



Mutual Fund Fact Sheet

November 2024





Macroeconomics & Market Update

November 2024





MACRO ECONOMIC UPDATE

GLOBAL

- In October 2024, the US inflation went up to 2.6% YoY (vs. 2.4% YoY in September 2024). Headline CPI rose by 0.2% MoM for the fourth consecutive month, while Core CPI (excluding food and energy) increased by 0.3% MoM and 3.3% YoY.
- In November 2024, the US Fed reduced interest rate by 25bps to 4.5-4.75%, marking the second rate cut in the year 2024.
- UK inflation ticked up to 2.3% YoY in November 2024 (vs. 1.7% YoY in September 2024). This follows higher core (+3.3% YoY) and services (+5.0% YoY) inflation.
- In November 2024, the BoE cut rates by 25bps to 4.75% from 5.0%, representing the second rate cut this year.
- In November 2024, the NIKKEI 225 (+0.41% MoM), SHCOMP (1.66% MoM), NASDAQ (4.48% MoM), S&P 500 (5.30% MoM) and FTSE 100 (1.35% MoM) indices while the EURO STOXX 50 index (-1.50% MoM) closed negative.

DOMESTIC

- In October 2024, Nigeria's headline consumer price index increased by 33.88% YoY (vs. 32.70% YoY in September 2024). This increase was driven by higher food and core inflation. Month-on-Month, headline inflation ticked up to 2.64% (vs. 2.52% MoM in September 2024), as food and core inflation baskets increased.
- Nigeria's economy grew by 3.46% Year-on-Year (YoY) in Q3:2024 (vs. 3.19% YoY in Q2:2024). This follows growth in both the oil (+5.17% YoY) and non-oil (+3.37% YoY) sectors of the economy.
- The Monetary Policy Committee (MPC) raised policy rate by 25bps to 27.50% in their November 2024 meeting, reflecting their commitment to stabilizing the exchange rate and reducing inflation. All other parameters remain unchanged.



FINANCIAL MARKET UPDATE

FIXED INCOME

Primary Market

- In November 2024, the CBN held two NT-Bill auctions where NGN1.12trn was offered, however, a total of NGN1.32trn was sold (vs. NGN456.57bn offered and sold in October 2024). The Bid-to-cover ratio declined to 1.64x from 1.67x in October 2024, while the average stop rate increased to 19.92% (vs. 18.25% in October 2024).
- At the FGN bond auction, the Debt Management Office offered NGN120bn across two re-opened instruments (APR-2029 and FEB-2031). Bid-to-cover ratio went up to 3.08x (vs. 2.16x the previous auction) indicating higher demand. Nonetheless, the average stop rate increased to 21.50% from 21.25% in October 2024.
- One OMO auction was held in November 2024, with the CBN offering NGN300bn. The auction recorded a bid-to-cover ratio of 4.83x, up from last auction's 2.05x. Consequently, average stop rate declined marginally to 8.09% from 8.10% in October 2024.

Secondary Market

- 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 Naira Fixed Income market closed bearish with average yields climbing 51bps MoM to 22.31%.

EQUITIES

- In November 2024, the Nigerian equities market lost 0.15% MoM to 97,506.87 points (vs. -0.92% MoM to 97,651.23 points in October 2024). Year-to-Date (YtD), the market gained 30.40% (vs. 30.60% YtD in October 2024).
- Sectorally, the Insurance sector (+9.11% MoM) led gains, followed by the Banking (+3.39% MoM), Oil and Gas (+3.20% MoM), Consumer Goods (+2.40% MoM) and Industrial Goods (+2.14% MoM) sectors.



Mutual Fund Performance

November 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	₦3.87 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%)

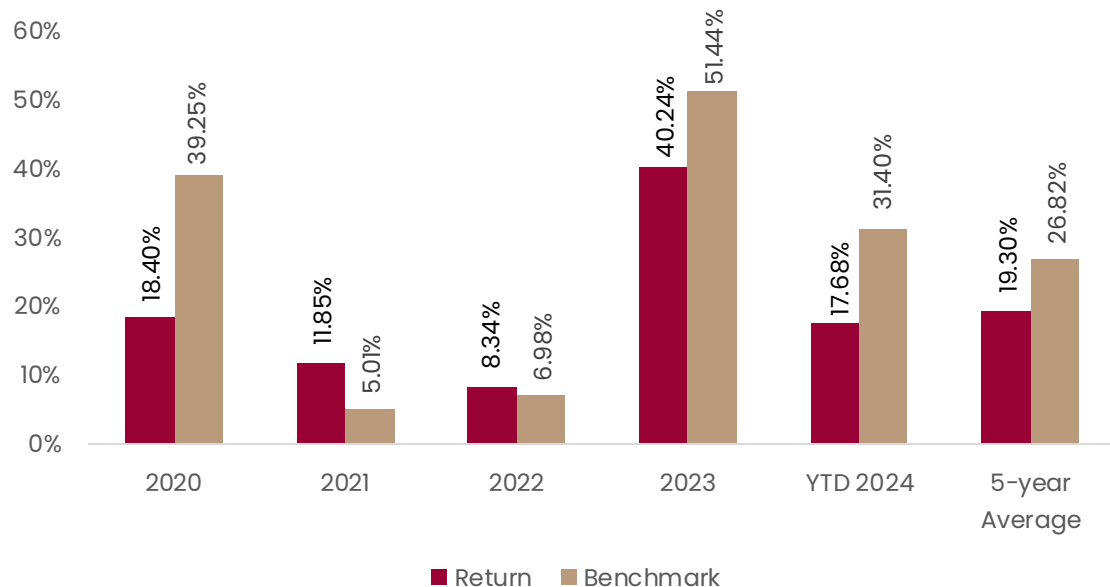
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	24%	OVERWEIGHT
Financial Services	22%	OVERWEIGHT
Consumer Goods	10%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	20%	OVERWEIGHT
ACCESS	10%	OVERWEIGHT
BUAFOODS	9%	UNDERWEIGHT



