



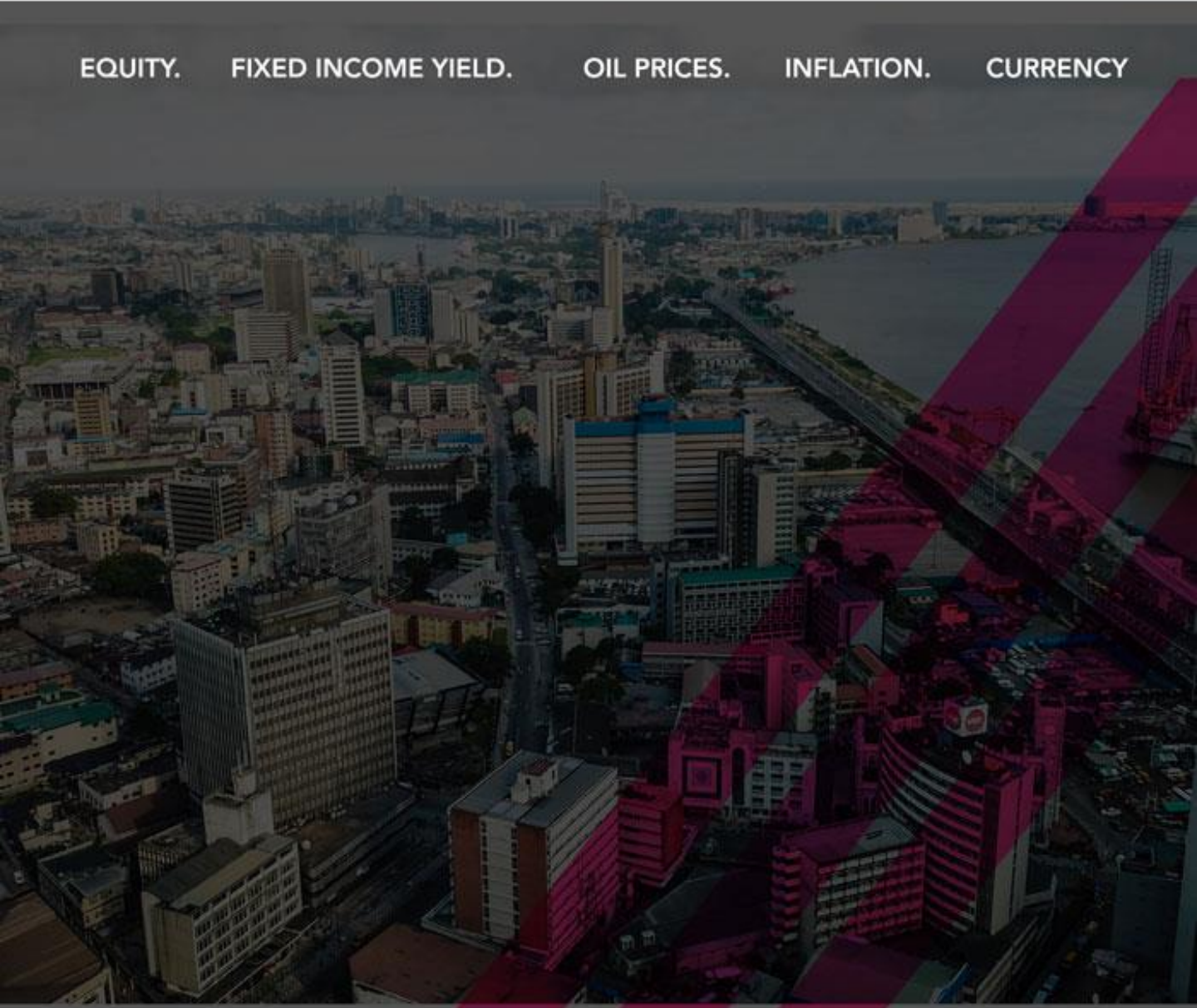
EQUITY.

FIXED INCOME YIELD.

OIL PRICES.

INFLATION.

