY, driven by upticks in food (+77bps to 39.93% YoY) and core (+38bps to 28.75% YoY) inflation baskets. On a month-on-month (MoM) basis, headline inflation increased by 2.64%, as food inflation went higher by 2.98%. However, core inflation declined to 1.83% MoM.
- In Q3:2024, Nigeria recorded a trade surplus of NGN5.81trn, following a 16.8% QoQ increase in total exports to NGN20.49trn and a slower growth in total imports by 8.71% QoQ to NGN14.67trn.



FINANCIAL MARKET UPDATE

FIXED INCOME

Primary Market

- In December 2024, the Central Bank of Nigeria (CBN) conducted three Treasury bill auctions, offering a total of NGN1.19trn. The average stop rate declined slightly to 19.79% from 19.92% in November 2024, while the bid-to-cover ratio increased to 3.22x, the CBN sold a total of NGN1.61trn in Treasury bills during the month.
- At the Federal Government of Nigeria (FGN) bond auction, the Debt Management Office (DMO) offered NGN120 billion in bonds, split equally between APR-2029 and FEB-2031 maturities. The average stop rate increased to 21.57%, with a bid-to-cover ratio of 2.32x. The auction raised a total of NGN211.14bn.
- The Central Bank of Nigeria conducted two OMO auctions, offering NGN1.10trn in bills. The bid-to-cover ratio surged to 3.40x, with an average stop rate of 23.97%. A total of NGN2.33trn in OMO bills was sold.

Secondary Market

- Average yields at the secondary Nigerian Treasury Bills (NT-Bills) market surged by 105bps MoM to 25.16%. In contrast, the Nigerian FGN bond market showed modest improvement, with average yields dipping 3bps MoM to 19.46%.
- Overall, the Nigerian Fixed Income market closed bearish with average yields climbing 51bps MoM to 22.31%.

EQUITIES

- The Nigerian equities market gained a significant 5.56% MoM in December 2024 (vs. -0.15% MoM in November 2024), bringing the market to a year-to-date close of 37.75%. Notably, the NGX ASI returned to 100,000 points during the month following significant buying interest in the market,
- Across the sectorial indices, the Insurance sector (+47.16% MoM) gained the highest, followed by the Oil and Gas (+13.89% MoM), Consumer Goods (+8.94% MoM), Banking (+5.99% MoM), and Industrial Goods (+1.30% MoM) sectors.



Mutual Fund Performance

December 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	₦3.92 Billion
Management Fee	1.5% of Net Asset Value
Annual Expense Ratio (YtD)	2.26%
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%)

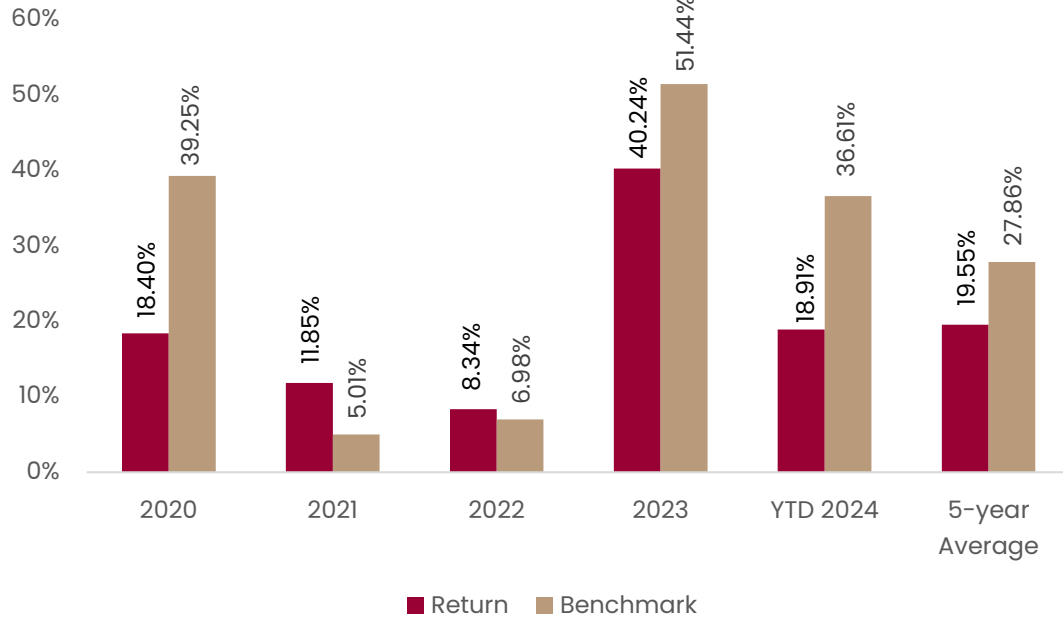
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Financial Services	26%	OVERWEIGHT
Industrials	25%	OVERWEIGHT
Telecoms	15%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	19%	OVERWEIGHT
ACCESS	10%	OVERWEIGHT
BUAFOODS	9%	UNDERWEIGHT

