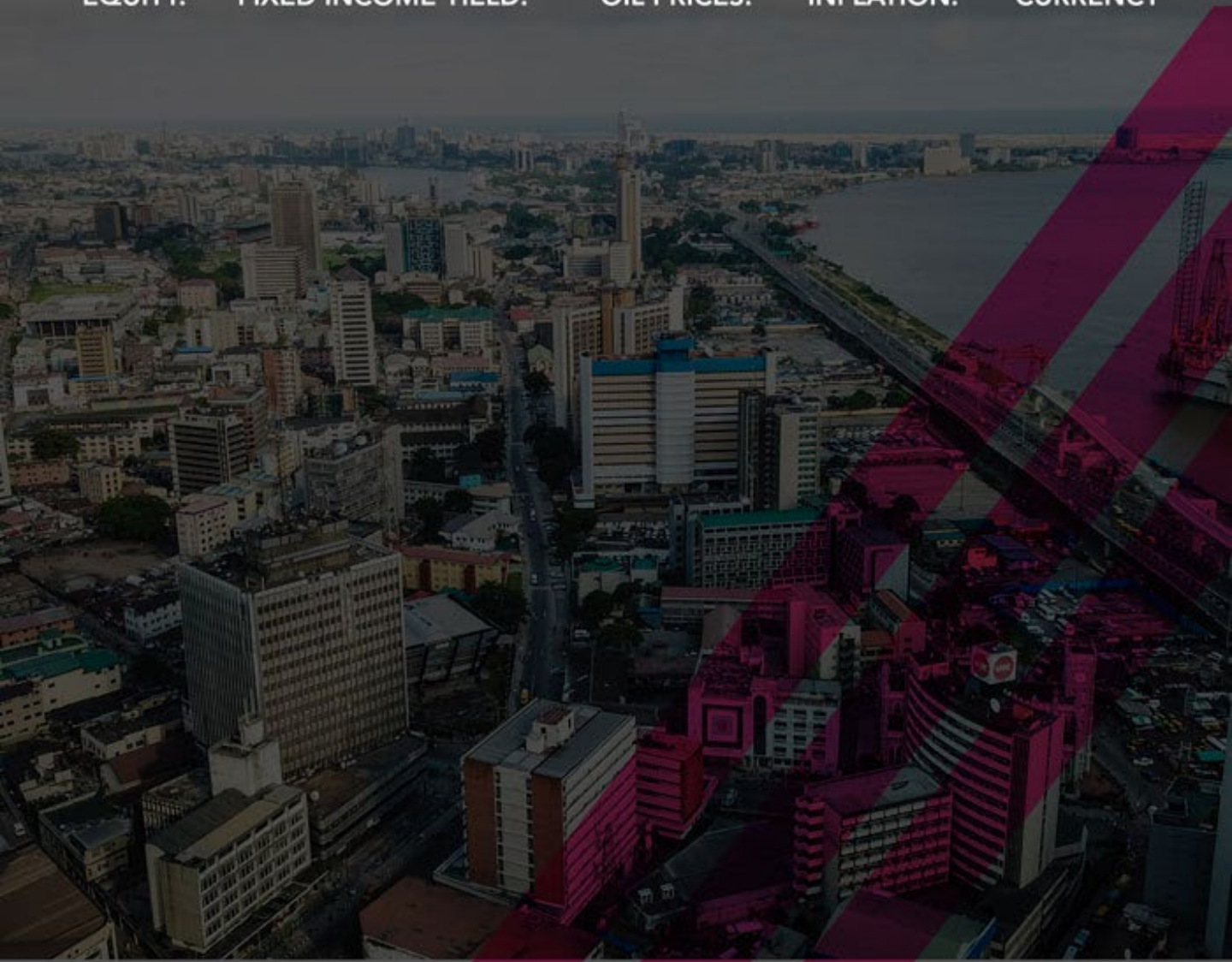




EQUITY. FIXED INCOME YIELD. OIL PRICES. INFLATION. CURRENCY



Mutual Funds Factsheet

March 2022

MACRO ECONOMIC UPDATE



GLOBAL

- With no truce in sight, the geopolitical tensions between Russia and Ukraine remained at the front burner of the global scene. Specifically, the economic implications of the war and its likely impact in exacerbating inflation fueled concerns across economies.
- As expected, inflation across the globe ticked higher, for context Inflation in the euro area was revised upwards by 1.6% and inflation in the UK accelerated to 6.2%. Similarly, inflation in the US reached a 40-year high of 7.9%. In a bid to curb the rising trend of inflation, the US Fed raised the target rate by 25 basis point whilst the Bank of England also raised benchmark rates by 25 basis point, making it the second-rate hike by the monetary authority this year.
- Global equities commenced the month in the red but soon recovered the losses to close the month with a gain of 1.9% after news of negotiations between the warring parties broke. Emerging markets equities underperformed their developed market counterpart, growth stocks outperformed value stocks for the first time since November. Fixed income returns were negative as a result of rising yield environment. US treasuries returned -3.5% for the month, underperforming corporates and high yield instruments.