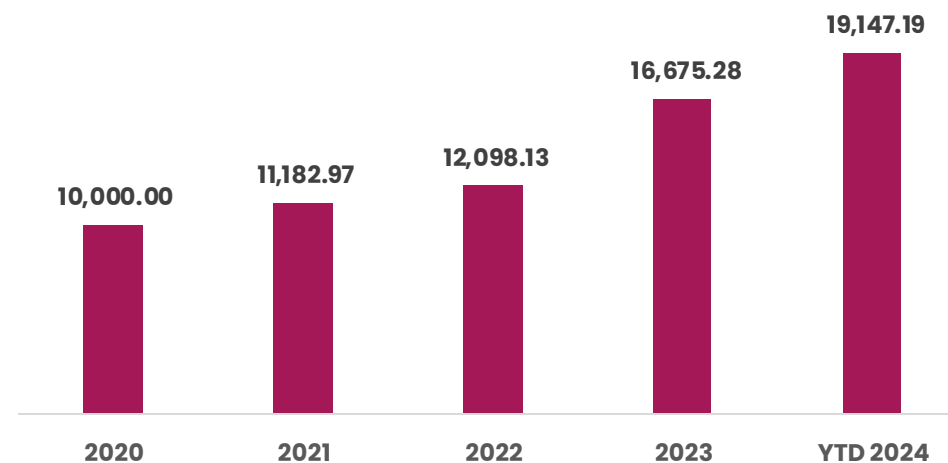
AGGRESSIVE GROWTH FUND

Fund Performance

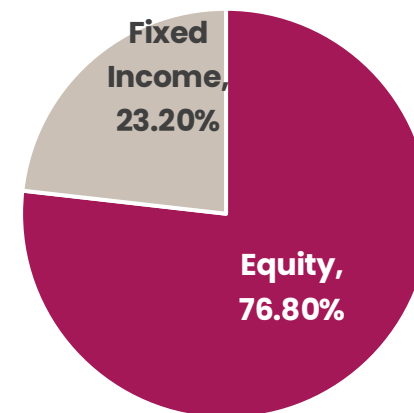


	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	18.40%	11.85%	8.34%	40.24%	17.68%	19.30%
Benchmark	39.25%	5.01%	6.98%	51.44%	31.40%	26.82%

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



Asset Allocation



Portfolio Analysis	
Portfolio Beta	-
Number of Stocks	24
Monthly Relative Returns	3.10%
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	₦6.68 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

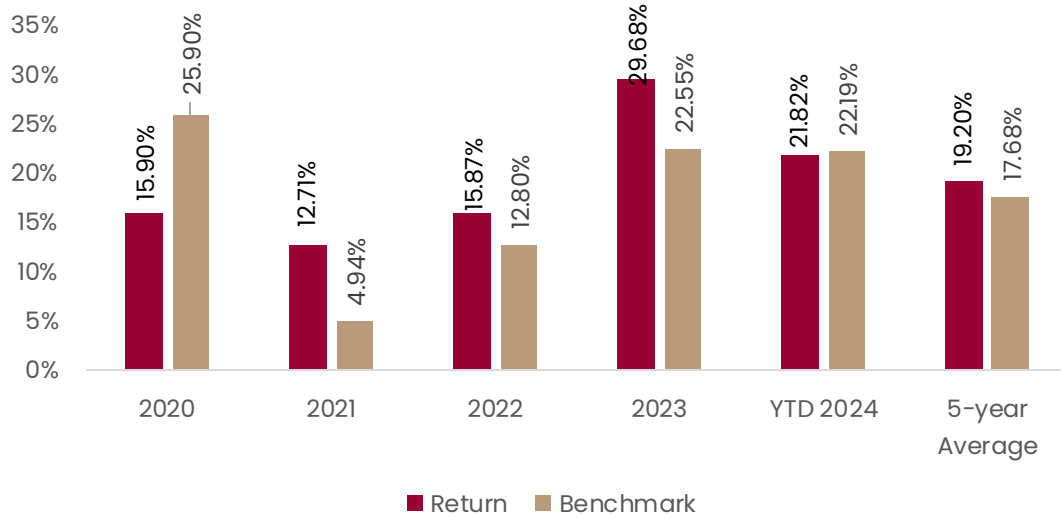
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	14%	OVERWEIGHT
Financial Services	13%	OVERWEIGHT
Consumer Goods	9%	OVERWEIGHT

