



Macroeconomics & Market Update

January 2025



MACRO ECONOMIC UPDATE

GLOBAL



- At the first FOMC meeting of the year 2025, the federal reserve maintained its key policy rate at 4.25% – 4.50%
- In January 2025, the European Central Bank (ECB) lowered its key deposit rate for the fourth consecutive time, by 0.25% bringing it to 2.75% from 3%.
- In January 2025, inflation rate in the Eurozone increased to 2.5% (vs. 2,4% in December 2024). The higher level of inflation can be linked to higher energy costs within the period.
- The Bank of Japan (BoJ) hiked interest rates in January 2025 from 0.25% to 0.5%, the highest in seventeen (17) years. This comes amid rising inflation levels and a weakening yen.
- In January 2025, the EURO STOXX 50 (+7.50% MoM), FTSE 100 (+5.01% MoM), S&P 500 (+2.93% MoM) and NASDAQ (+2.40% MoM) indices closed positive while the NIKKEI 225 (-0.67% MoM) and SHCOMP (-0.37% MoM) indices closed negative.

DOMESTIC

- In December 2024, Nigeria's headline inflation increased by 20bps to 34.80% YoY (vs. 34.60% YoY in November 2024), following higher core inflation (+53bps to 29.28% YoY). However, food inflation declined by 8bps to 39.84% YoY. On a MoM basis, headline (-20bps to 2.44% MoM) and food (-32bps to 2.66% MoM) inflation rates declined, while core inflation (+41bps to 2.24% MoM) trended upwards.
- The National Bureau of Statistics (NBS) undertook a rebasing exercise to update Gross Domestic Product (GDP) and Consumer Price Index (CPI) indicators. Starting from January 2025, the base years of GDP and CPI will be revised from 2010 and 2009 each to 2019 and 2024 respectively.
- In January 2025, the NCC approved a 50% tariff hike for telecom operators starting to help players in the sector manage rising operational costs and keep the telecom industry sustainable.

FIXED INCOME

Primary Market

- In January 2025, the Central Bank of Nigeria (CBN) held two Treasury bill auctions, lowering the total offer to NGN1.04trn. The average stop rate slightly decreased to 19.57% from 19.79% in December 2024, while the bid-to-cover ratio rose to 1.92x compared to 1.76x. CBN sold a total of NGN1.27trn in Treasury bills during the month.
- At the Federal Government of Nigeria (FGN) bond auction, the Debt Management Office (DMO) offered NGN450bn in bonds, including reopening for APR-2029 (NGN100bn) and FEB-2031 (NGN150bn) maturities, along with a new issuance for JAN-2035 (NGN200bn). The average stop rate increased to 22.30%, and the bid-to-cover ratio was 1.49x. The auction raised a total of NGN606.46bn.
- The Central Bank of Nigeria held a single OMO auction during the month, offering NGN600bn at an average stop rate of 22.58%. A total of NGN1trn was sold, split between the 341-day bill (NGN500bn) and the 361-day bill (NGN500bn)

Secondary Market

- The Nigerian Fixed Income Market closed the month on a positive note, with the average yield declining by 59bps MoM to 21.86%. This was driven by a decline in NT-Bills, where the average yield dropped by 212bps MoM to 23.43%.
- However, FGN Bonds closed lower, as the average yield increased by 93bps MoM to 20.69%.

EQUITIES

- In January 2025, the Nigerian equities market gained 1.53% on MoM and YtD bases. The market's positive performance was spurred by gains in MTNN, TRANSCORP and ZENITHBANK offsetting losses in DANGCEM, SUNNUASSUR and JBERGER.
- Sectoral performance in January 2025 was mixed during the month, with the Banking (+9.76% MoM) and Consumer Goods (+4.47% MoM) sectors recording gains. On the flipside, the Industrial Goods (-8.52% MoM), Oil and Gas (-1.61% MoM) and Insurance (-1.10% MoM) sectors posted losses.



Mutual Fund Performance

January 2025

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	₦3.91 Billion
Management Fee	1.5% of Net Asset Value
Annual Expense Ratio (YtD)	0.21%
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%)

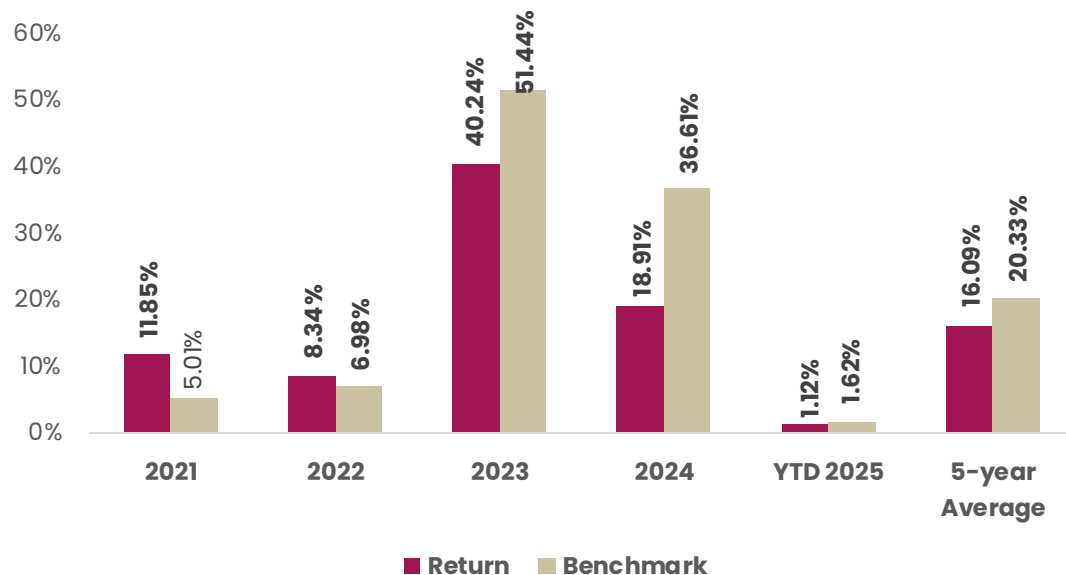
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Financial Services	23%	OVERWEIGHT
Telecoms	19%	UNDERWEIGHT
Industrials	19%	OVERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	13%	OVERWEIGHT
BUAFOODS	9%	UNDERWEIGHT
AIRTELAF	9%	UNDERWEIGHT