CURRENCY



Mutual Funds Factsheet

November 2021

GLOBAL

- The discovery of the omicron variant of covid and resultant rise in hospitalisations has sparked off global concerns. Consequently, some countries have imposed travel restrictions to curb the spread of the variant. There has also been uncertainty on the impact of the mutations in the omicron variant on the effectiveness of the existing vaccines in preventing hospitalisations.
- The equities market was spooked by the outbreak of the omicron variant. Having made new highs earlier in the month, most market indices closed the month in the red. For context, the S&P 500 (-0.7%) closed November in a loss for the first time in a decade. Small cap stocks suffered severe losses (-4.8%) relative to large cap stocks. Emerging Market equities were also impacted by covid variant concerns, posting a loss of -4.1% for the month.
- In contrast to equities, most fixed income instruments especially government bonds rallied as investors rotated funds from equities into fixed income. In the US, after peaking at 1.69%, the 10-year US treasury closed the month at 1.48%. A similar trend also noticed in Europe, UK and Emerging markets respectively.

DOMESTIC

- Headline Inflation declined further by 64-basis points to 15.99% y/y in October for the seventh consecutive month since April 2021. This was driven by the 130-basis point moderation in food inflation to 18.30% y/y and 50-basis point drop in core inflation to 13.24% y/y. The slow down in food inflation reflects the on-going harvest season resulting in a moderation in food prices while the decline in core inflation was largely due to base effects.
- GDP report for Q3 2021 reflected a sustained rebound in economic performance with a growth of 4.03% y/y, although slower than the growth of 5.01% recorded in Q2 2021. The growth was underpinned by the 5.44% y/y expansion in the non-oil sector, driven by the trade and services sector. On the other hand, the oil sector remained in contraction for the sixth consecutive quarter with a -10.73% y/y growth due to lower oil production of 1.57mbpd (Q3 2020 - 1.67mbpd).
- The Monetary Policy Committee at its last meeting of the year in November, held the monetary policy rate and all other policy parameters constant in a bid to support the continued recovery of the economy. The MPR was retained at 11.50%, asymmetric corridor remained at +100/-700bps around the MPR, the cash reserve ratio retained at 27.50% and liquidity ratio retained at 30%.

FINANCIAL MARKET UPDATE

EQUITIES

- The equities market recorded the fifth consecutive month of gain, printing at +2.88% whilst year-to-date performance stood at 7.40%. The market maintained bullish sentiments through the month as investors cherry picked bellwether stocks.
- Market performance was buoyed by the rally in the stocks of telecom giants - MTN Nigeria Plc and Airtel Africa Plc, even as investors reacted positively to the news on the receipt of approval in principle of the payment service banking license.
- On a sectorial basis, the Insurance and Industrial goods indices returned gains of 4.28% and 0.72% respectively while the Oil & Gas and Banking indices reported losses of 4.78% and 3.92% respectively. At stock level, gains in Airtel (+21.79%), MTNN (+8.20%), BUA (+3.47%), FBNH (+11.16%) and AIICO (+43.46%) supported market performance.

FIXED INCOME

- The liquidity within the financial system improved in November, mirrored by the 183 basis point and 173 basis point moderation in open buy back (OBB) and Overnight (ON) rates to 10.96% and 11.56% respectively.
- Reflective of improved liquidity, demand was strong at the Treasury Bills primary auctions held during the month which came in 3.68x oversubscribed. The stop rates on the 91-day and 182-day papers remained flat at 2.50% and 3.50% respectively. However, average stop rates on the 364-day paper declined by 93 basis point to close at 5.89%. Similarly, average yields at the Treasury Bills secondary market declined by 21 basis points to 4.83%.
- In a contrast move, average stop rates at the FGN Bond auction increased marginally by 3 basis point to 12.63% on the back of tapered demand while at the secondary market, average bond yields also increased by 1 basis point to 11.33% indicating side line actions by investors.

FUND STRUCTURE

The ARM Aggressive Growth Fund is an open-ended fund with a permissible investment limit exposure of 70% - 100% in stocks of companies quoted on the Nigerian Stock Exchange. The ARM Aggressive Growth 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.

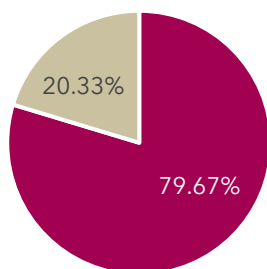
FUND OBJECTIVE

The mix of assets in the Fund is aimed at providing long term capital growth opportunities for investors with a high-risk tolerance.