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

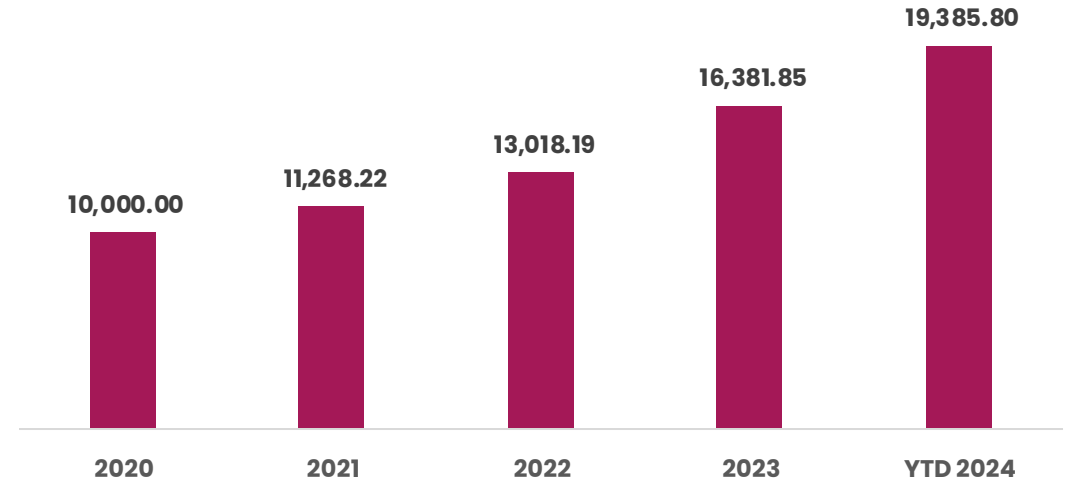


DISCOVERY BALANCE FUND

Fund Performance



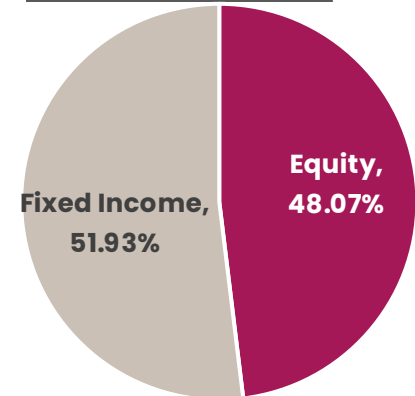
Growth of N10,000 investment since 31/12/2020



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	12.71%	15.87%	29.68%	21.82%	19.20%
Benchmark	25.90%	4.94%	12.80%	22.55%	22.19%	17.68%

Portfolio Analysis	
Portfolio Beta	-
Number of Stocks	24
Monthly Relative Returns	-0.17%
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
Telecoms	8%	OVERWEIGHT

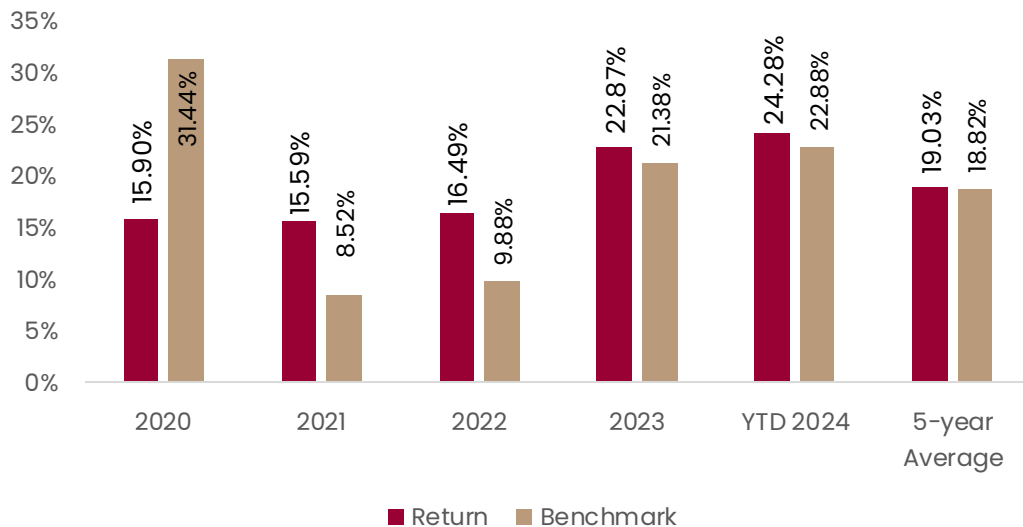
Fund Details	
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Comparable	FMAN List of Ethical Funds
Custodian	Rand Merchant Bank Limited
Trustee	Royal Exchange Plc
Launch Date	2004
AuM	₦941 Million
Annual Expense Ratio (YtD)	2.23%
Management Fee	1.5% of Net Asset Value
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	7%	OVERWEIGHT
DANGCEM	6%	UNDERWEIGHT