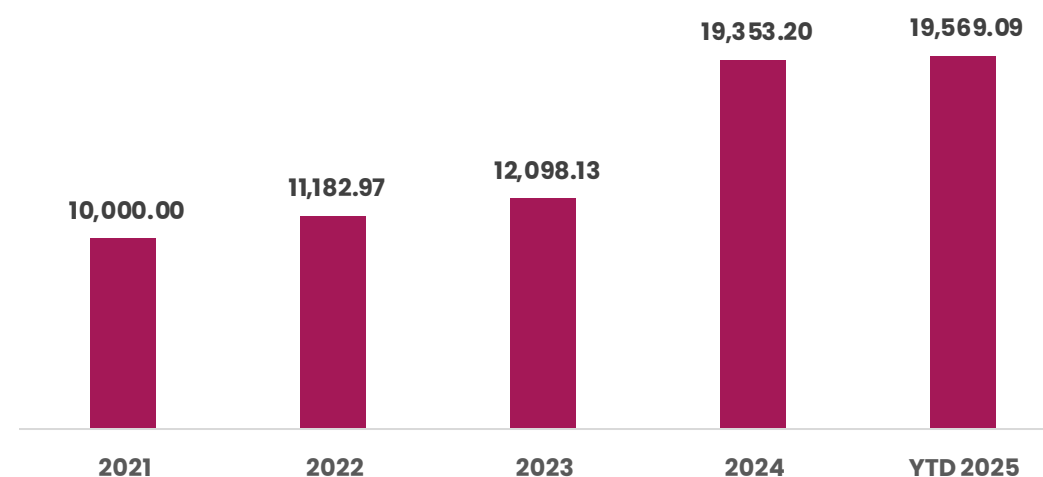
AGGRESSIVE GROWTH FUND



Fund Performance



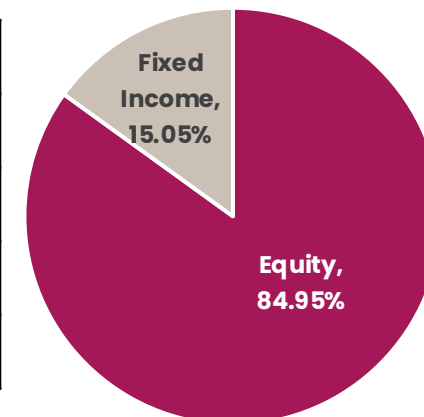
Growth of N10,000 investment from 31/12/2021 to Date



	2021	2022	2023	2024	YTD 2025	5 YEAR AVG
Annual Net Returns	11.85%	8.34%	40.24%	18.91%	1.12%	16.09%
Benchmark	5.01%	6.98%	51.44%	36.61%	1.62%	20.33%

Portfolio Analysis	
Portfolio Beta	0.76
Number of Stocks	27
Monthly Relative Returns	-0.50%
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	₦6.89 Billion
Annual Expense Ratio (YtD)	0.20%
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

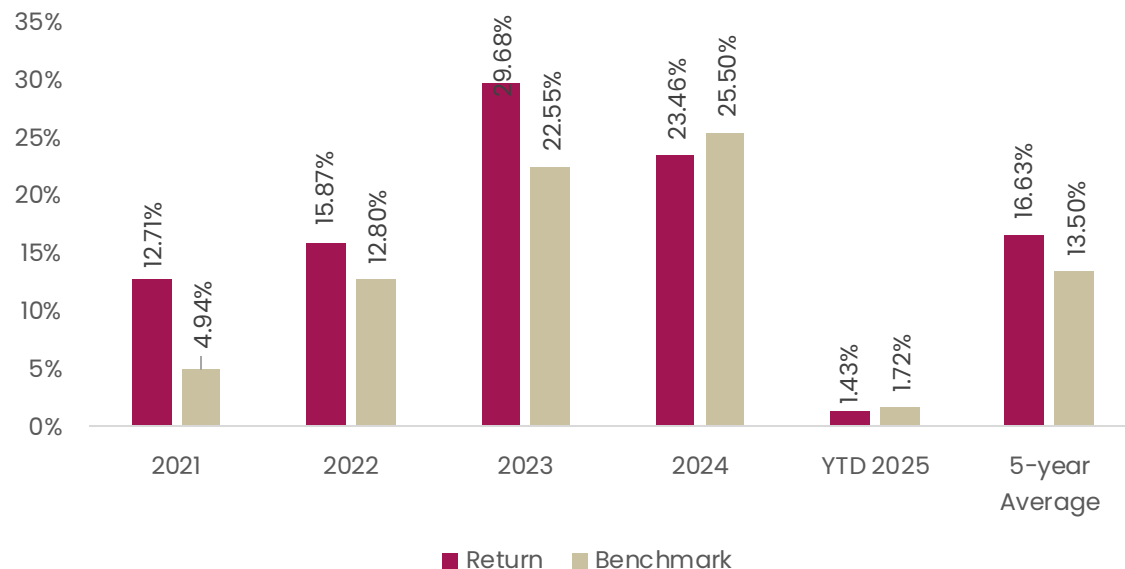
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	13%	UNDERWEIGHT
Agriculture	11%	OVERWEIGHT
Telecoms	9%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	7%	UNDERWEIGHT
BUAFOODS	6%	UNDERWEIGHT
AIRTELAF	4%	UNDERWEIGHT

