



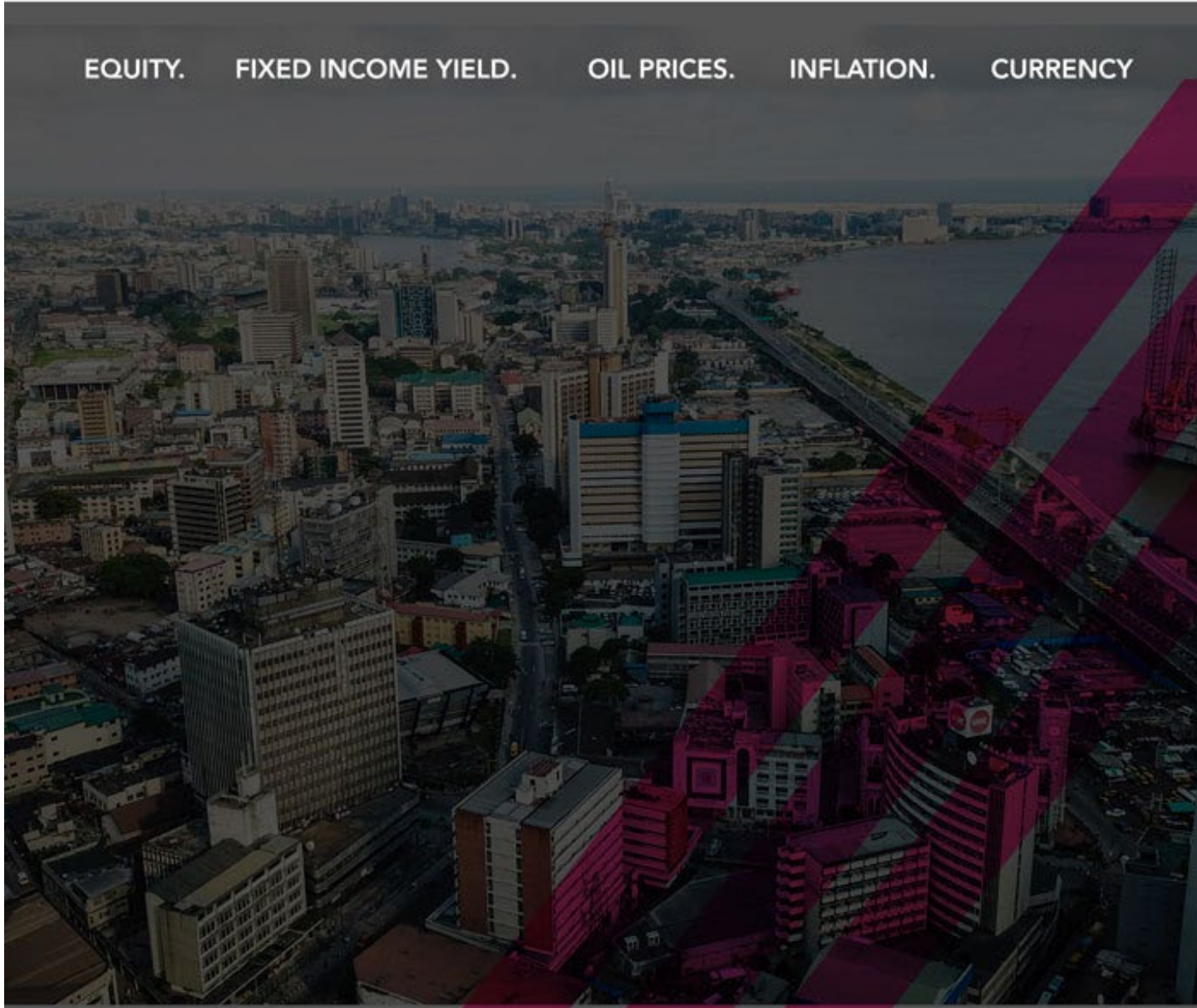
EQUITY.

FIXED INCOME YIELD.

OIL PRICES.

INFLATION.

CURRENCY



Mutual Funds Factsheet

January 2022

GLOBAL

- Global economic data published for January was sturdy as infection rates and hospitalizations declined. The Purchasing Manager Index (PMI) in the US continued to signal expansion in economic activity with a reading of 55, same with Europe printing at 59. On the contrary, inflationary pressures remained a concern across most economies. Inflation in the US climbed 7% for December, which is the highest level since the 1980s while in Europe, inflation rose to 5%.
- The January meeting of the US FED revealed that the monetary authority is on track to end its bond purchase program in March and likely commence raising rates. The European Central Bank (ECB) has signaled that it is unlikely to raise rates in 2022 but remains flexible in its policy. The Bank of England is also expected to raise rates in response to persistent inflationary pressures and tightening of the labor market.
- After a strong performance last year, the equities market have begun the year on negative note with the developed market equities down 5.3% and emerging market equities down by 1.9%. Rally in oil & gas prices and higher US treasury yields saw energy and financial stocks significantly outperform the rest of the market. Global bond markets fell 2% last month but still outperformed equities as markets priced in an additional two rate hikes from the Fed to a total of five hikes in 2022.