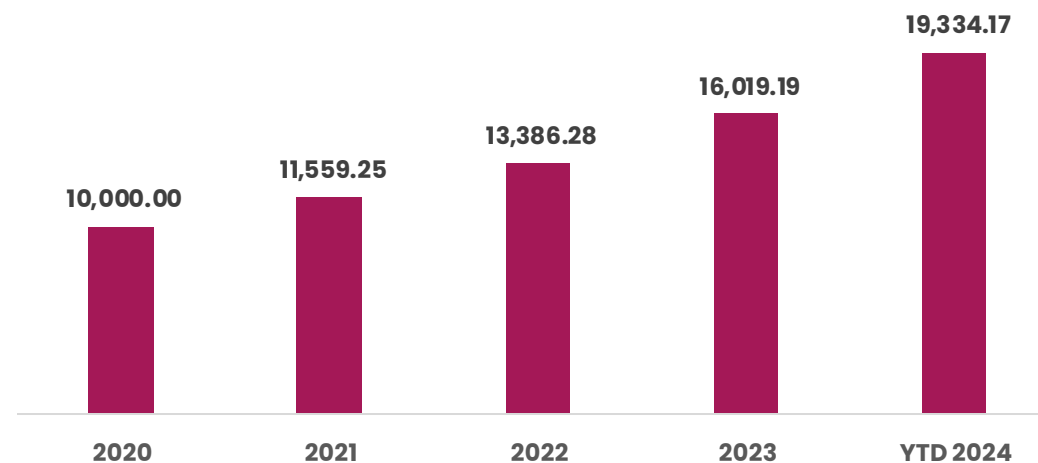


Ethical Fund: Balanced (Shari'ah Based)

Fund Performance



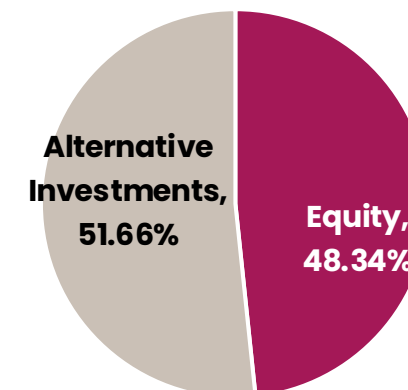
Growth of N10,000 investment since 31/12/2020



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	15.59%	16.49%	22.87%	24.28%	19.03%
Benchmark	31.44%	8.52%	9.88%	21.38%	22.88%	18.82%

Portfolio Analysis	
Portfolio Beta	-
Number of Stocks	11
Monthly Relative Returns	0.02%
Dividend Yield (2023)	3.00%

Asset Allocation





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.

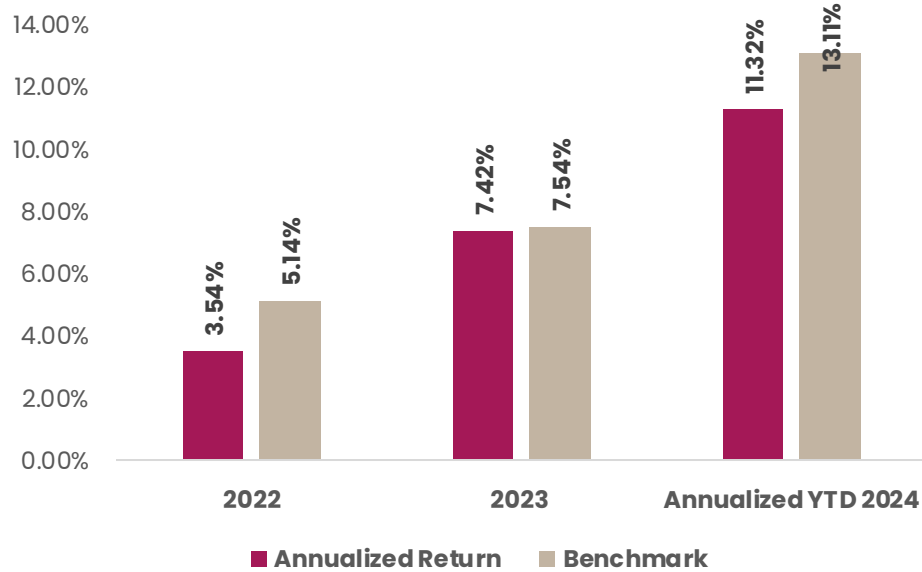
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦841.43mn
Expense Ratio	2.54%
Initial 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	1.26
Holding Yield	15.37%
Dividend Yield (2023)	6.76%