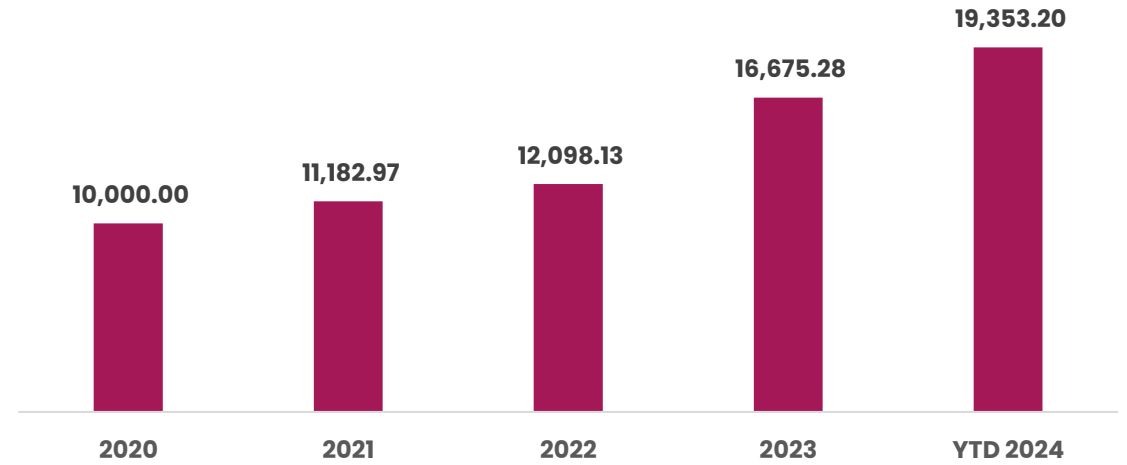


AGGRESSIVE GROWTH FUND

Fund Performance



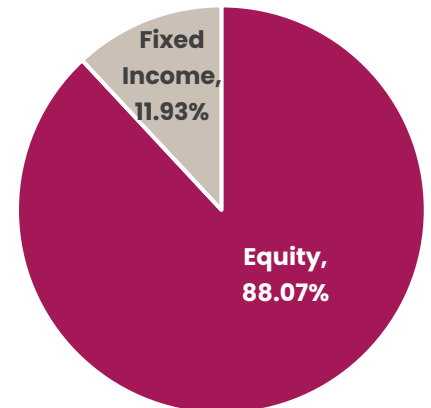
Growth of N10,000 investment from 31/12/2020 to Date



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	18.40%	11.85%	8.34%	40.24%	18.91%	19.55%
Benchmark	39.25%	5.01%	6.98%	51.44%	36.61%	27.86%

Portfolio Analysis	
Portfolio Beta	0.81
Number of Stocks	24
Monthly Relative Returns	-0.94%
Dividend Yield (2023)	2.50%

Asset Allocation





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	₦6.79 Billion
Annual Expense Ratio (Ytd)	2.19%
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

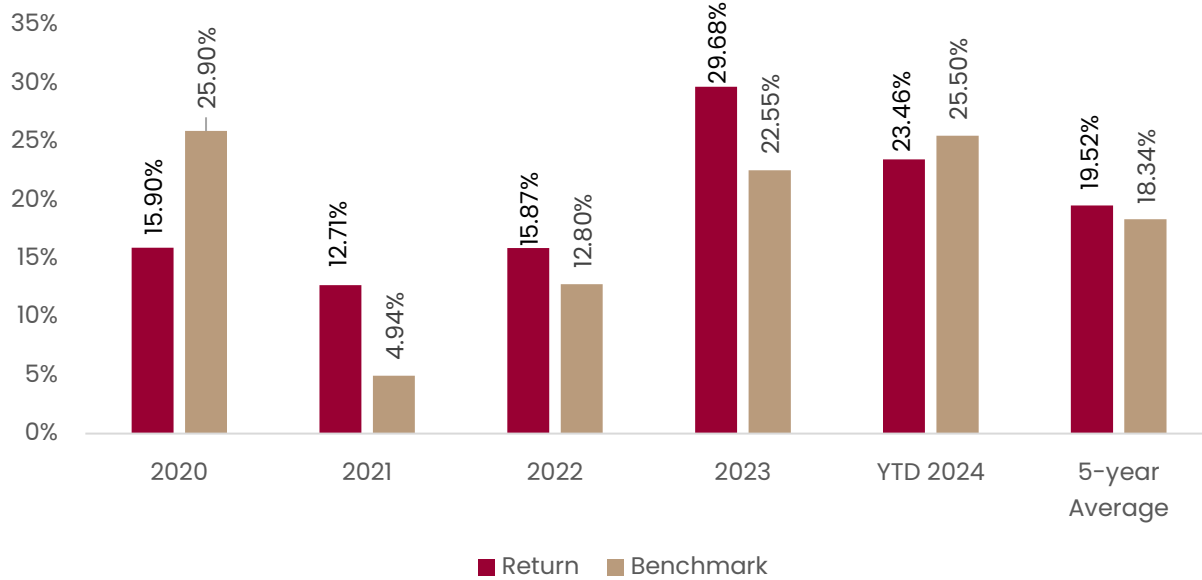
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	15%	OVERWEIGHT
Financial Services	14%	OVERWEIGHT
Oil & Gas	7%	OVERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	10%	OVERWEIGHT
ACCESSCORP	7%	OVERWEIGHT
BUAFOODS	6%	OVERWEIGHT