DOMESTIC

- The monetary policy committee of the Central Bank held its first meeting in the year where it held all monetary policy parameters constant with the monetary policy rate kept at 11.50%. This decision according to the committee is to continue to boost output growth and achieve price and monetary stability conducive for growth.
- Headline inflation rose by 23-basis point to 15.63% in December 2021, the first rise in the consumer price index in eight (8) months. The increase was driven by the 16-basis point rise in food inflation to 17.37% likely due to increased demand from year end festivities. Similarly, core inflation rose slightly by 2-basis point to 13.87%
- The Stanbic IBTC Nigeria PMI dipped to a four-month low printing at 53.7 from 56.4 in December 2021, nonetheless, still indicating an expansion in private sector activities. Output continued to rise on the back of larger workforces as well as supportive domestic and international demand conditions. However, cash shortages weighed on new orders, which rose at the softest rate in 18 months.

FINANCIAL MARKET UPDATE

EQUITIES

- The equities market began the year on a very strong note, recording a gain of 9.15% for the month of January 2022. Market sentiment was positive and bullish as investors took position in stocks ahead of dividend announcements. We also saw the listing by introduction of a new stock on the exchange – BUA Foods Plc
- The impressive performance was also driven by the reaction of investors to the impressive unaudited full year results released to the market which led to bargain hunting. In addition, demand persisted for the fungible dual listed stocks such as Airtel Africa and Seplat.
- Specifically, market was driven by gains in Airtel Africa (+33.09%), BUA Foods (+61%), BUA Cement (+5.52%), Seplat (21.54%) and ETI (+43.68%) amidst losses recorded by Nestle (-7.81%), NB (-3.1%), NEM (-18%), UPDC (-13.48%) and UACN (-6.32%)

FIXED INCOME

- Activities in the first month of the year ended on a slightly bullish tone given renewed buy interest from investors. This was mostly driven by reinvestment of maturities, which consequently drove yields downwards.
- Average NTB yield at the secondary market declined by 9 basis points month-on-month to 4.40% while at the primary auction held within the month, average yield advanced by 10bps given marginal increase in yields on the 364-day instrument.
- At the secondary market for bonds, average yield declined month-on-month by 5bps to 11.49%, driven by buying activities at the short to mid end, and to a smaller extent the long end of the yield curve. At the primary bond auction, the DMO issued a new 20-year instrument at 13% coupon. Average yield at the auction closed 13bps lower at 12.25% relative to December 2021 auction.

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.

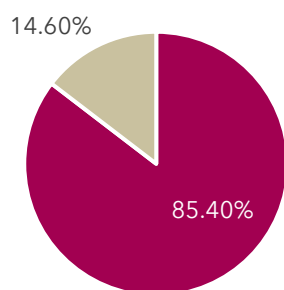
FUND OBJECTIVE

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

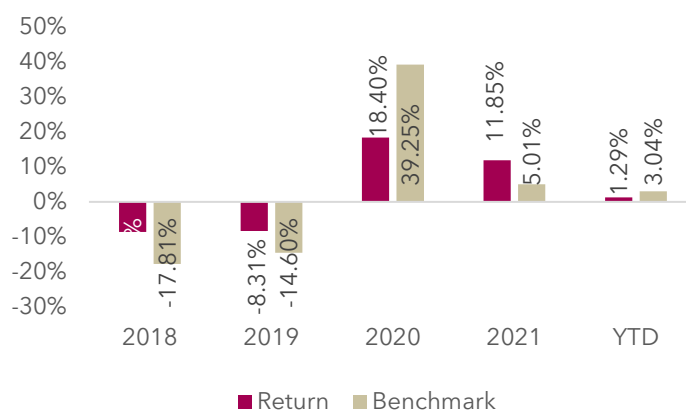
Launch Date	April 2014
Size of Fund	N2.32 Billion
Memorandum Listings	2008
Initial Investment Amount	N50,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Nigerian Stock Exchange 30 Index (NGSE30)
Trustee	First Trustees Nigeria Ltd, a subsidiary of FBN Capital Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	High
Relative Return	-1.76%
Equity Beta	0.92

FUND ASSET ALLOCATION



■ Equities ■ Fixed Income

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Banking	23%	Equalweight
Industrials	20%	Underweight
Consumer Goods	19%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
MTNN	12%	Underweight
NESTLE	11%	Overweight
DANGCEM	11%	Underweight

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.