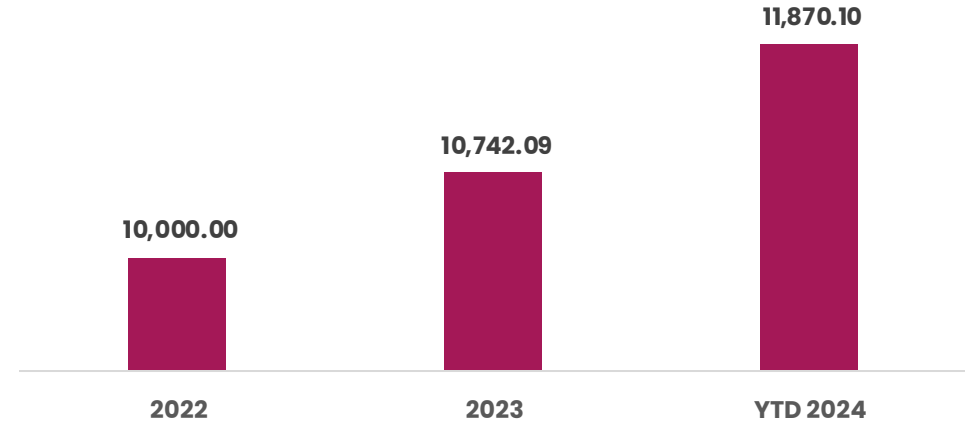
ARM Short-Term Bond Fund

Fund Performance

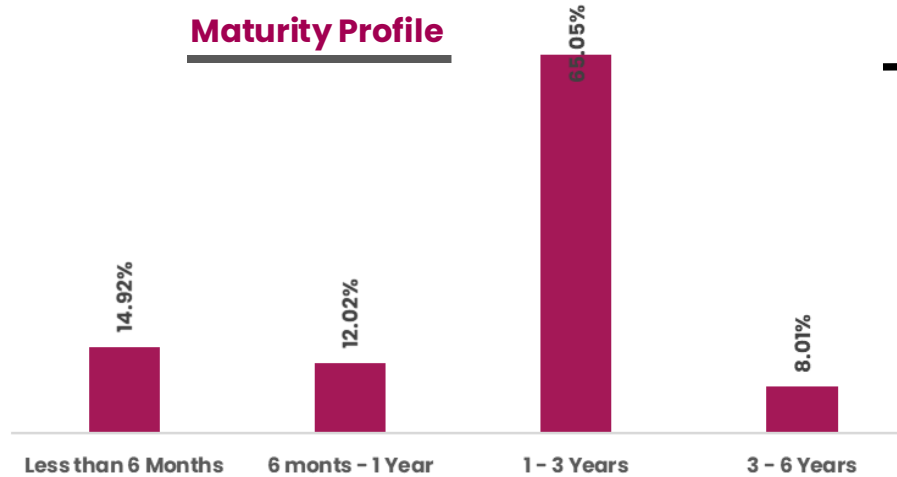


	2022	2023	Annualized YTD 2024
Annual Net Returns	3.54%	7.42%	11.32%
Benchmark	5.14%	7.54%	13.11%

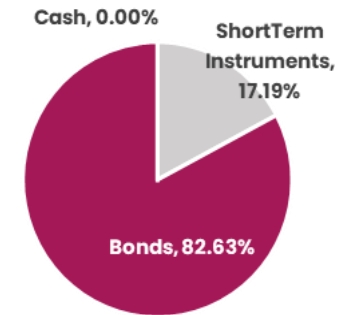
Growth of N10,000 investment since 31/12/22 to Date



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	₦1.40bn
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

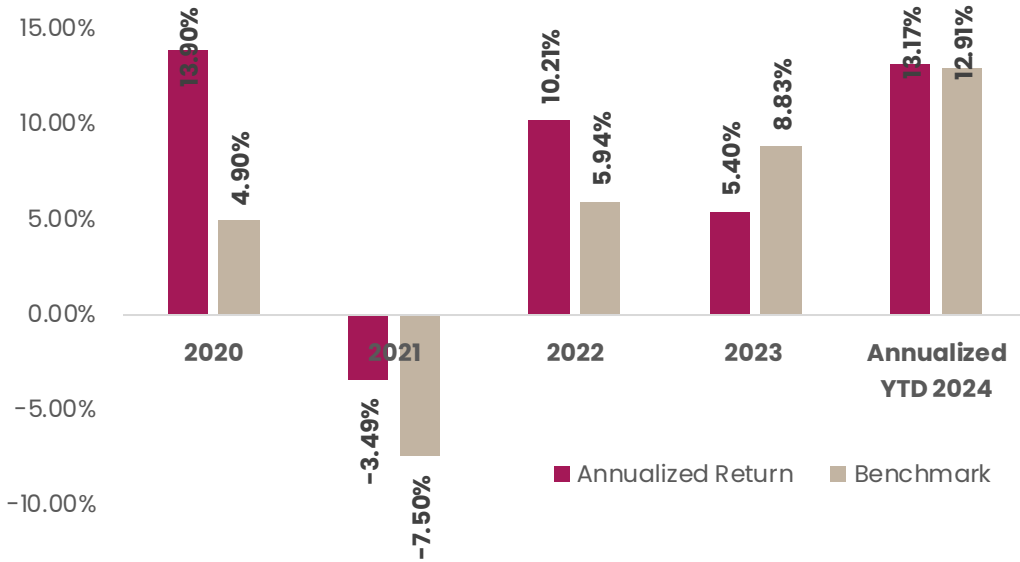
Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	2.17
Holding Yield	17.04%
Dividend Yield (2023)	6.78%