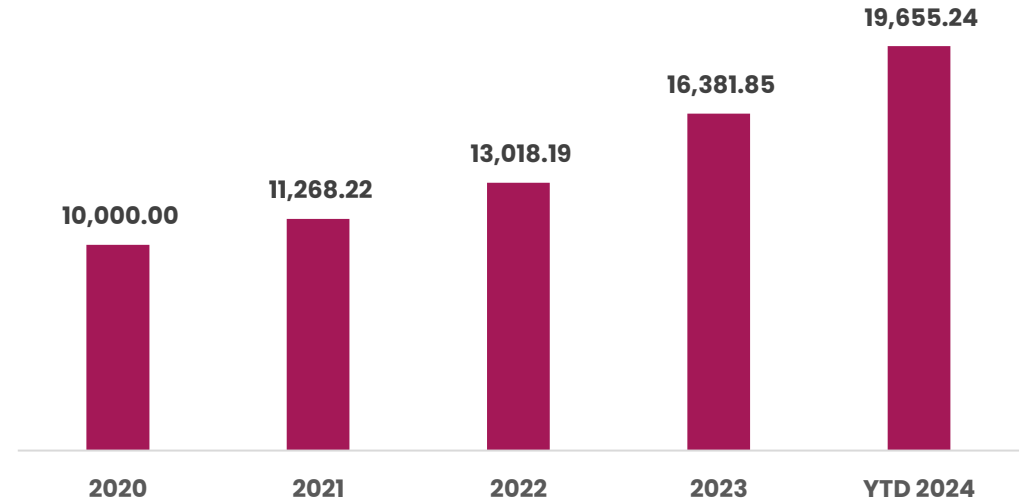


DISCOVERY BALANCE FUND

Fund Performance



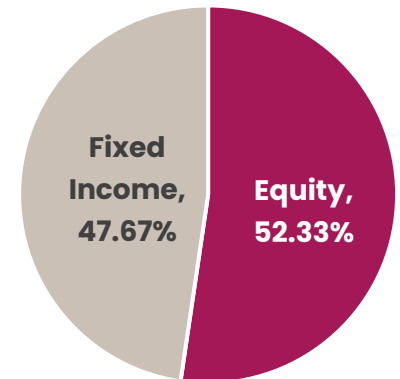
Growth of N10,000 investment since 31/12/2020



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	12.71%	15.87%	29.68%	23.46%	19.52%
Benchmark	25.90%	4.94%	12.80%	22.55%	25.50%	18.34%

Portfolio Analysis	
Portfolio Beta	0.86
Number of Stocks	23
Monthly Relative Returns	-5.02%
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	19%	OVERWEIGHT
Industrials	13%	UNDERWEIGHT
Agriculture	9%	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	₦986 Million
Annual Expense Ratio (YtD)	2.23%
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

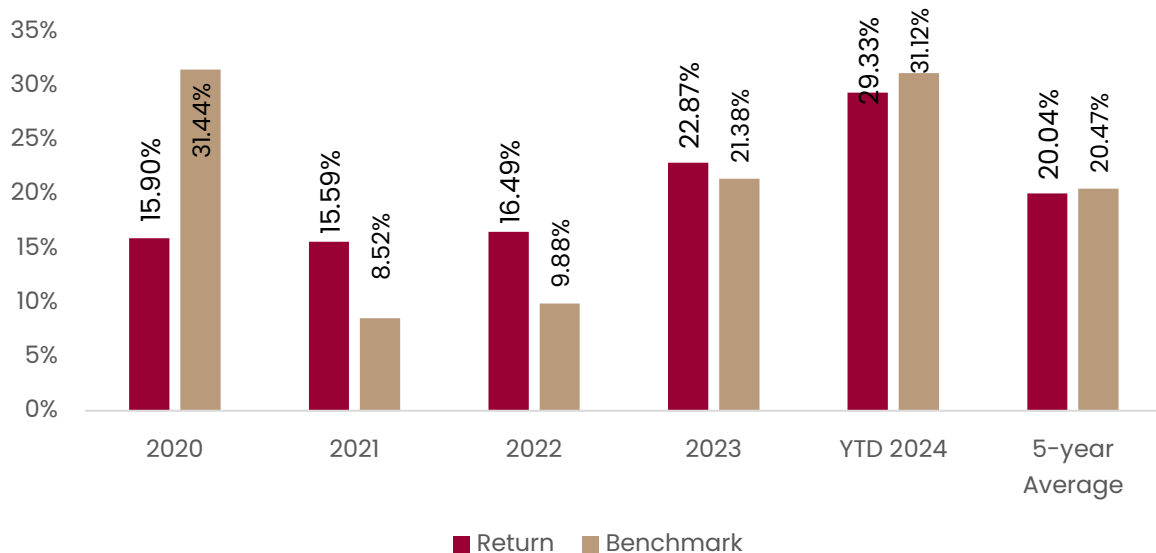
Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
BUAFOODS	16%	OVERWEIGHT
OKOMUOIL	9%	OVERWEIGHT
WAPCO	6%	UNDERWEIGHT