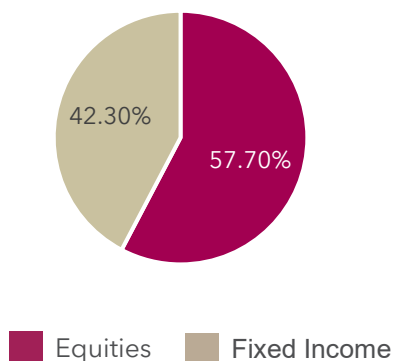
FUND OBJECTIVE

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

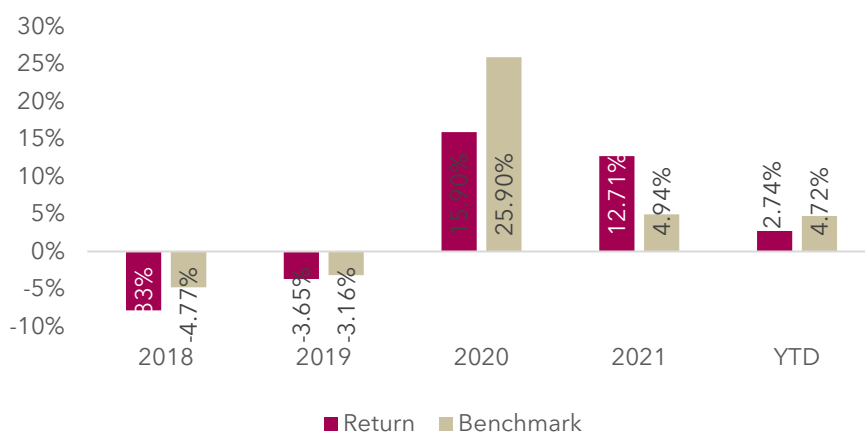
KEY FACTS

Launch Date	January 1995
Size of Fund	N4.71 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	-1.98%
Equity Beta	0.92

FUND ASSET ALLOCATION



FUND PERFORMANCE



Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Telecoms	16%	Underweight
Banking	14%	Overweight
Industrials	11%	Underweight

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

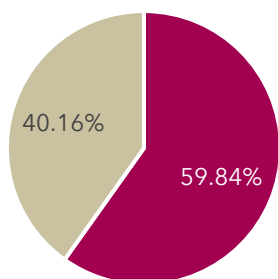
- Wish to achieve long-term capital growth on their investments.
- Have a medium investment risk appetite.

KEY FACTS

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

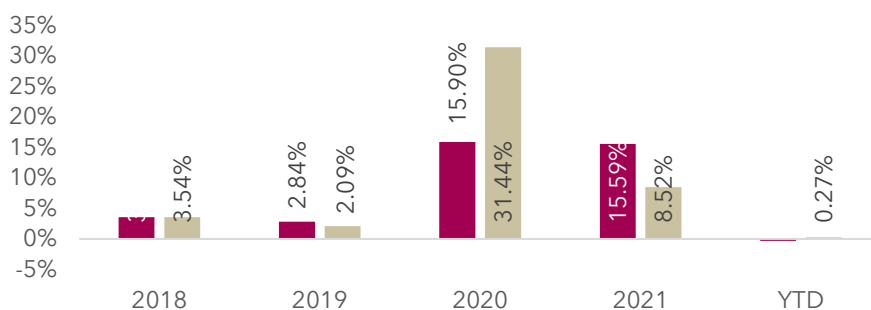
Fund Structure	Open-Ended
Size of Fund	N412 Million
Nominal Value	N20.00/Unit
Initial Investment Amount	N10,000.00
Management Fee	1.5% of NAV
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Trustee	Royal Exchange Plc.
Custodian	Rand Merchant Bank
Risk Profile	Medium
Relative Return	-0.60%
Equity Beta	0.77

FUND ASSET ALLOCATION



■ Equities ■ Alternatives

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

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

Top 3 Equity Exposures

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

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FUND STRUCTURE

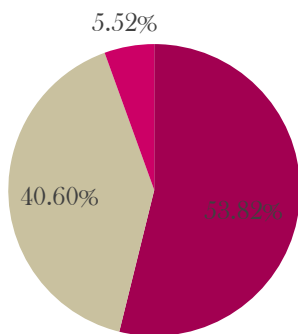
The ARM Fixed Income Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond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