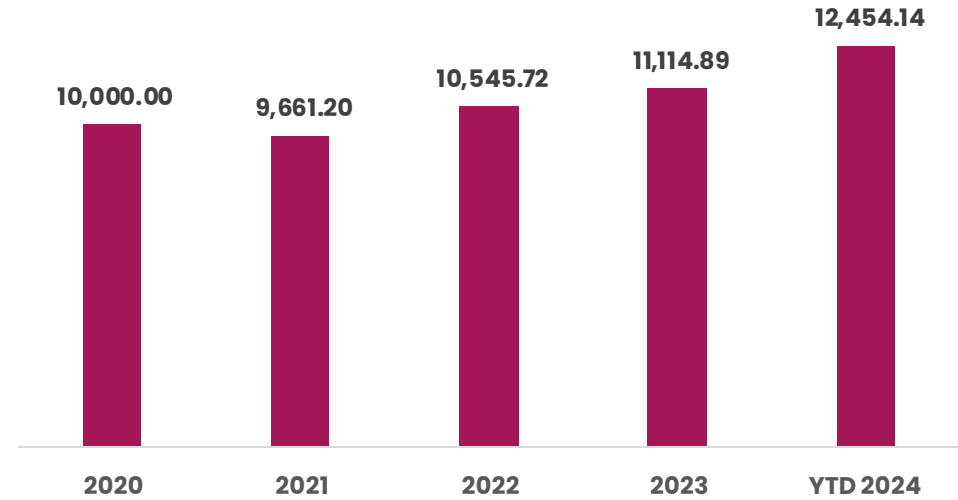


ARM Fixed Income Fund

Fund Performance

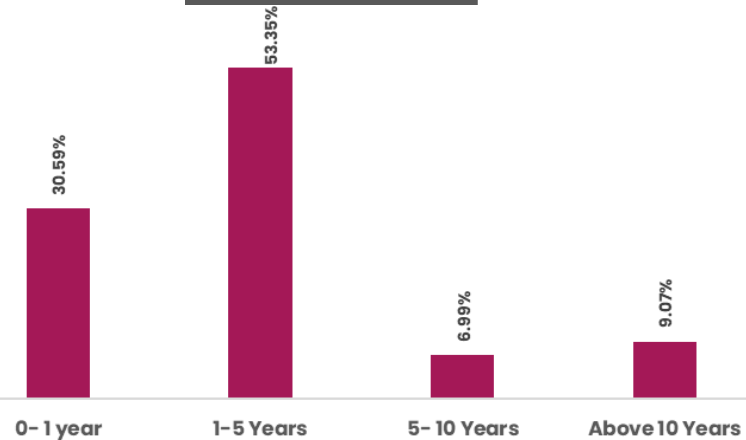


Growth of N10,000 investment since 31/12/20 to Date

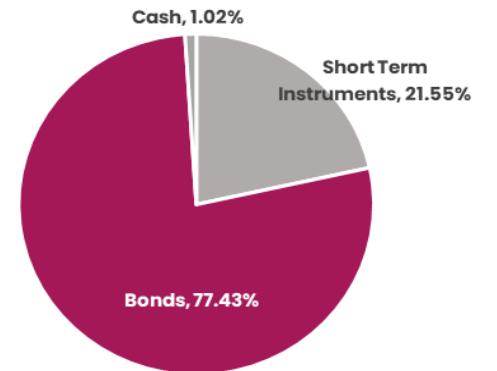


	2020	2021	2022	2023	Annualized YTD 2024
Annualized Returns	13.09%	-3.49%	10.21%	5.40%	13.17%
Benchmark	4.90%	-7.50%	5.94%	8.83%	12.91%