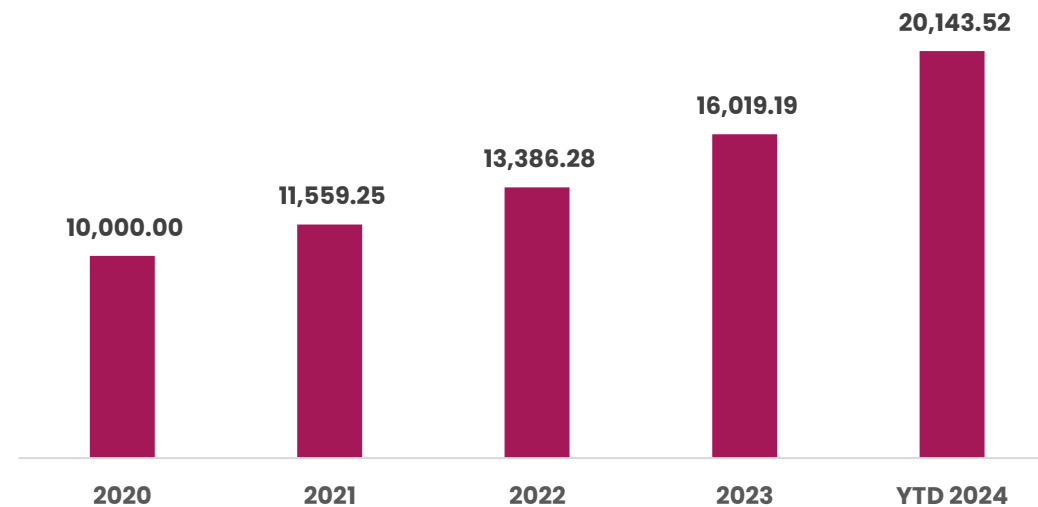
Ethical Fund: Balanced (Shari'ah Based)

Fund Performance



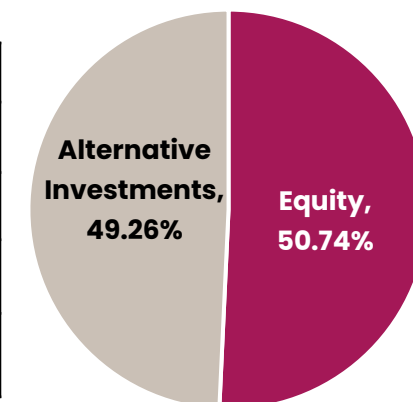
	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	15.59%	16.49%	22.87%	29.33%	20.04%
Benchmark	31.44%	8.52%	9.88%	21.38%	31.12%	20.47%

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



Asset Allocation

Portfolio Analysis	
Portfolio Beta	0.73
Number of Stocks	11
Monthly Relative Returns	-2.22%
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.

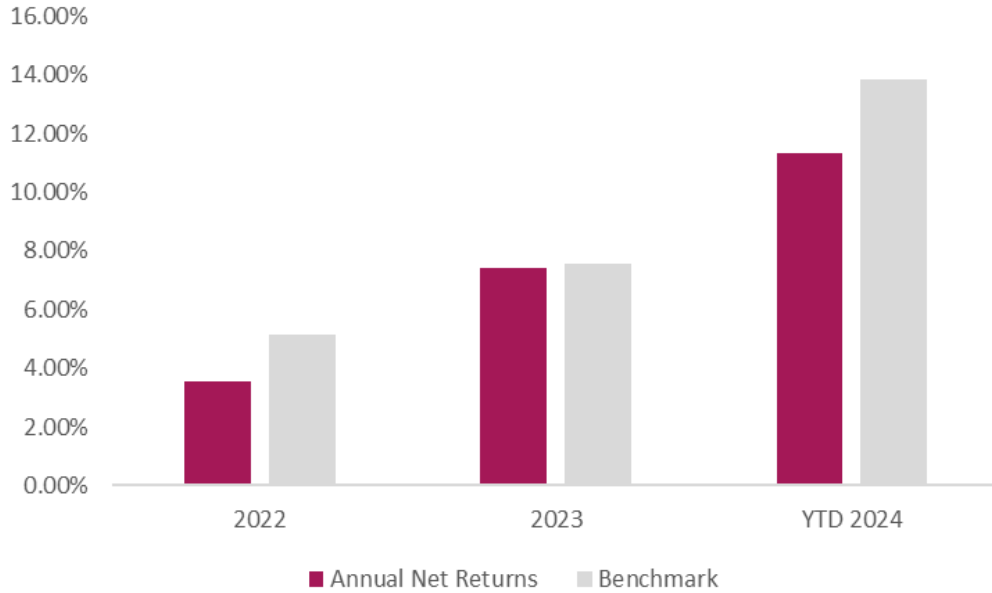
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦811.27mn
Expense Ratio	2.54%
Initial 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	13.67%
Dividend Yield (2023)	6.76%