DOMESTIC

- Headline inflation for February rose for the first time this year by 10 basis point to 15.70% y/y. The rise was largely due to the 14-basis point increase in core inflation to 14.01% y/y despite the 2-basis point decline in food inflation to 17.11% y/y. The increase in core inflation was buoyed by the 0.40% y/y rise in Housing, Water, Electricity, Gas and other Fuel (HWEGF) and 0.30% y/y rise in Clothing and Footwear. However, the decline in food inflation was on the back of the slower growth in prices of processed food items.
- The Monetary Policy Committee of the Central Bank at its March 2022 meeting, kept all monetary policy parameters constant with the MPR held at 11.5%. According to the committee, this move is aimed at maintaining growth trajectory of the economy considering the prevalent global risks.
- Stanbic IBTC Nigeria's PMI for March declined to 54.1 from 57.3 recorded the previous month, pointing to a softer improvement in business conditions. Output and new orders growth slowed despite favorable demand conditions. Also, sharp cost pressures persisted amid cash shortages and price hikes.

FINANCIAL MARKET UPDATE

EQUITIES

- Despite a stellar start to the year and maintaining the momentum into the second month, sentiments in the equities market turned bearish in March as the market recorded a loss of 0.91%. The quarter to date and year to date returns both stood at +9.95% respectively.
- Investors appeared to have fully comprehended the released financial results and taken positions ahead of dividend payments, as profit taking dominated the scene of the bourse during the month. Foreign activity was centered around the fungible stocks whilst the retail speculative investors were left to dictate the pace of activity
- Specifically, the market's performance was on the back of losses in Nestle (-2.79%), NB (-15.73%), Wapco (-12.06%), BUA Foods (-3.09%) and Zenith (-17.34%) despite gains in Seplat (+8.15%), Presco (+27.88%), Okomu (+10.89%) and MTN (+6.47%)

FIXED INCOME

- Sentiments was mixed in the fixed income market during the month. Due to lower liquidity within the financial system relative to the prior month, the money market indicators - Open Buy Back and Overnight rates improved by 24 basis points and 35 basis points to 6.52% and 7.05% respectively.
- On the other hand, average yield at the secondary market for Treasury Bills declined by 81 basis point to 3.32% as demand for the short tenured instruments rose. Similarly, demand was strong at the primary auctions held for Treasury Bills within the month, reflecting the 3.71x oversubscription. Average stop rates across all tenors also declined by 29 basis point despite the slight uptick in rates on the 364-day paper.
- At the secondary market for bonds, average yields declined by 85 basis points. Likewise, the primary market auction held during the month was oversubscribed 3.99x. Consequently, average stop yield declined 55 basis point across the 10 and 20-year tenors on offer, 30bps lower than the secondary market.

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.

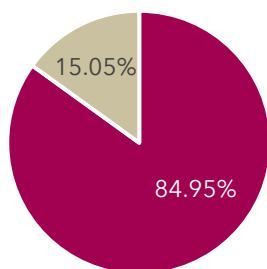
FUND OBJECTIVE

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

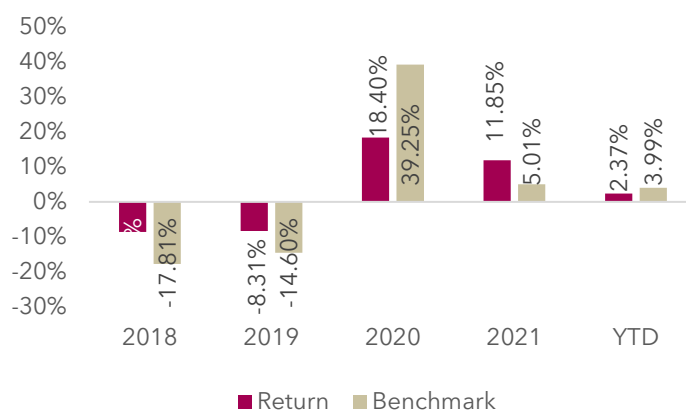
Launch Date	April 2007
Size of Fund	N2.32 Billion
Memorandum Listings	2008
Initial Investment Amount	N50,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Nigerian Stock Exchange 30 Index (NGSE30)
Trustee	First Trustees Nigeria Ltd, a subsidiary of FBN Capital Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	High
Relative Return	-1.62%
Equity Beta	0.88

FUND ASSET ALLOCATION



■ Equities ■ Fixed Income

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Banking	21%	Underweight
Industrials	20%	Underweight
Consumer Goods	17%	Overweight

Top 3 Equity Exposures

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

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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.