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

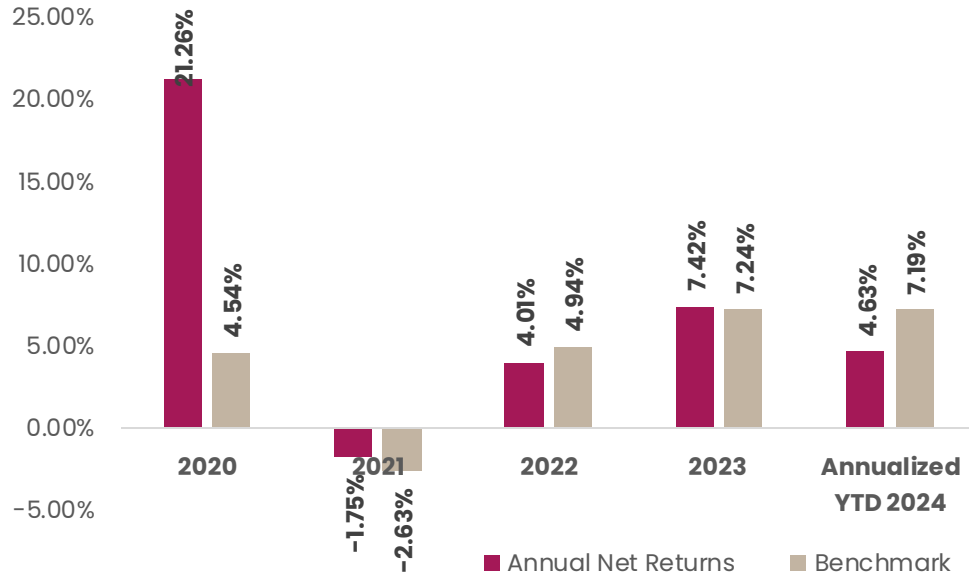
The main objective of the fund is to help investors achieve their long-term investment goals by investing in a broad range of US Dollar denominated instruments and hereby managing local currency devaluation risk.

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	\$9.71m
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	2.74
Holding Yield	8.80%
Dividend Yield (2023)	6.10%

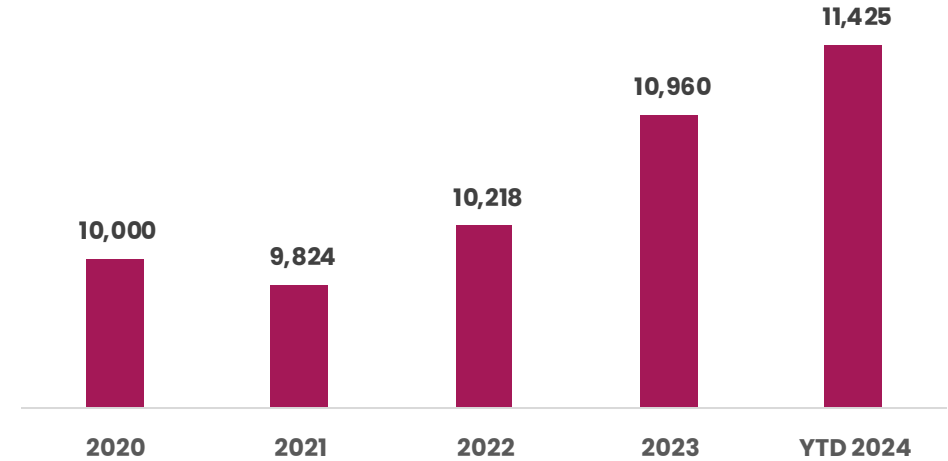


ARM Eurobond Fund

Fund Performance

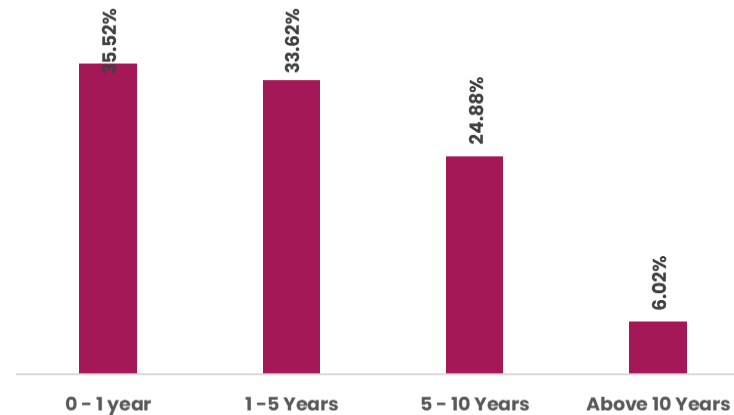


Growth of \$10,000 investment since 31/12/20 to Date

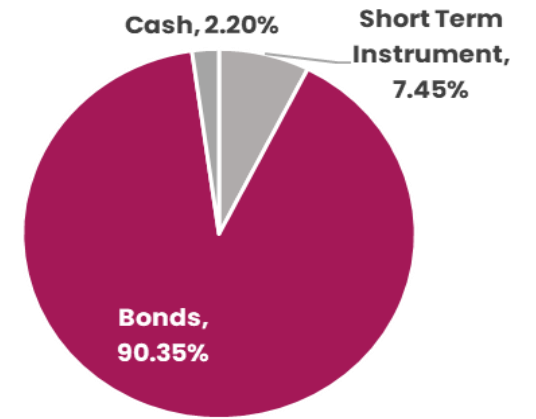


	2020	2021	2022	2023	Annualized YTD 2024
Annualized Returns	21.26%	-1.75%	4.01%	7.42%	4.63%
Benchmark	4.54%	-2.63%	4.94%	7.24%	7.19%

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	₦109.54 Billion
Annual Expense Ratio (YtD)	2.03%
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	69.67 days
Monthly Relative Returns	1.94