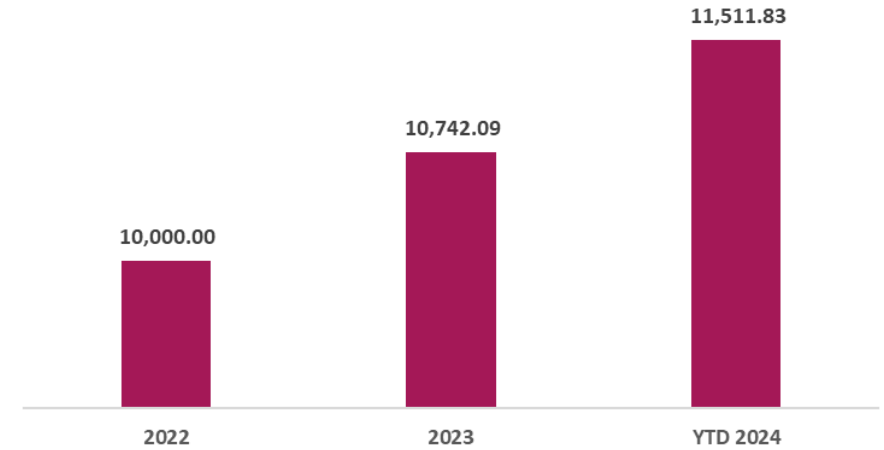
ARM Short-Term Bond Fund

Fund Performance

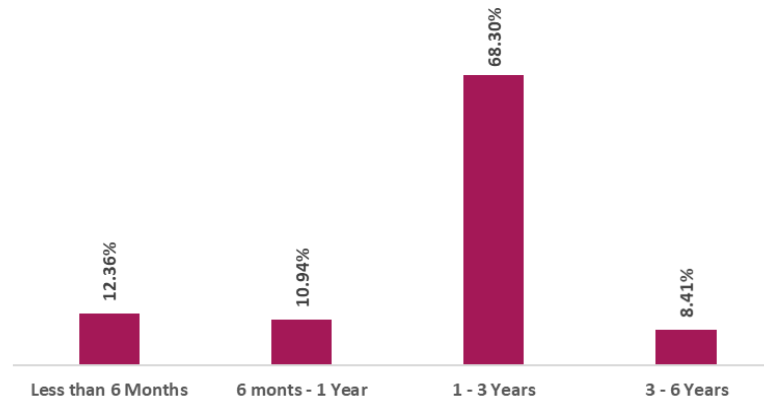


	2022	2023	YTD 2024
Annual Net Returns	3.54%	7.42%	11.31%
Benchmark	5.14%	7.54%	13.83%

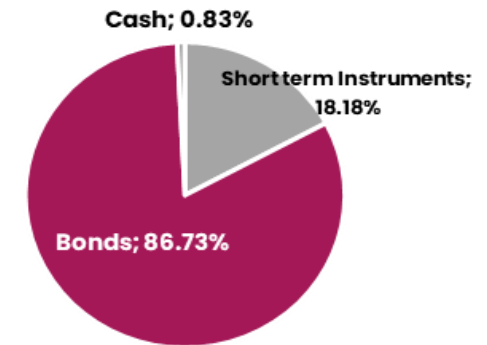
Growth of N10,000 investment since 31/12/22 to Date



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	₦1.26bn
Expense Ratio	2.20%
Initial Investment	₦5,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

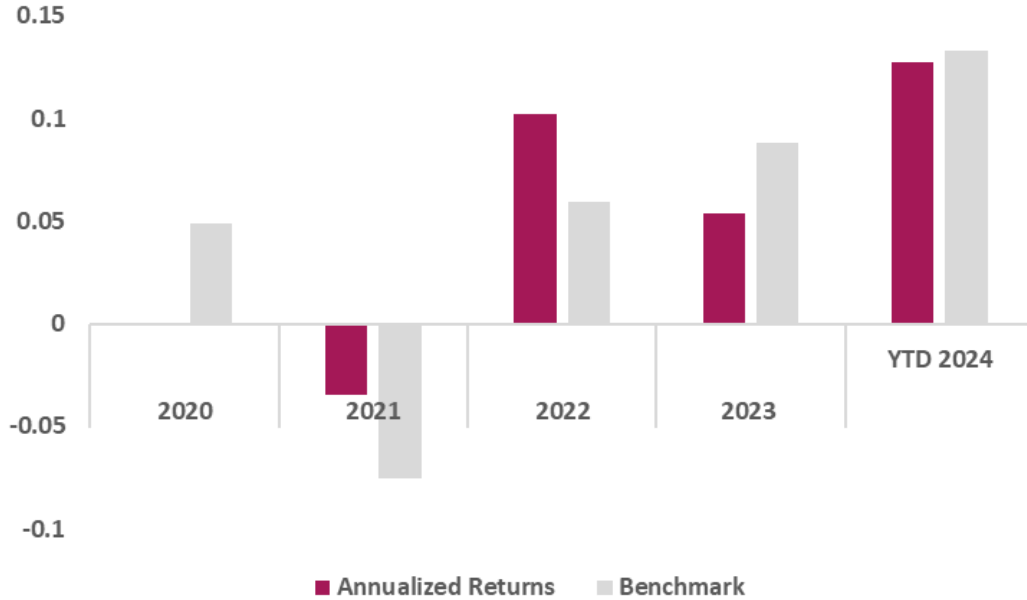
Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	2.63
Holding Yield	15.44%
Dividend Yield (2023)	6.78%



