



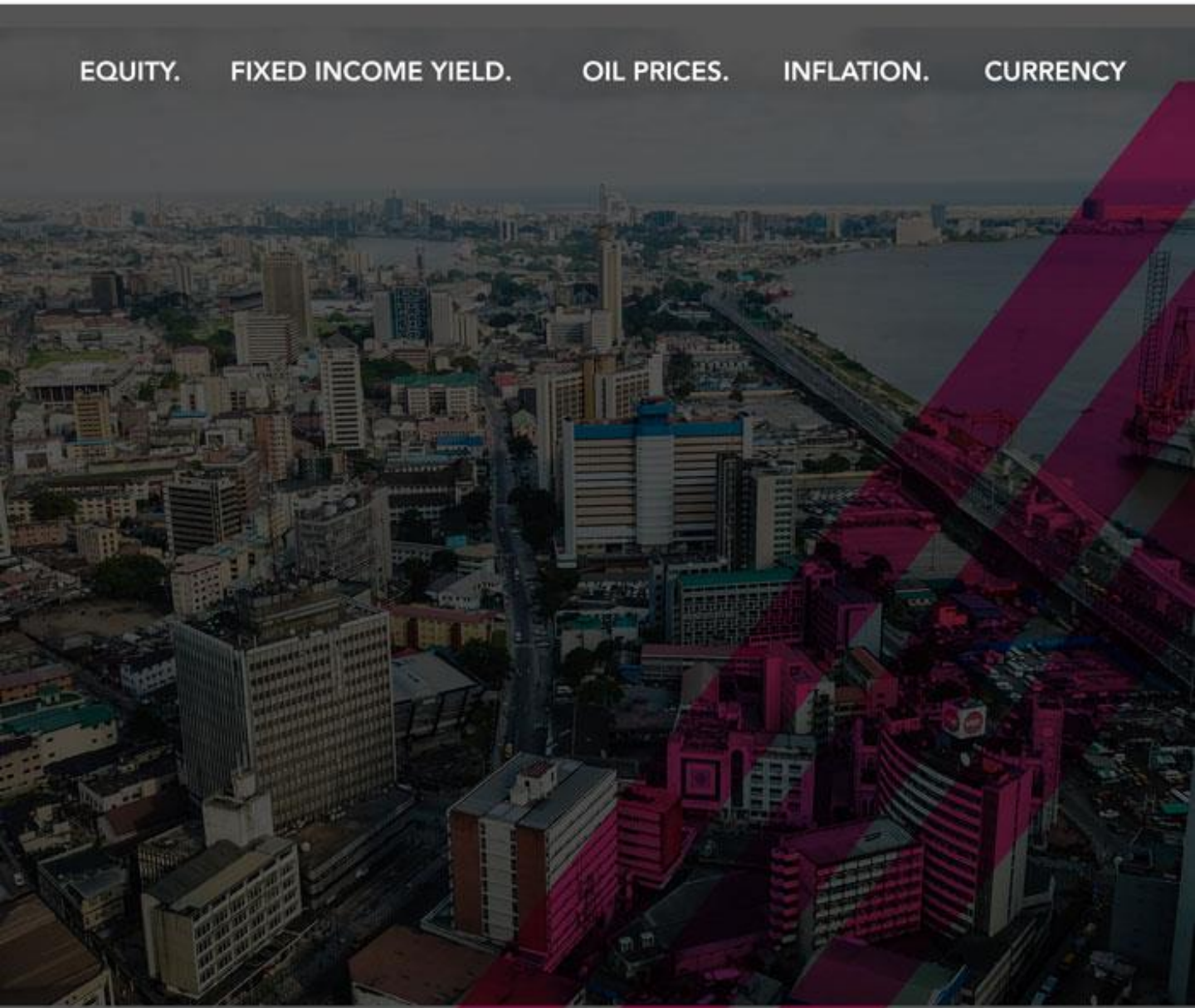
EQUITY.

FIXED INCOME YIELD.

OIL PRICES.

INFLATION.

CURRENCY



ARM
ASSET MANAGEMENT

Mutual Funds Factsheet

November 2022

GLOBAL

- Global stocks gained in November, maintaining the momentum seen in October. Gains came amid hopes US inflation may have peaked, which raised hopes that there could be a possible moderation in interest rate hikes in subsequent periods, renewed investors' sentiments. Beyond that, signs of China loosening its strict Covid-19 rules also provided respite.
- Accordingly, in the US equities market, the DJIA and S&P 500 grew by 5.67% and 5.38% month-on-month, respectively. Similarly, global indexes across the European markets posted gains as FTSE 100 (+6.74% m/m) and Stoxx 600 (+6.75% m/m) rose in November. In the same vein, MSCI Emerging Markets and Frontier Markets Indices advanced by 14.64% and 4.86% m/m.
- Recent estimates on UK's GDP from the Office of National Statistics for Q3 revealed that the economy fell by 0.2% in Q3, a much better performance than consensus expectations. The moderate decline comes in a period when output was lost due to an unscheduled extra bank holiday.
- Inflation in the Eurozone slowed in November for the first time in 17 months (10.0% in November from 10.6% in October 2022), providing a glimmer of hope that central banks could slow the pace at which they are tightening monetary policy. Specifically, inflation moderated in 14 out of the 19 eurozone member states.