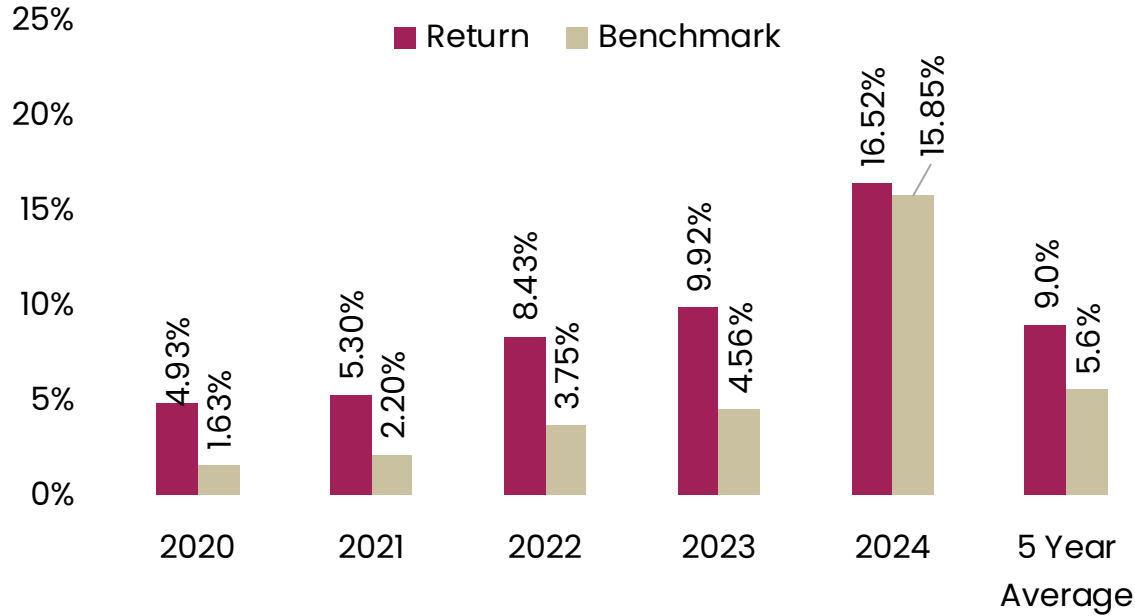


Money Market Fund

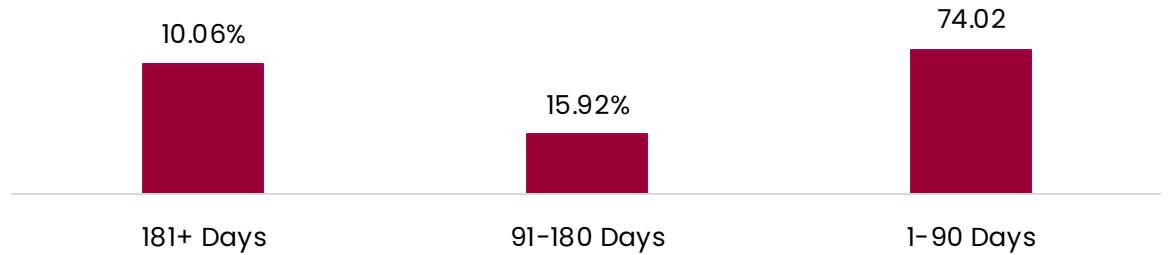
Fund Performance

Maturity Profile

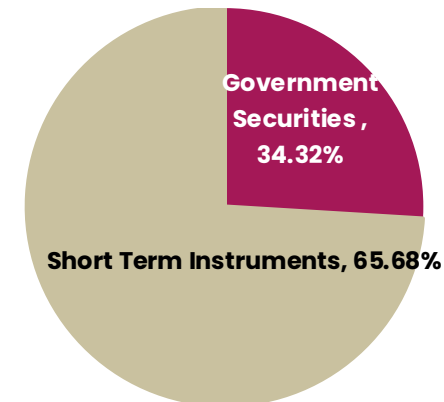
Fund Performance



Maturity Profile



Asset Allocation



	2020	2021	2022	2023	YTD 2024
Annual Net Returns	4.93%	5.30%	8.43%	9.92%	16.52%
Benchmark	1.63%	2.20%	3.75%	4.56%	15.85%



MARKET & MACRO OUTLOOK

GLOBAL MARKETS

North America: Expectations are high for a further Fed rate cut given the slowdown in economic growth. However, we think the Fed would continue to watch other economic data to make their decisions.

Asia: In Japan, we expect the central bank to maintain their hawkish stance in a bid to strengthen the Yen ahead of President-elect Trump's tariff policies. While in China we envisage that emphasis would continue to be on nipping the concerns in the real estate segment and restoring consumer confidence.

DOMESTIC MARKETS

EQUITY

In December 2024, we envisage mixed sentiment in the market, as investors engage in profit-taking activities due to the festive season, while positioning themselves ahead of the release of 2024FY earnings results.

FIXED INCOME

In December 2024, we expect interest rates to remain elevated, as the CBN's tightening cycle nears its end. We anticipate a gradual easing in the later part of December, which could lead to improved liquidity conditions and a more favorable outlook for the fixed income market.



Thank You





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