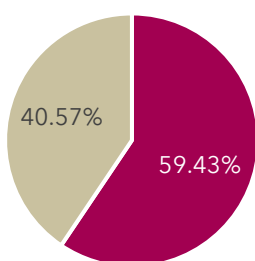
FUND OBJECTIVE

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

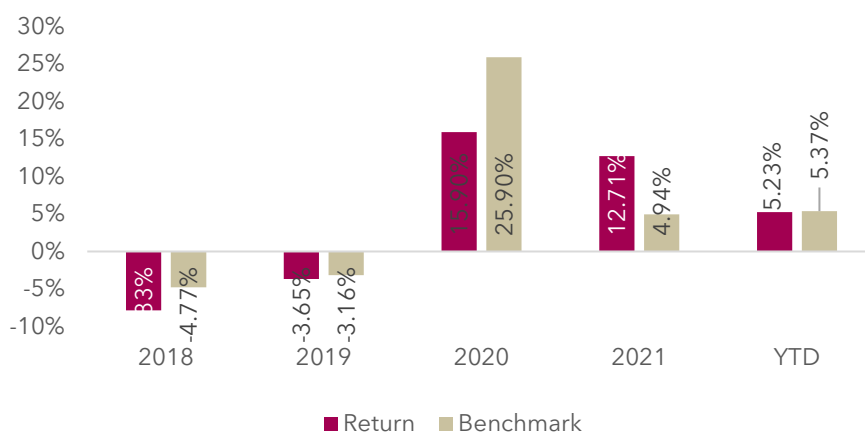
Launch Date	January 1995
Size of Fund	N4.76 Billion
Memorandum Listings	April 2002
Initial Investment Amount	N10,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of NSE ASI and FMAN 91-day Average T-Bill rate.
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	Medium
Relative Return	-0.14%
Equity Beta	0.90

FUND ASSET ALLOCATION



■ Equities ■ Fixed Income

FUND PERFORMANCE



Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Telecoms	16%	Underweight
Banking	12%	Underweight
Industrials	11%	Underweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
MTNN	9%	Underweight
AIRTEL	8%	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:

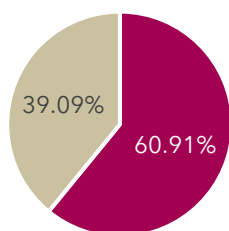
- Wish to achieve long-term capital growth on their investments.
- Have a medium investment risk appetite.

KEY FACTS

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

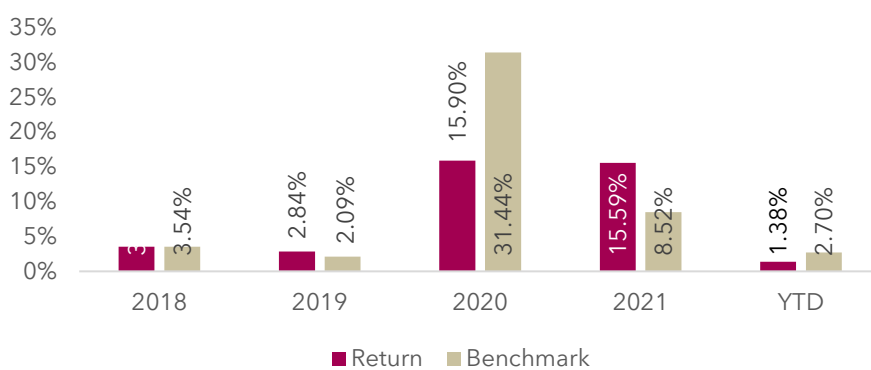
Fund Structure	Open-Ended
Size of Fund	N438 Million
Nominal Value	N20.00/Unit
Initial Investment Amount	N10,000.00
Management Fee	1.5% of NAV
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Trustee	Royal Exchange Plc.
Custodian	Rand Merchant Bank
Risk Profile	Medium
Relative Return	-1.32%
Equity Beta	0.87

FUND ASSET ALLOCATION



■ Alternatives ■ Equities

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Consumer Goods	17%	Underweight
Industrials	16%	Underweight
Agro Allied	6%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	8%	Underweight
BUACEMENT	7%	Underweight
NESTLE	6%	Underweight