KEY FACTS

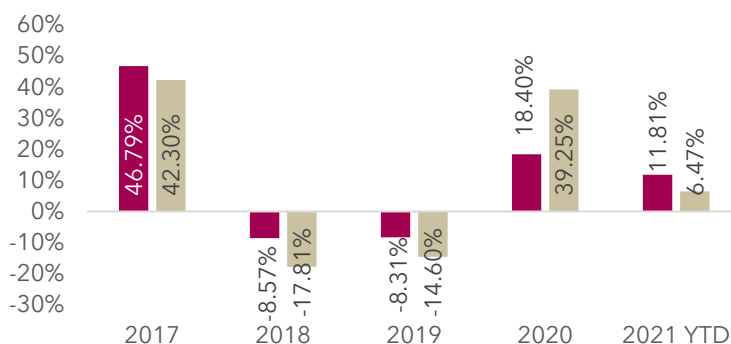
Launch Date	April 2014
Size of Fund	N2.75 Billion
Memorandum Listings	2008
Initial Investment Amount	N50,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Nigerian Stock Exchange 30 Index (NGSE30)
Trustee	First Trustees Nigeria Ltd, a subsidiary of FBN Capital Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	High
Relative Return	5.34%
Equity Beta	0.97

FUND ASSET ALLOCATION



■ Equities ■ Fixed Income

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Banking	22%	Overweight
Industrials	19%	Underweight
Consumer Goods	16%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	12%	Underweight
MTNN	10%	Underweight
NESTLE	9%	Overweight

FUND STRUCTURE

The ARM Discovery Balanced fund seeks to maximize return by investing in a broad spectrum of asset classes that comprises of equities and fixed income securities. The Fund Manager is required to maintain a minimum equity position of 40% and a maximum of 60%. It is not the objective of the Fund to replicate the performance of the Nigerian equity market; rather, it has a primary objective to deliver competitive returns over the long term.

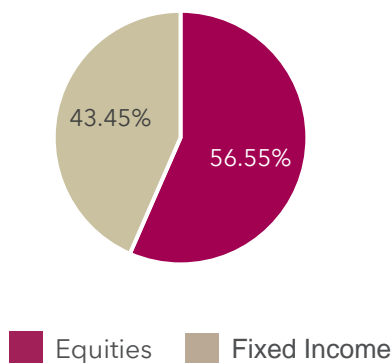
FUND OBJECTIVE

The mix of assets in the Fund is aimed at providing long term capital growth opportunities for investors with a medium risk tolerance.

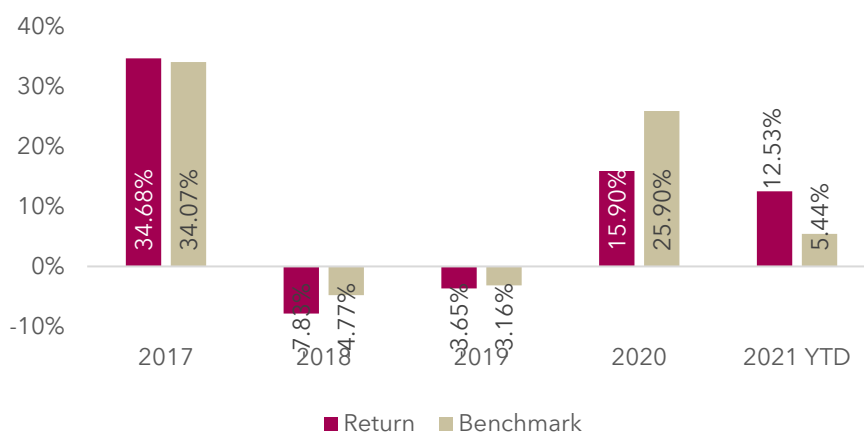
KEY FACTS

Launch Date	January 1995
Size of Fund	N4.57 Billion
Memorandum Listings	April 2002
Initial Investment Amount	N10,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of NSE ASI and FMAN 91-day Average T-Bill rate.
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	Medium
Relative Return	7.09%
Equity Beta	0.96

FUND ASSET ALLOCATION



FUND PERFORMANCE



Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Telecoms	14%	Underweight
Banking	14%	Overweight
Industrials	12%	Underweight

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
MTNN	8%	Underweight
DANGCEM	7%	Underweight
AIRTEL	6%	Underweight

FUND STRUCTURE

The ARM Ethical Fund is an open-ended fund designed to enable ethical investors to invest in line with ethical Islamic investment principles the principles of Shari'ah laws will be upheld whilst managing the Fund, specifically the Fund is designed to exclude all forms of "riba or interest" from all its investment operations and prohibits investments in businesses that are inconsistent with Islamic principles, such as gambling, tobacco, alcohol, ammunition, sale or purchase of pork and all forms of adult entertainment.