DOMESTIC

- Domestic economic activities grew by 2.25% in real terms in the third quarter of the year (Q3 2022), sustaining positive growth for the eighth consecutive quarter, albeit lower than the GDP growth number reported for Q2 2022 (3.54%). The underperformance in Q3 relative to Q2 was due to a steeper contraction in the oil sector (-22.67%) when compared to Q2 2022 (-11.77%). Although the non-oil sector expanded in Q3 2022, growth however moderated to 4.27% from 4.77% in Q2.
- The monetary policy committee at its last meeting of the year further tightened the benchmark rate as it raised the monetary policy rate by an additional 100bps to 16.5%. The major consideration remained inflation and capital flows as well as the need to consolidate the gains of the previous rate hikes.
- Headline inflation maintained its ascent, rising by 32 basis points to 21.09% y/y in October (September - 20.77%). In terms of drivers, food inflation remained a pressure point, as it rose by 39bps to 23.72%, further worsened by a 16bps increase to 17.76% from the core basket.

FINANCIAL MARKET UPDATE

EQUITIES

- Following bearish sentiments that filled the local bourse for the past five consecutive months, the domestic equities market staged an impressive comeback in November as the All Share Index recorded a monthly gain of 8.72%. Consequently, the year-to-date performance improved to 11.57% (October YTD: +2.63%).
- Performance from sector bellwethers such as MTNN (+10.97% m/m), AIRTELAFRICA (+13.73% m/m), DANGCEM (+18.96% m/m) and BUACEMENT (+10.00% m/m) majorly drove the local bourse into the green territory. Sectoral performance was mixed as the Industrial goods index (+13.17%) recorded the biggest gain followed by Banking (+5.79%) and Insurance (+2.97%) indices.
- On the other hand, the Consumer goods (-4.55% m/m) and Oil & Gas (-8.12% m/m) indices were the laggards in the review period.

FIXED INCOME

- The fixed income market continued to experience yield expansion albeit at a slower pace and driven by continued tight financial system liquidity and higher inflation.
- At the NTB Primary Market Auctions held through the month, stop rates were flat on the 91-day and 182-day bills, while the average stop rate on the 364-day instrument advanced by 67 basis points month-on-month to 14.42%. In the secondary market for Treasury Bills, average yield declined to 10.61%, to halt the 8th consecutive monthly surge.
- In tandem with widening yields, the FGN bond Primary Market Auction held during the month offered a total volume of ₦225bn across the 2029, 2032 and 2037 maturities and stop rates across all tenors advanced by 20bps.

FUND STRUCTURE

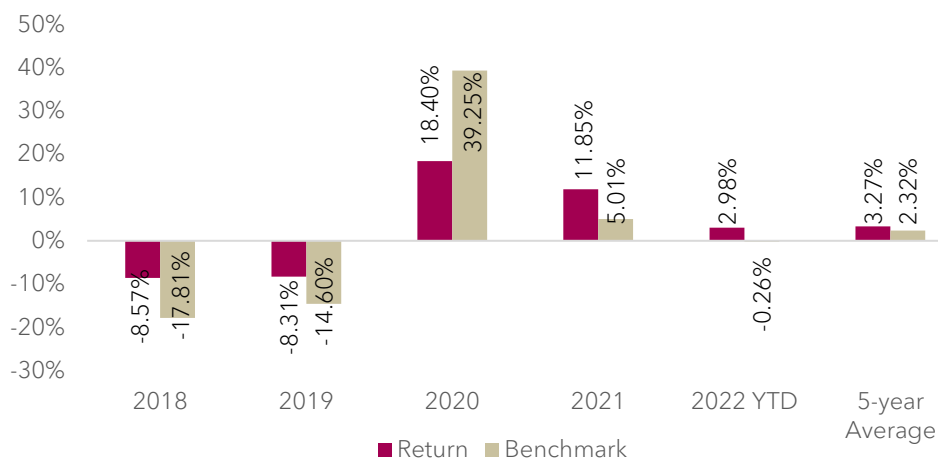
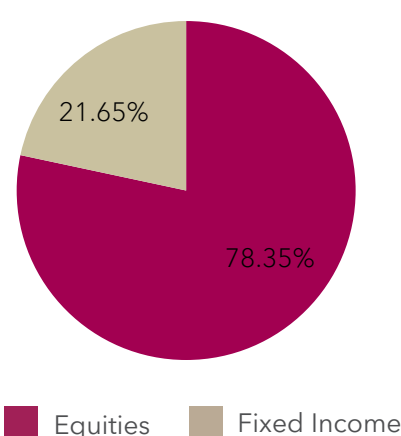
The ARM Aggressive Growth Fund is an open-ended fund with a permissible investment limit exposure of 70% - 100% in stocks of companies quoted on the Nigerian Stock Exchange. The ARM Aggressive Growth Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme 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	₦2.21 Billion
Memorandum Listings	2008
Initial Investment Amount	₦50,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Nigerian Stock Exchange 30 Index (NGSE30)
Trustee	FBNQuest Trustees Nigeria Ltd, a subsidiary of FBNQuest Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	High
Monthly Relative Return (Nov 30)	+3.23%
Equity Beta	0.75
FUND ASSET ALLOCATION	FUND PERFORMANCE



Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	22%	Overweight
Telecoms	20%	Underweight
Financial Services	15%	Underweight

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
MTNN	17%	Underweight
DANGCEM	13%	Underweight
BUACEMENT	7%	Underweight

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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.