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FUND STRUCTURE

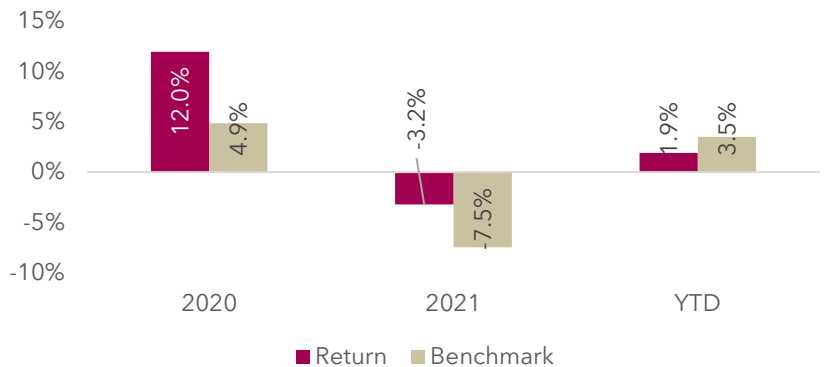
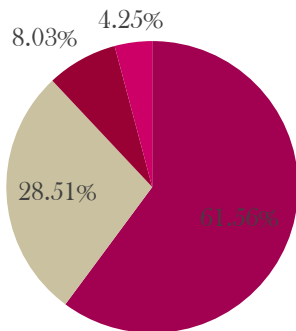
The ARM Fixed Income Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond 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	N1.26 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	-1.61%
FUND ASSET ALLOCATION	FUND PERFORMANCE



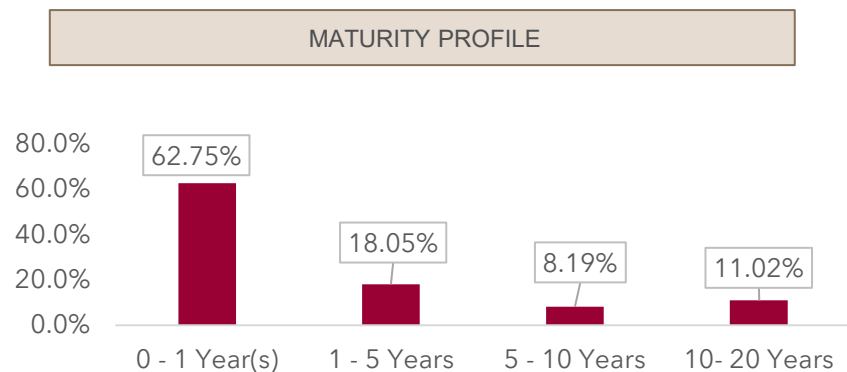
Short-term instruments

FGN Bonds

Cash

SGN Bonds

Fund Duration	1.23
Holding Yield	8.08%



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.

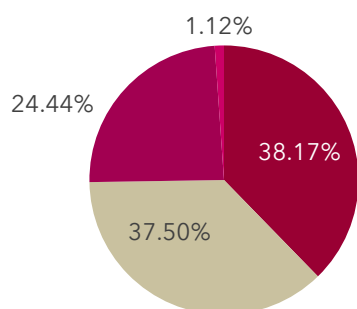
FUND OBJECTIVE

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	\$14.71 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	-1.18%