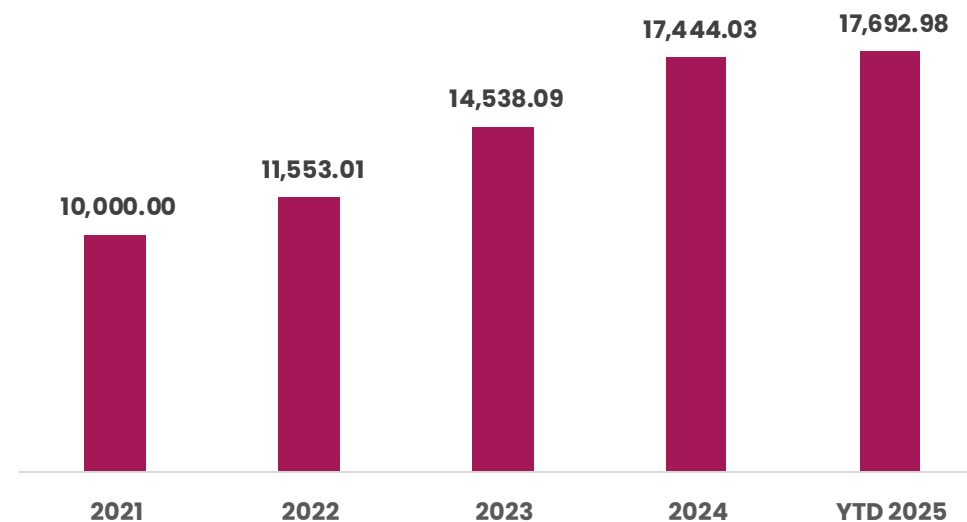
DISCOVERY BALANCE FUND



Fund Performance



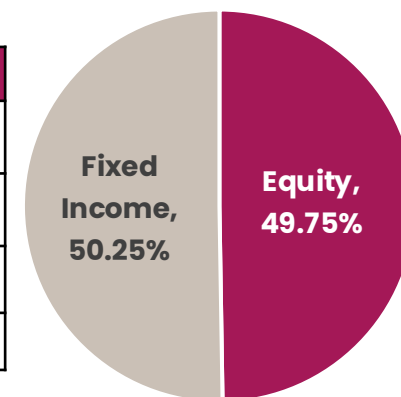
Growth of N10,000 investment since 31/12/2021



	2021	2022	2023	20234	YTD 2025	5 YEAR AVG
Annual Net Returns	12.71%	15.87%	29.68%	23.46%	1.43%	16.63%
Benchmark	4.94%	12.80%	22.55%	25.50%	1.72%	13.50%

Portfolio Analysis	
Portfolio Beta	0.42
Number of Stocks	26
Monthly Relative Returns	-0.29%
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	16%	UNDERWEIGHT
Industrials	13%	UNDERWEIGHT
Agriculture	9%	UNDERWEIGHT

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	₦1.03 Billion
Annual Expense Ratio (YtD)	0.19%
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

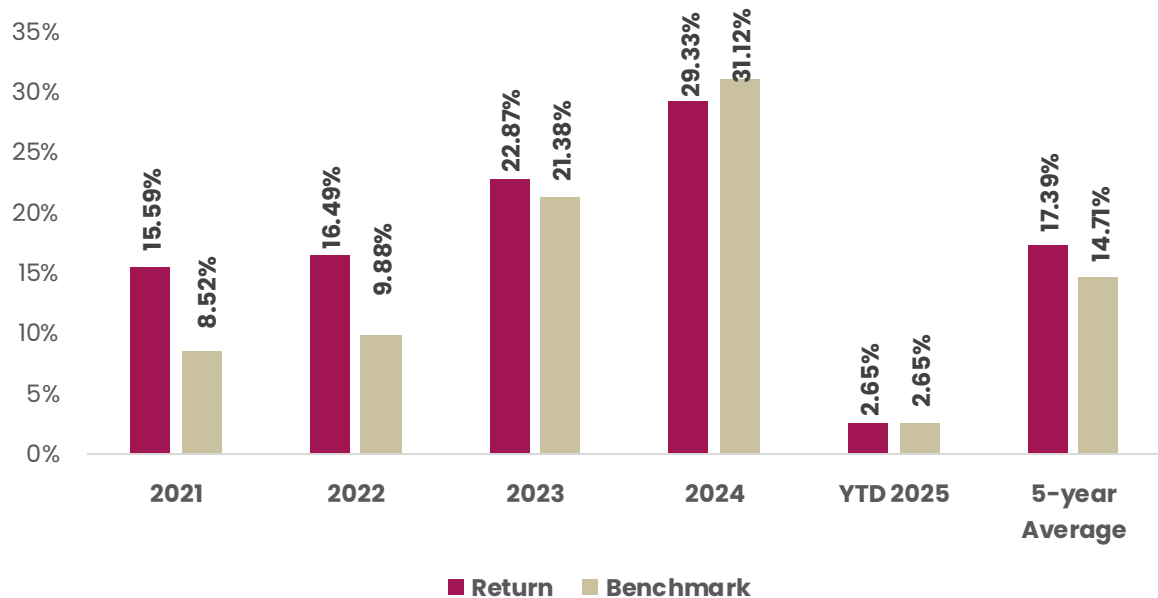
Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
BUAFOODS	15%	OVERWEIGHT
OKOMUOIL	9%	UNDERWEIGHT
ARADEL	8%	UNDERWEIGHT