The Fund is structured to have an Advisory Board and an Investment Committee with expertise in shariah investing.

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:

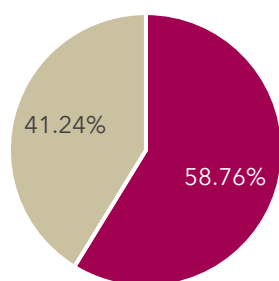
- Wish to achieve long-term capital growth on their investments.
- Have a medium investment risk appetite.

KEY FACTS

The ARM Ethical Fund is a Shari'ah compliant open-ended Islamic Fund.

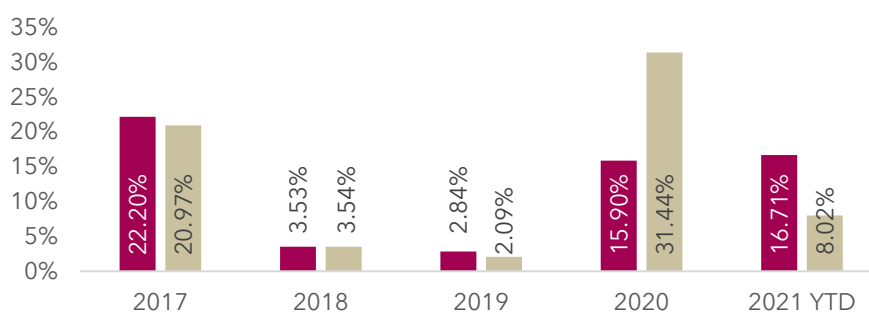
Fund Structure	Open-Ended
Size of Fund	N413 Million
Nominal Value	N20.00/Unit
Initial Investment Amount	N10,000.00
Management Fee	1.5% of NAV
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Trustee	Royal Exchange Plc.
Custodian	Rand Merchant Bank
Risk Profile	Medium
Relative Return	8.70%
Equity Beta	0.90

FUND ASSET ALLOCATION



■ Equities ■ Alternatives

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	18%	Underweight
Consumer Goods	17%	Underweight
Agro Allied	6%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	9%	Underweight
BUACEMENT	8%	Underweight
NESTLE	7%	Underweight

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FUND STRUCTURE

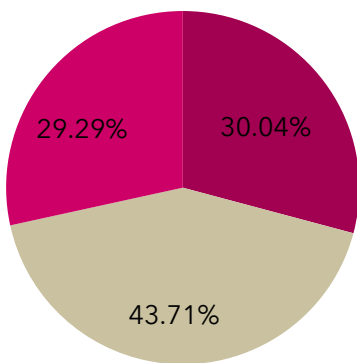
The ARM Fixed Income Fund is an open-ended fund authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond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

FUND OBJECTIVE

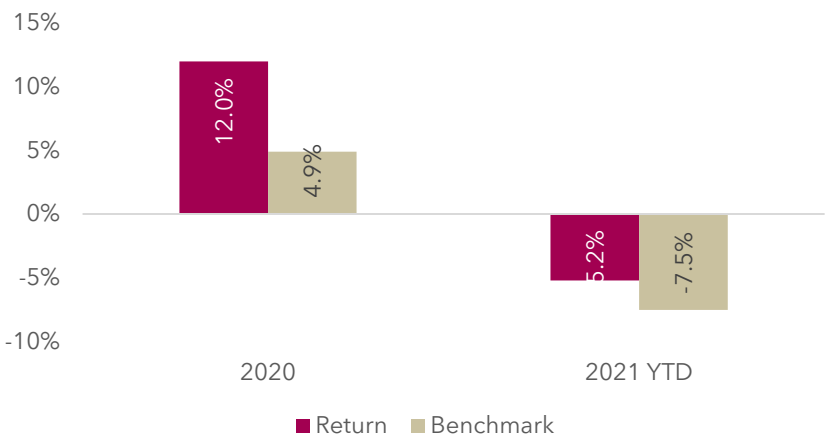
The primary objective of the Fund is to help investors achieve their medium to long-term investment goals by investing in investment grade fixed income securities such as FGN, corporate bonds, and short-term fixed income instruments.