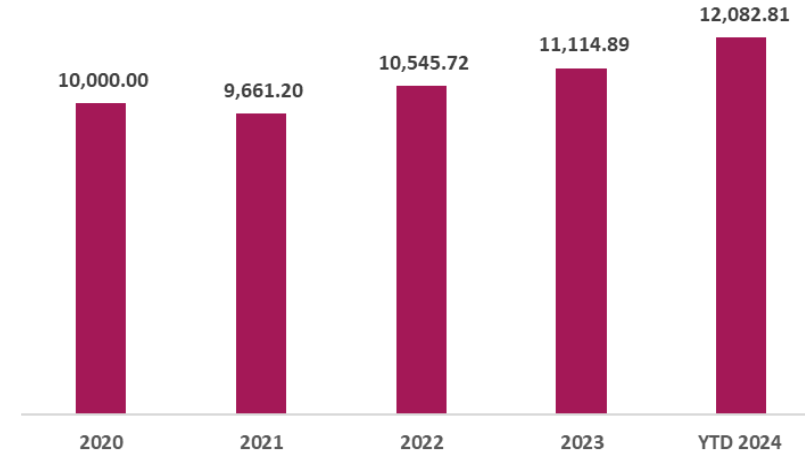
ARM Fixed Income Fund

Fund Performance

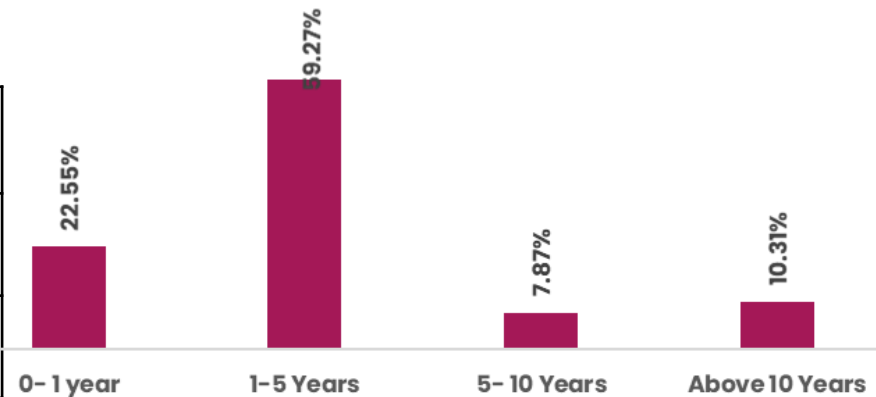


	2020	2021	2022	2023	YTD 2024
Annualized Returns	13.09%	-3.49%	10.21%	5.40%	12.76%
Benchmark	4.90%	-7.50%	5.94%	8.83%	13.27%

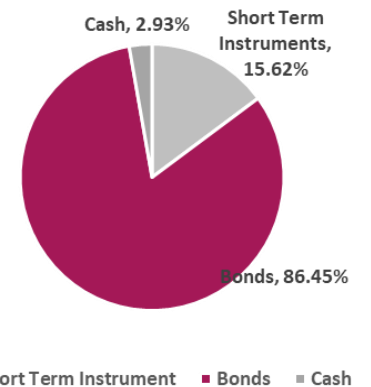
Growth of N10,000 investment since 31/12/20 to Date



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

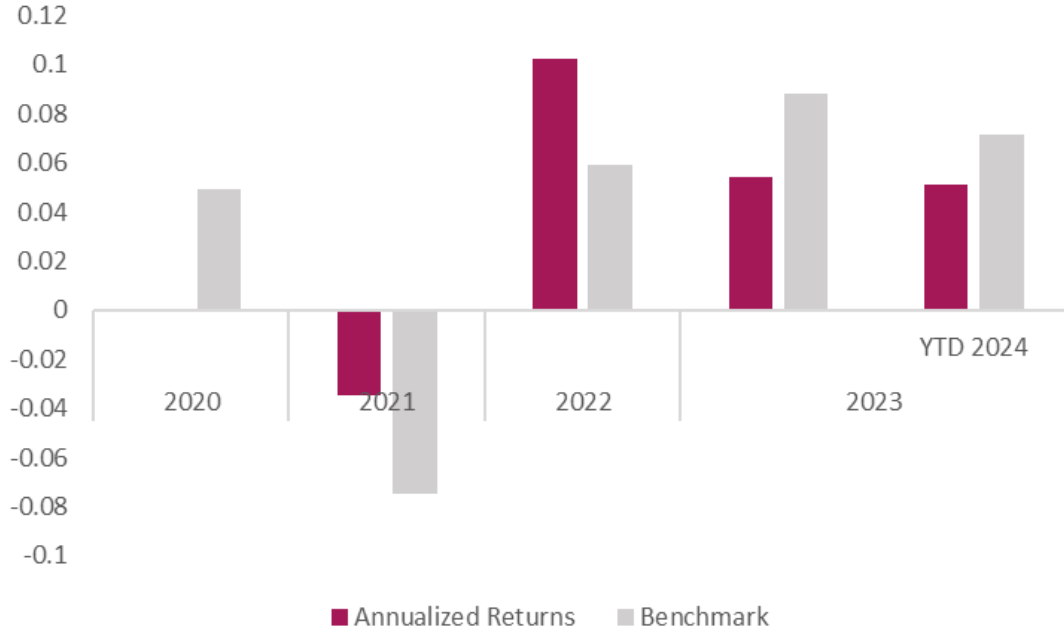
The main objective of the fund is to help investors achieve their long-term investment goals by investing in a broad range of US Dollar denominated instruments and hereby managing local currency devaluation risk.