Ethical Fund: Balanced (Shari'ah Based)

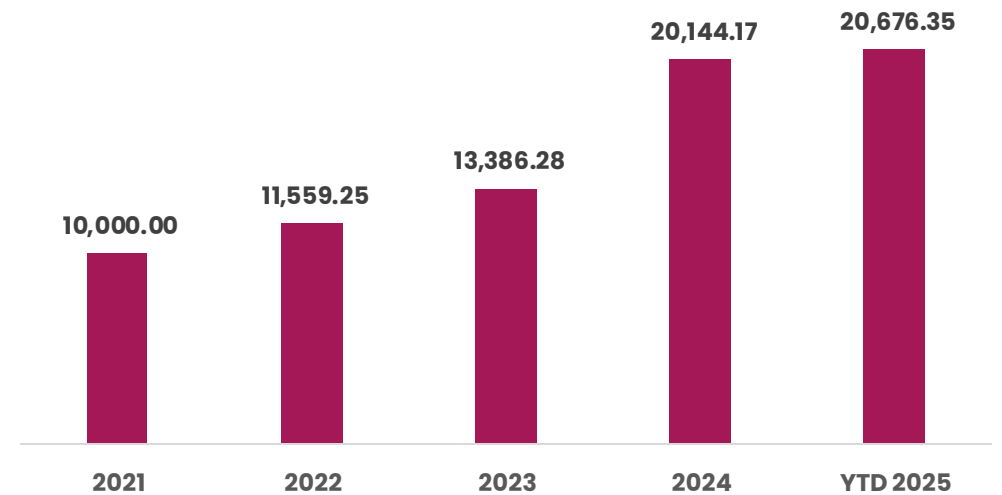


Fund Performance

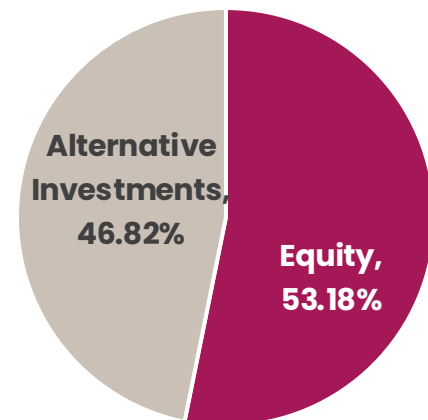


	2021	2022	2023	2024	YTD 2025	5 YEAR AVG
Annual Net Returns	15.59%	16.49%	22.87%	29.33%	2.65%	17.39%
Benchmark	8.52%	9.88%	21.38%	31.12%	2.65%	14.71%

Growth of N10,000 investment since 31/12/2021



Asset Allocation



Portfolio Analysis

Portfolio Beta	0.34
Number of Stocks	10
Monthly Relative Returns	0.00%
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.

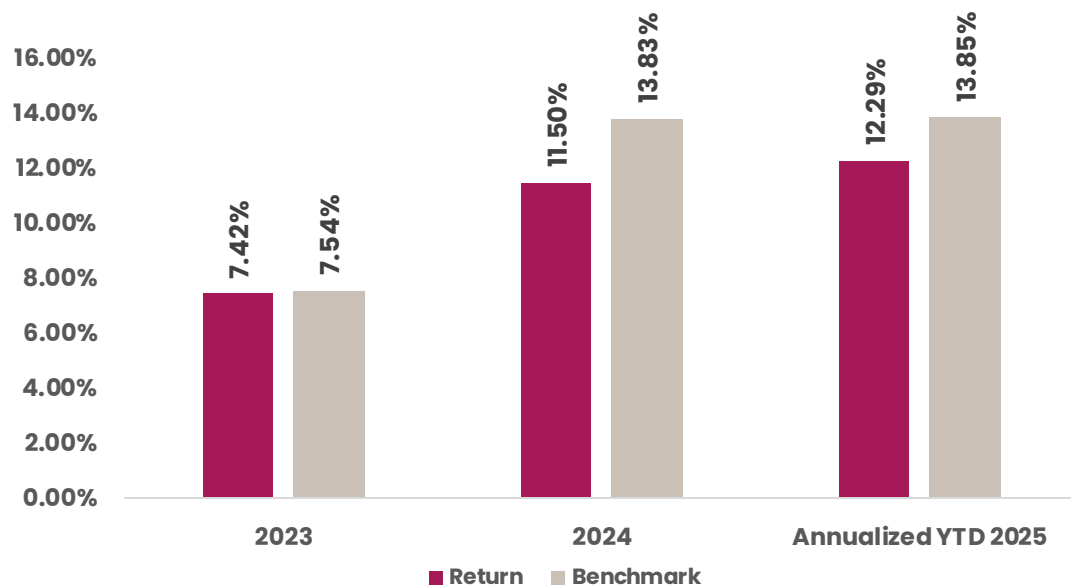
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦847.46mn
Expense Ratio	0.25%
Initial 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	1.45
Holding Yield	15.61%
Dividend Yield (2023)	4.15%