KEY FACTS

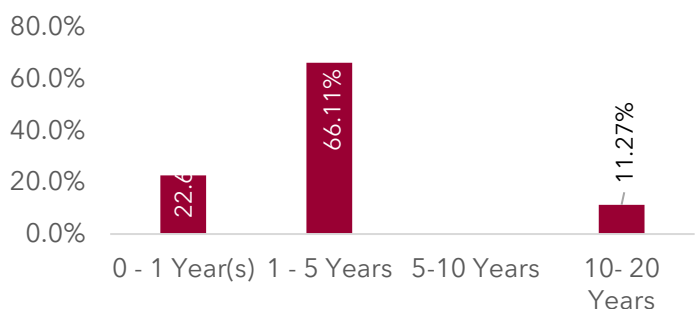
Launch Date	February 2020
Size of Fund	N1.48 Billion
Initial Investment Amount	N5,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of 0-5-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Trustee	STL Trustees Ltd.
Custodian	Rand Merchant Bank
Risk Profile	Medium - High
FUND ASSET ALLOCATION	FUND PERFORMANCE



- Short-term instruments
- FGN Bonds
- Cash



MATURITY PROFILE



Fund Duration	0.76
Holding Yield	5.67%
Relative Return	+2.31%

FUND STRUCTURE

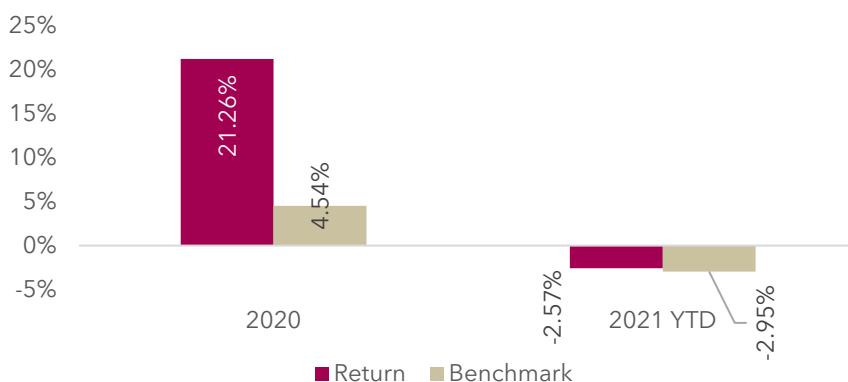
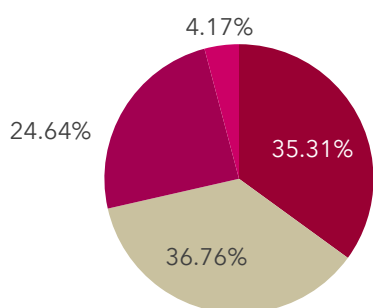
The ARM Eurobond Fund is an open-ended fund that invests in US Dollar denominated fixed income instruments. The Fund is authorised and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007 and is regulated by the Securities & Exchange Commission (SEC).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

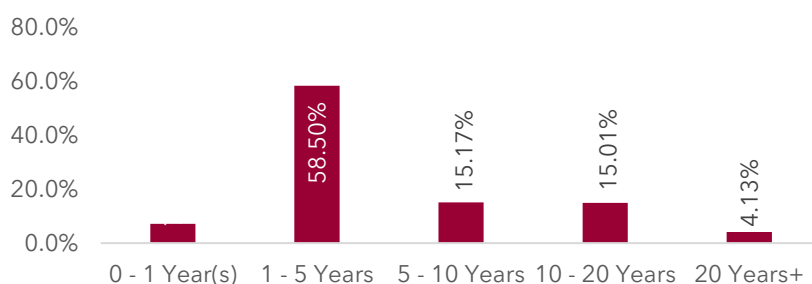
KEY FACTS

Launch Date	February 2020
Size of Fund	\$15.49 Million
Initial Investment Amount	\$1,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of 3-Year Nigeria Sovereign Eurobond and US Treasury Bills Yield
Trustee	STL Trustees Ltd.
Risk Profile	Medium-High
Custodian	Rand Merchant Bank
FUND ASSET ALLOCATION	FUND PERFORMANCE