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	\$9.77m
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	1.89
Holding Yield	8.94%
Dividend Yield (2023)	6.10%



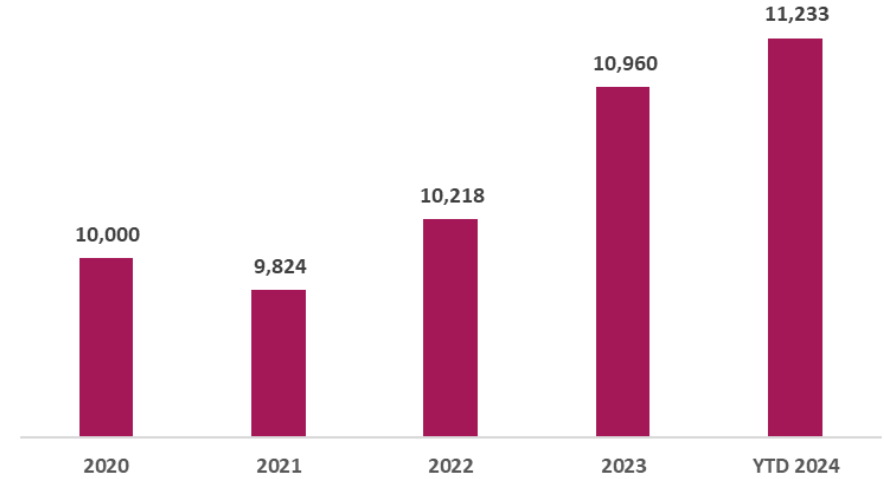
ARM Eurobond Fund

Fund Performance

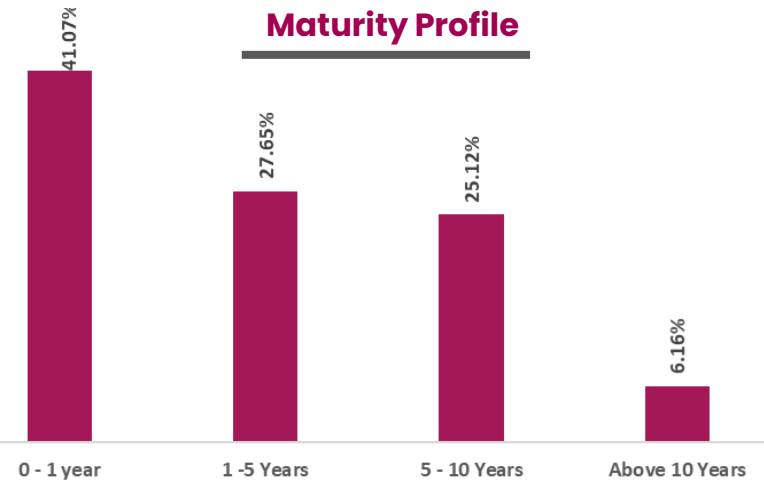


	2020	2021	2022	2023	YTD 2024
Annualized Returns	21.26%	-1.75%	4.01%	7.42%	5.11%
Benchmark	4.54%	-2.63%	4.94%	7.24%	7.13%

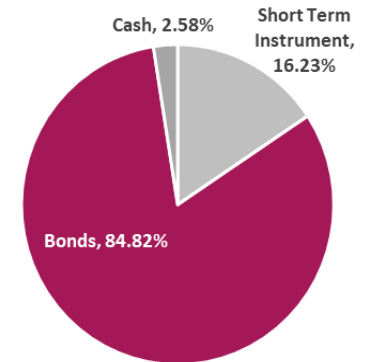
Growth of \$10,000 investment since 31/12/20 to Date



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	₦115.36 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	78.23 days
Monthly Relative Returns	3.52%