ARM Short-Term Bond Fund

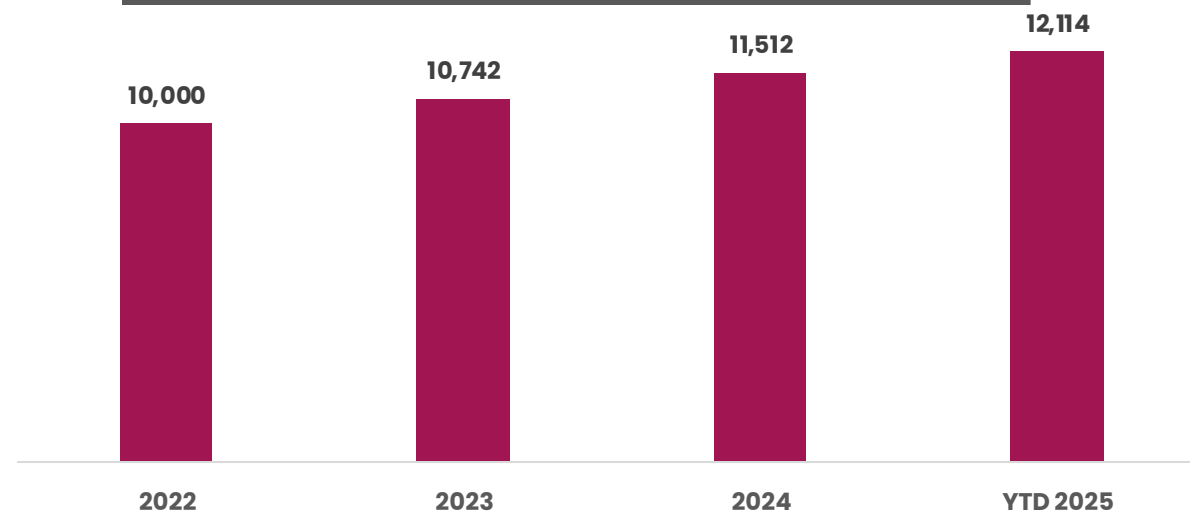


Fund Performance

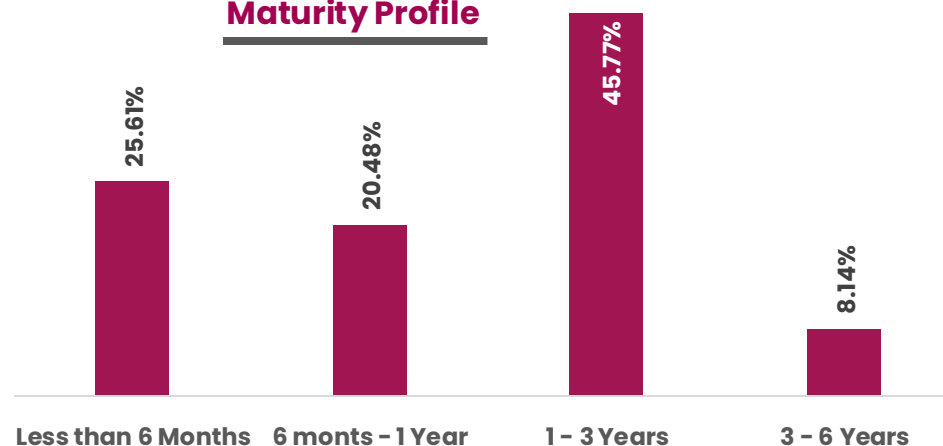


	2023	2024	YTD 2025
Annual Net Returns	7.42%	11.50%	12.29%
Benchmark	7.54%	13.83%	13.85%

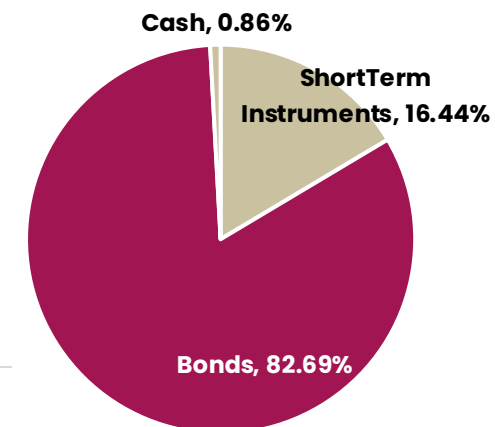
Growth of N10,000 investment since 31/12/22 to Date



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

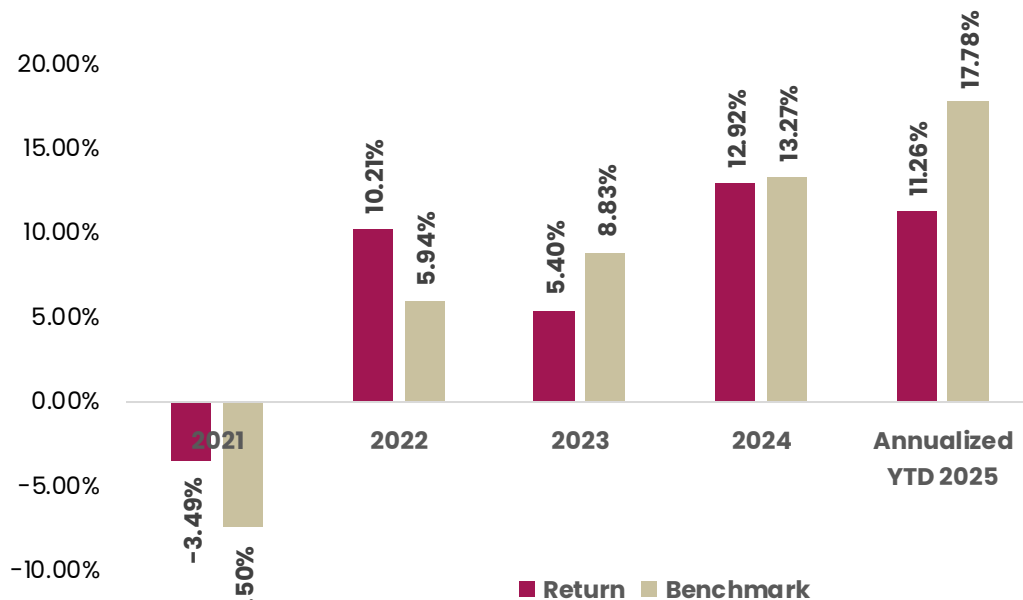
Benchmark	Composite of 5-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	₦1.31bn
Expense Ratio	0.21%
Initial Investment	₦5,000.00
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	3.71
Holding Yield	16.98%
Dividend Yield (2024)	3.84%