- FGN Eurobonds
- Corporate Eurobonds
- Short-term Instruments
- Cash

MATURITY PROFILE



Fund Duration	2.62
Holding Yield	5.57%
Relative Return	+0.38%

FUND STRUCTURE

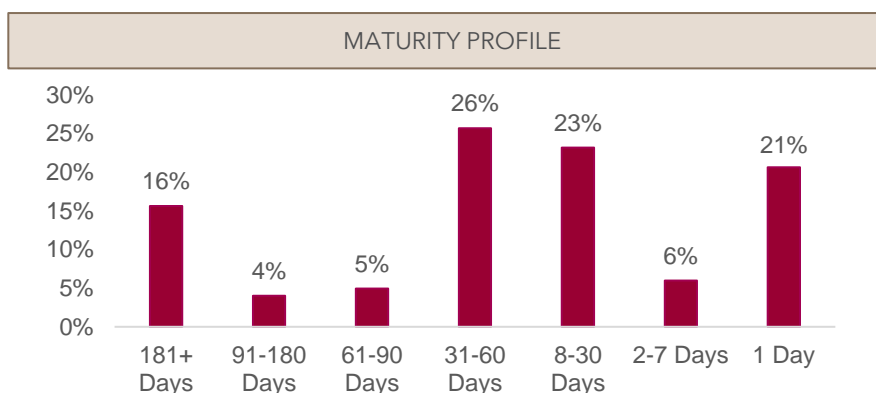
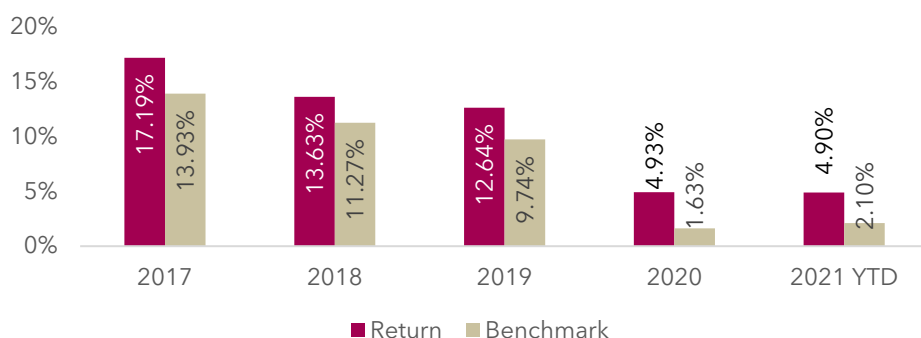
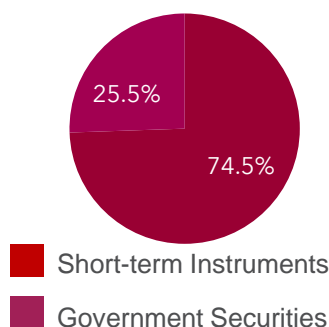
The ARM Money Market Fund is an open-ended fund, authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by Securities & Exchange Commission (SEC).

FUND OBJECTIVE

The primary objective of the Fund is to provide a steady stream of income to investors by investing 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.

KEY FACTS

Launch Date	March 2013
Size of Fund	N56 Billion
Initial Investment Amount	N1,000.00
Income Accrual	Daily
Income Distribution	Quarterly
Management Fee	1.5% of NAV
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
FUND ASSET ALLOCATION	FUND PERFORMANCE



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GLOBAL MARKETS

Whilst the recovery in the global economy is expected to continue, uncertainty over the omicron variant and the efficacy of the vaccines to stem the spread remains a focal point in the coming month. Also, global monetary authorities are likely to observe the impact of the variant on the economic outlook amidst inflationary concerns before taking actions. Investors are likely to be cautious in the financial markets as they look to see the impact of the omicron variant on the global economy. In US, all eyes would be on the outcome of the US FED's last meeting of the year.

DOMESTIC MARKETS

EQUITY

In the coming month, we expect sentiments on the local bourse to remain mixed. Retail investors are likely to dominate the scene whilst institutional investors continue to bargain hunt attractive bellwether stocks. We also expect improved activity levels towards the end of the month as a result of year portfolio rebalancing activities by portfolio managers. Overall, we expect market performance to be mixed in the coming month.

FIXED INCOME

The demand for short term instruments is expected continue for the rest of the year as investors shield their portfolios against the impact of a possible bearishness on longer duration instruments. Also, liquidity levels within the financial system would shape the demand picture into the rest of the year, whilst a possible Sukuk issuance in the last month of the year will improve supply from the government. Consequently, we do not expect a significant change in current market position.

MONEY MARKET

Rates in the money market space are expected to remain range bound as we do not expect any significant movement in yields for the rest of the year although there is a bias that yields are still likely to decline given the challenges faced by the FG on debt servicing. Investors are likely to stay on the sidelines while monitoring the direction of yields before taking a position. Market activity is also likely to be influenced by liquidity levels in the coming month.



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