FUND OBJECTIVE

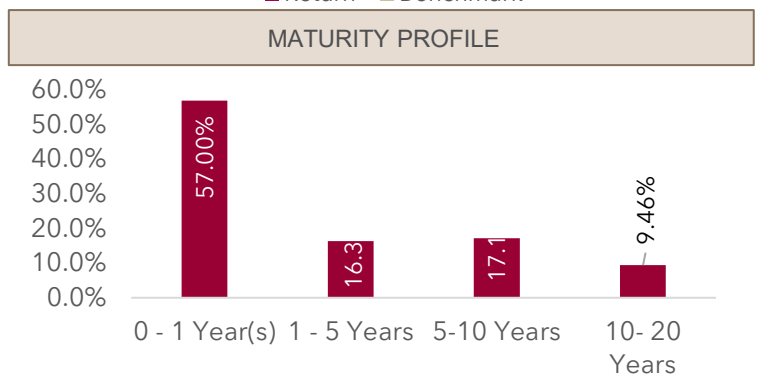
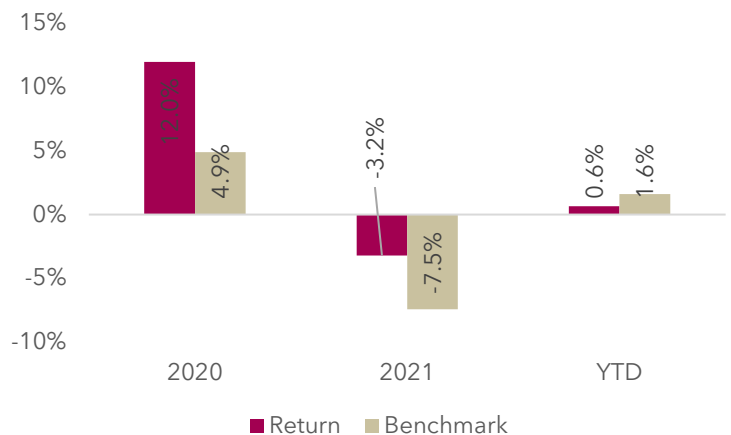
The primary objective of the Fund is to help investors achieve their medium to long-term investment goals by investing in investment grade fixed income securities such as FGN, corporate bonds, and short-term fixed income instruments.

KEY FACTS

Launch Date	February 2020
Size of Fund	N1.43 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
Relative Return	-0.95%
FUND ASSET ALLOCATION	FUND PERFORMANCE



- Short-term instruments
- FGN Bonds
- Cash



Fund Duration	1.41
Holding Yield	9.23%

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.

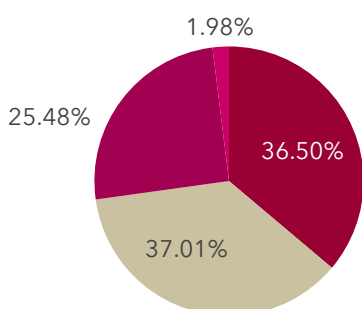
FUND OBJECTIVE

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	\$15.23 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
Relative Return	-0.23%

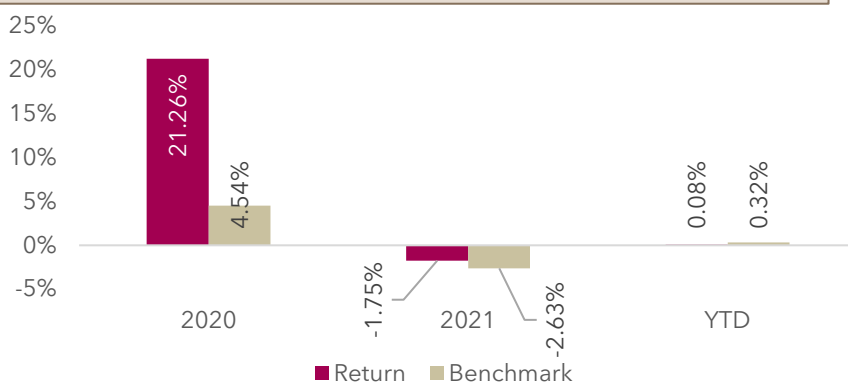
FUND ASSET ALLOCATION



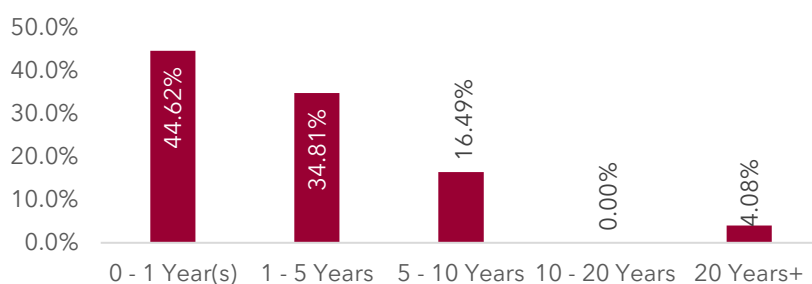
- FGN Eurobonds
- Corporate Eurobonds
- Short-term Instruments
- Cash