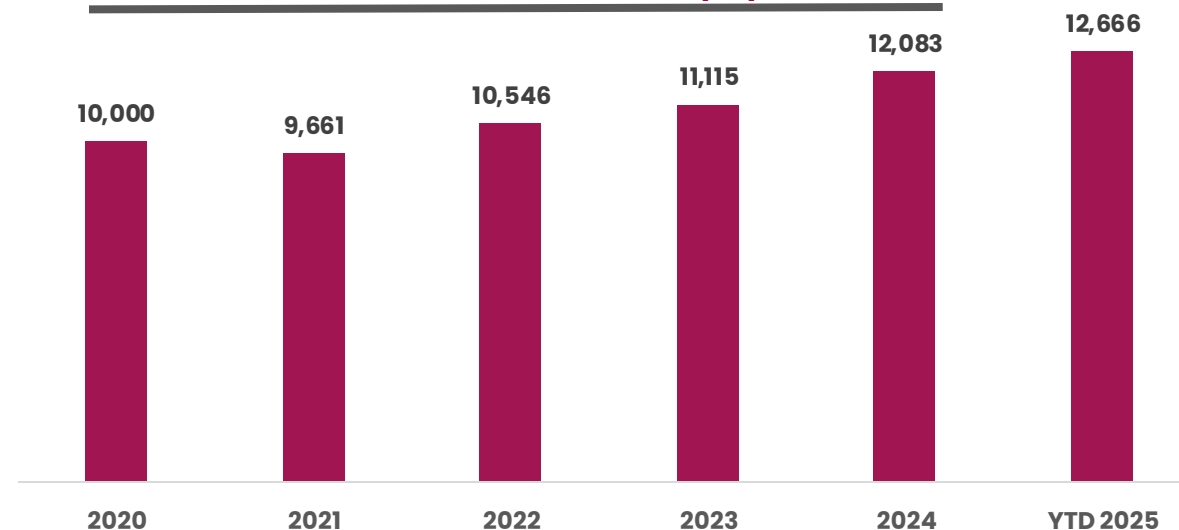


Fund Performance

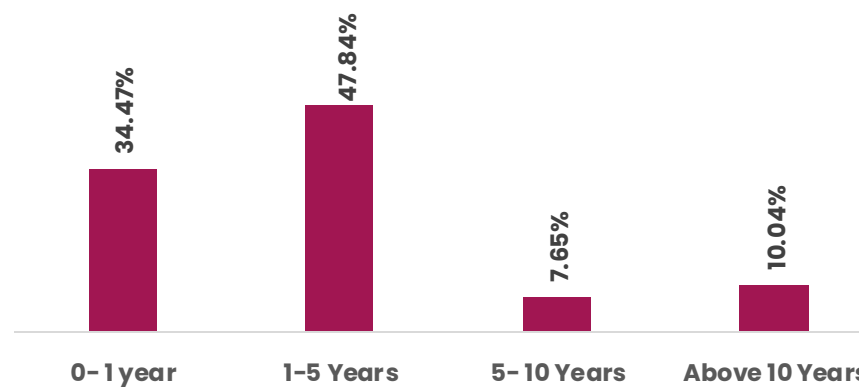


	2021	2022	2023	2024	YTD 2025
Annualized Returns	-3.49%	10.21%	5.40%	12.92%	11.26%
Benchmark	-7.50%	5.94%	8.83%	13.27%	17.78%

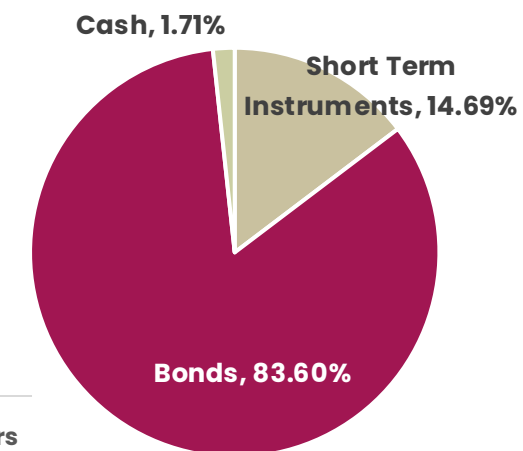
Growth of N10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation



ARM Eurobond Fund



FUND STRUCTURE

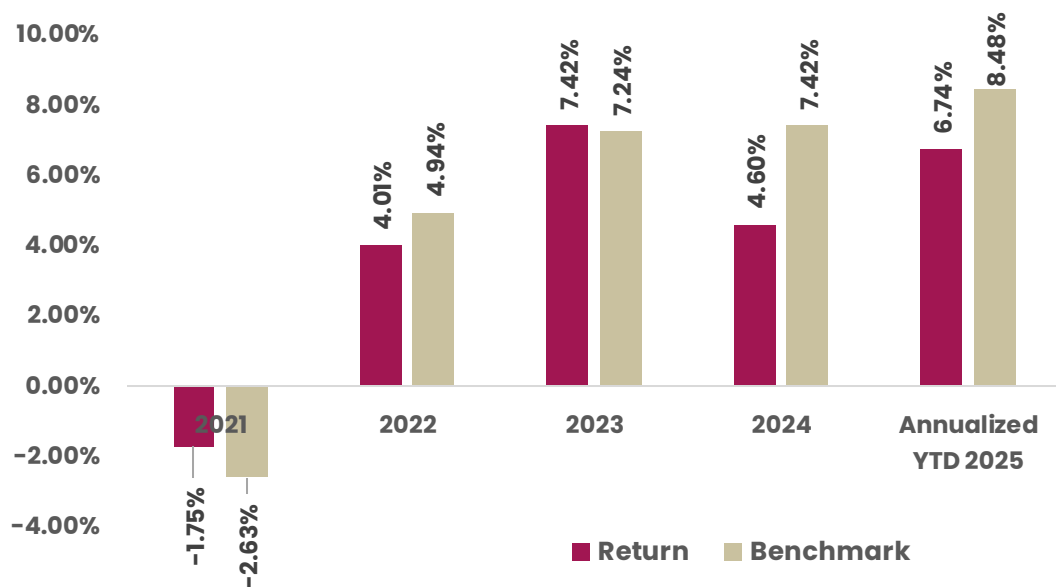
The ARM Eurobond Fund is an open-ended fund that invests in US Dollar denominated fixed income instruments. The Fund is authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007 and is regulated by the Securities & Exchange Commission (SEC).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

FUND OBJECTIVE

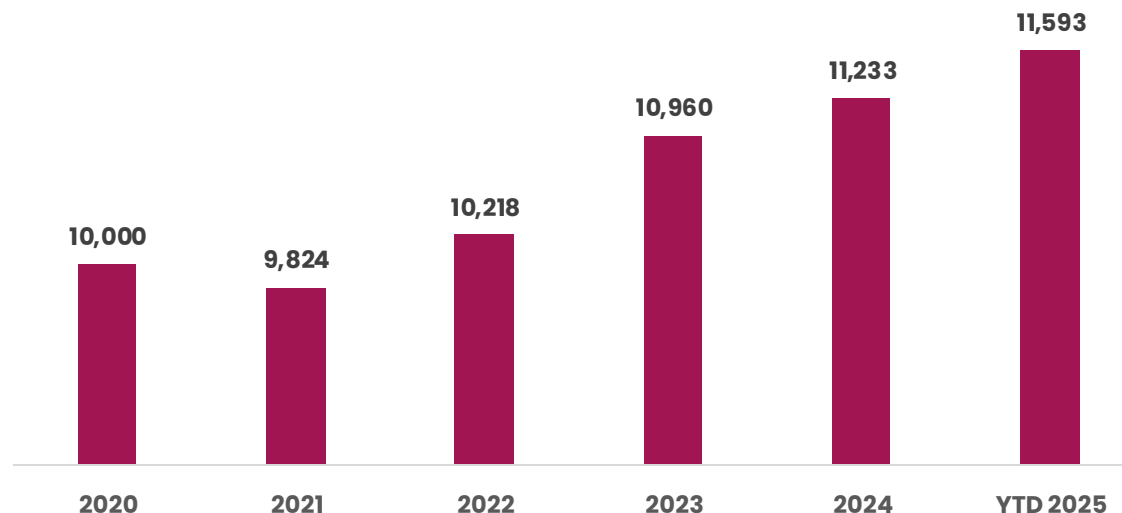
The main objective of the fund is to help investors achieve their long-term investment goals by investing in a broad range of US Dollar denominated instruments and hereby managing local currency devaluation risk.

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	\$10.16mn
Expense Ratio	0.16%
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	3.69
Holding Yield	8.48%
Dividend Yield (2024)	2.61%

Fund Performance

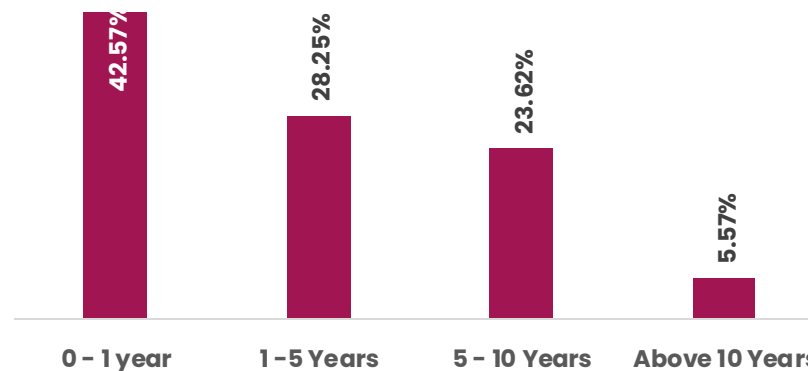


Growth of \$10,000 investment since 31/12/20 to Date

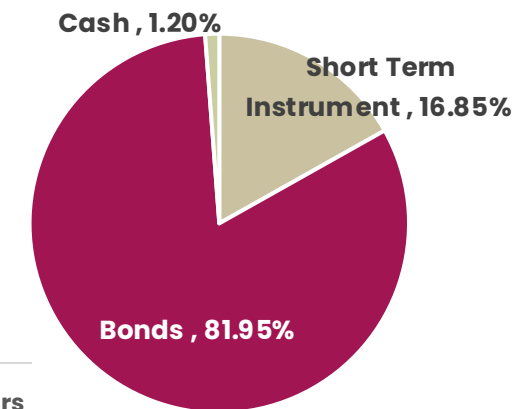


	2021	2022	2023	2024	YTD 2025
Annualized Returns	-1.75%	4.01%	7.42%	5.11%	6.74%
Benchmark	-2.63%	4.94%	7.24%	6.79%	8.48%