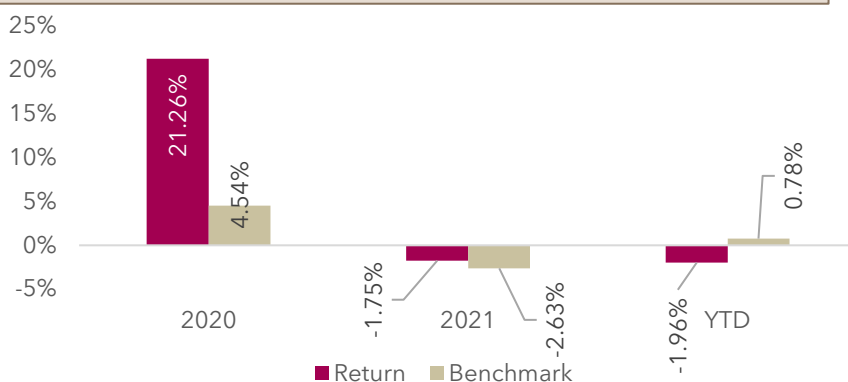
FUND ASSET ALLOCATION



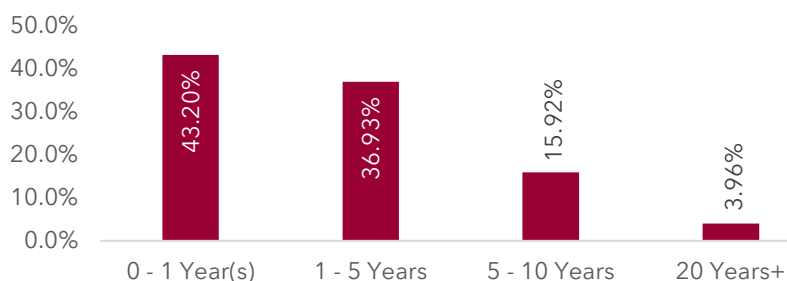
- FGN Eurobonds
- Corporate Eurobonds
- Short-term Instruments
- Cash

Fund Duration	2.54
Holding Yield	7.32%

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).

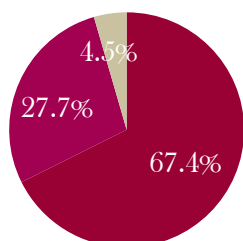
FUND OBJECTIVE

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

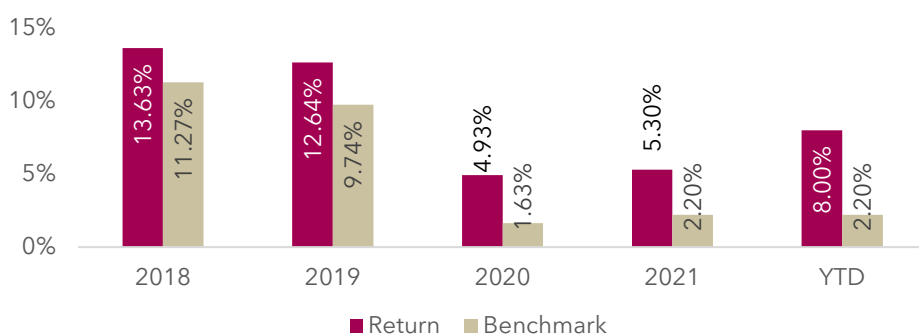
Launch Date	March 2013
Size of Fund	N70 Billion
Initial Investment Amount	N1,000.00
Income Accrual	Daily
Income Distribution	Quarterly
Management Fee	1.5% of NAV
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Relative Return	6.00%

FUND ASSET ALLOCATION

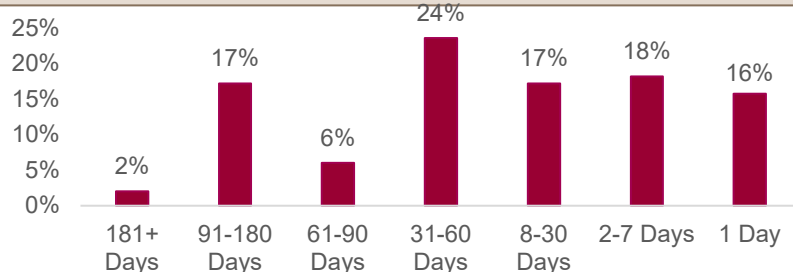


- Short-term Instruments
- Government Securities
- Commercial Papers

FUND PERFORMANCE



MATURITY PROFILE



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GLOBAL MARKETS

The uncertainty around the global tensions between Russia and Ukraine is likely continue to cause volatility in the financial markets, exacerbate commodity prices and thereby continue to fuel inflationary concerns. We expect more hawkish statements and likely monetary actions from global monetary authorities as they take steps to stem the rising trend of inflation. Nonetheless, given the risks posed to global growth by the on-going tensions, the monetary authorities would also be faced with the herculean task of ensuring their decisions do not hamper economic growth.

DOMESTIC MARKETS

EQUITY

We expect activity levels in the equities market to be driven by dividend reinvestments and the release of the first quarter financial results in the coming month. As a result, we expect an increase in institutional and foreign activity as some foreign portfolio investors look to reinvest dividend proceeds given the prevalent illiquidity in the foreign exchange space. Furthermore, investors would be watching the fixed income space for a possible recovery in yields.

FIXED INCOME

Given the lower maturity expected in the coming months, we expect a reduction in the demand for fixed income instruments, which could make a case for a possible improvement in yields. In addition, inflation could rise further driven by elevated energy prices. This could result in investors demanding for higher yields to compensate for value erosion.

MONEY MARKET

Rates in the money market space are likely to improve marginally in the coming month as liquidity is expected to reduce on the back of lesser maturities hitting the system. Investors' demand for government securities would subsist albeit in reduced levels compared to Q1. The direction of rates would further be influenced by FG's position on increasing its borrowings or otherwise.



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