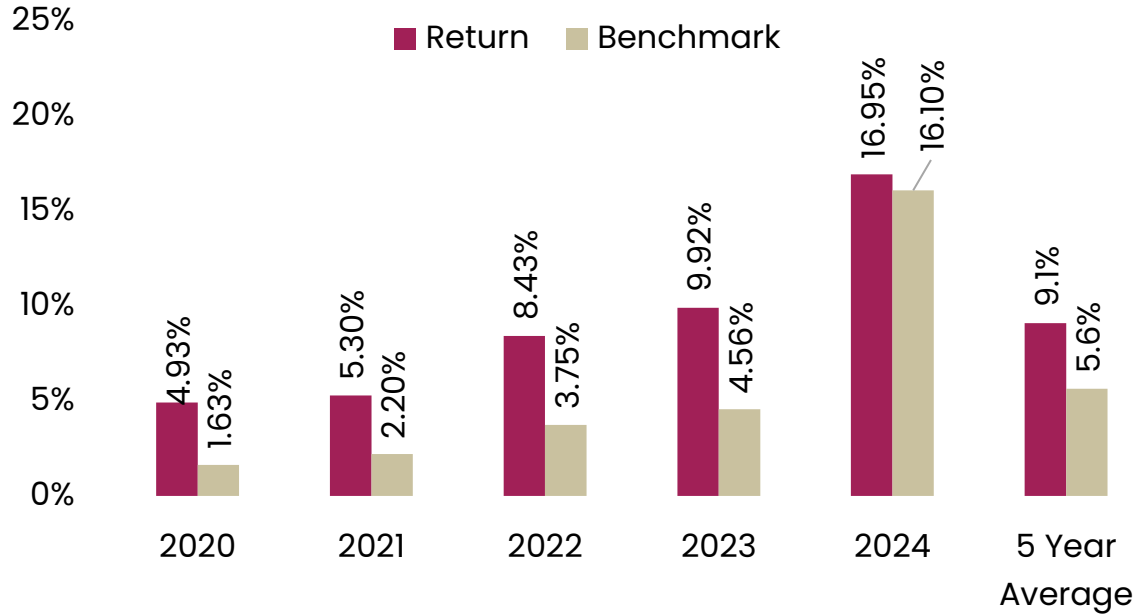


Money Market Fund

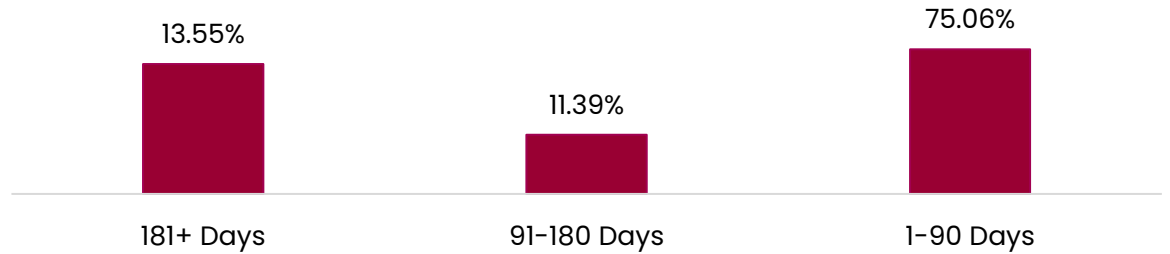
Fund Performance

Maturity Profile

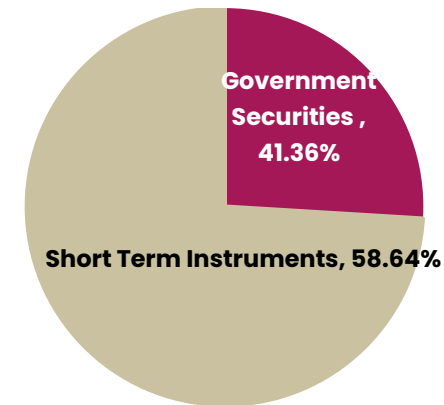
Fund Performance



Maturity Profile



Asset Allocation



	2020	2021	2022	2023	YTD 2024
Annual Net Returns	4.93%	5.30%	8.43%	9.92%	16.95%
Benchmark	1.63%	2.20%	3.75%	4.56%	16.10%



MARKET & MACRO OUTLOOK

GLOBAL MARKETS

North America: On the global front, we anticipate heightened volatility on the back of the implementation of policies by President-elect Donald Trump following his inauguration scheduled for January. Consequently, this should drive further reassessments of policies by global central banks, taking cognizance of the likely ripple effects.

Meanwhile, the US Federal Reserve has indicated the possibility of a 50 bps interest rate cut in 2025, despite stable consumption spending. However, they remain cautious due to recent inflation readings that are still below their 2% target.

Asia: We anticipate the Bank of Japan will continue its hawkish stance, albeit at a slower pace, to strengthen the Yen amidst the uncertainty surrounding President-elect Trump's policies.

DOMESTIC MARKETS

EQUITY

In January 2025, we expect positive sentiment in the market, riding on the positive close to 2024. To buttress, we anticipate buying interests across several stocks ahead of the release of 2024FY earnings results, particularly companies that are expected to report positive results.

FIXED INCOME

In January 2025, bearish sentiment is expected to persist in fixed income as the MPC is likely to maintain its hawkish stance. However, increased liquidity could mitigate this if the CBN refrains from aggressive mop-up operations



Thank You





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