Fund Duration	2.61
Holding Yield	5.79%

FUND PERFORMANCE



MATURITY PROFILE



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).

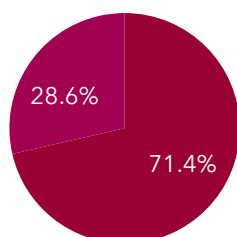
FUND OBJECTIVE

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

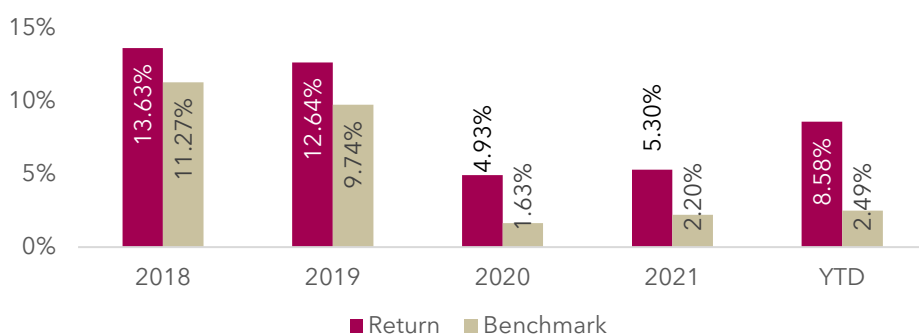
Launch Date	March 2013
Size of Fund	N62 Billion
Initial Investment Amount	N1,000.00
Income Accrual	Daily
Income Distribution	Quarterly
Management Fee	1.5% of NAV
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Relative Return	6.04%

FUND ASSET ALLOCATION

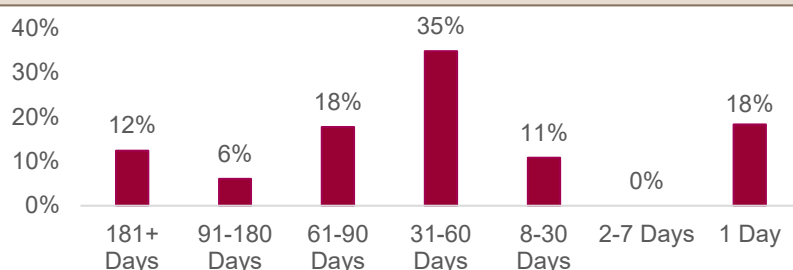


- Short-term Instruments
- Government Securities

FUND PERFORMANCE



MATURITY PROFILE



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GLOBAL MARKETS

In the coming month, investors would be keeping an eye on macro economic data to monitor pace of global economic recovery. With continued release of Corporate earnings result, we expect to see momentary reactions by investors in the equities market. On the fixed income front, investors would be watching the FED and other monetary authorities to ascertain their plans regarding interest rates. Consequently, we expect volatility to persist in the global financial markets.

DOMESTIC MARKETS

EQUITY

Following the rally witnessed in the equities market in the first month of the year, we expect some bouts of profit taking in the coming month. We note that some bellwethers - especially the tier 1 banks, are yet to release their financial results, thereby providing scope for speculative actions. In addition, we expect demand to persist for the dual listed stocks due to their fungibility. Overall, we expect market to trade sideways with profit taking dominating the scene on the local bourse.

FIXED INCOME

Liquidity from January maturities is expected to extend the demand for fixed income instruments as investors reinvest idle funds, thereby keeping yields flat from current levels with bouts of declines. Cautious of a bearish outturn on the back of possible increased borrowing by the DMO, investors are likely to remain at the short to mid end of the curve to minimize duration exposure while tracking direction of rates at the primary market.

MONEY MARKET

Rates in the money market space are expected to remain subdued going into the new month barring any mop-up activity by the CBN. This is premised on the elevated liquidity levels seen last month which is likely to be sustained given the coupon maturities hitting the system in February. Continued demand for money market instruments is expected as investors seek to re-invest idle funds albeit at the short to mid ends while monitoring the direction of yields as the Federal Government continues to borrow.



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