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	₦134.25 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	82.00 days
Monthly Relative Returns	3.91%

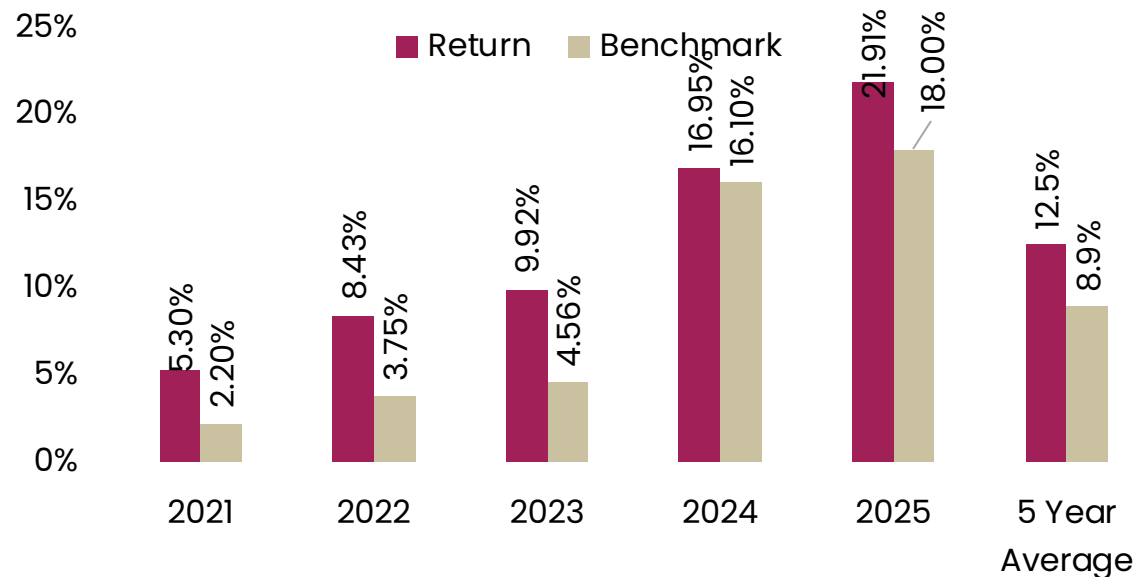
Money Market Fund



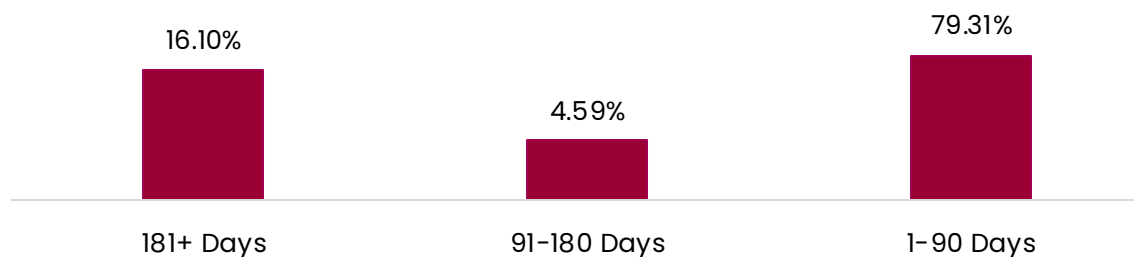
Fund Performance

Maturity Profile

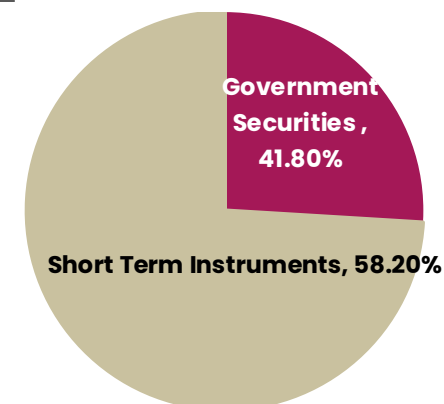
Fund Performance



Maturity Profile



Asset Allocation



	2021	2022	2023	2024	YTD 2025
Annual Net Returns	5.30%	8.43%	9.92%	16.95%	21.91%
Benchmark	2.20%	3.75%	4.56%	16.10%	18.00%

GLOBAL MARKETS

Uncertainties in the global market surrounding President Trump's new policies and the introduction of a new AI model, DeepSeek into the market were the themes of January 2025. We expect that going into February 2025, the new Trump policies, particularly concerning tariffs could have significant impact on the US and global markets. Furthermore, we could see increased investor attention on global AI stocks.

DOMESTIC MARKETS

EQUITY

In February 2025, we expect to see sustained buying interest as 2024FY earnings results continue to trickle in. However, we believe the market will also assess the outcome of the February 2025 Monetary Policy Committee (MPC) meeting holding on the 17th and 18th of February 2025.

FIXED INCOME

In February 2025, financial system liquidity is expected to increase to NGN3.34trn (vs. NGN1.61trn in January 2025). This will be driven by the maturity of NGN2.23trn in treasury bills and NGN230.46bn in bond coupons. With the upcoming MPC meeting, we expect the committee to maintain the current interest rate, which could result in lower average yields in the fixed income market.

Thank You





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