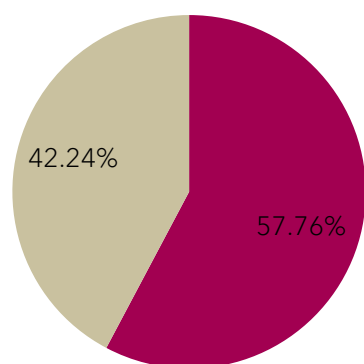
FUND OBJECTIVE

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

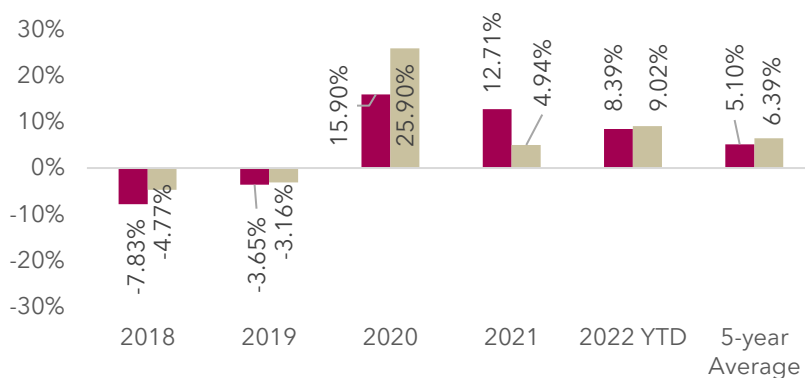
Launch Date	January 1995
Size of Fund	₦4.52 Billion
Memorandum Listings	April 2002
Initial Investment Amount	₦10,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of NSE ASI and FMAN 91-day Average T-Bill rate.
Trustee	FBNQuest Trustees Nigeria Ltd, a subsidiary of FBNQuest Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	Medium
Monthly Relative Return (Nov 30)	-0.63%
Equity Beta	0.90

FUND ASSET ALLOCATION



■ Equity ■ Fixed Income

FUND PERFORMANCE



■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Telecoms	20%	Underweight
Industrials	12%	Underweight
Consumers	8%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
MTN	11%	Overweight
AIRTEL	9%	Underweight
DANGCEM	8%	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:

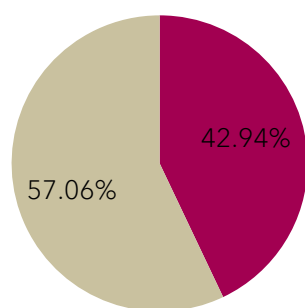
- Wish to achieve long-term capital growth on their investments.
- Have a medium investment risk appetite.

KEY FACTS

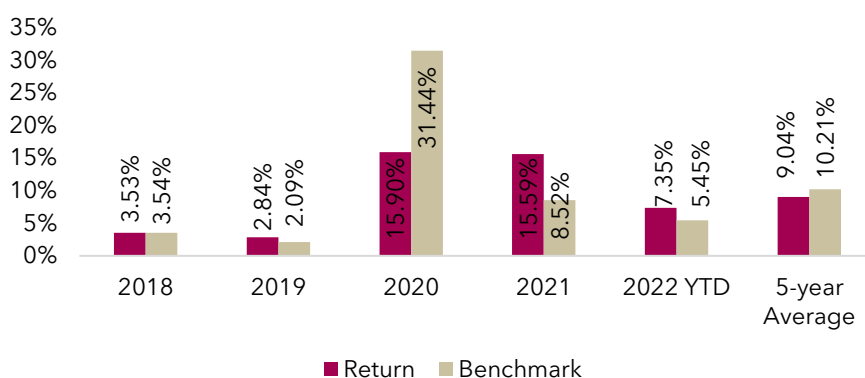
The ARM Ethical Fund is a Shari'ah compliant open-ended Islamic Fund.

Fund Structure	Open-Ended
Size of Fund	₦553.07 Million
Nominal Value	₦20.00/Unit
Initial Investment Amount	₦10,000.00
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
Monthly Relative Return (Nov 30)	+1.90%
Equity Beta	0.89

FUND ASSET ALLOCATION



FUND PERFORMANCE



■ Alternatives ■ Equities

■ Return ■ Benchmark

Top 3 Equity Sector Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	16%	Underweight
Telecoms	11%	Underweight
Consumer Goods	9%	Overweight

Top 3 Equity Exposures

SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	9%	Underweight
BUACEMENT	6%	Underweight
MTNN	6%	Underweight

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ARM SHORT TERM BOND FUND



FUND STRUCTURE

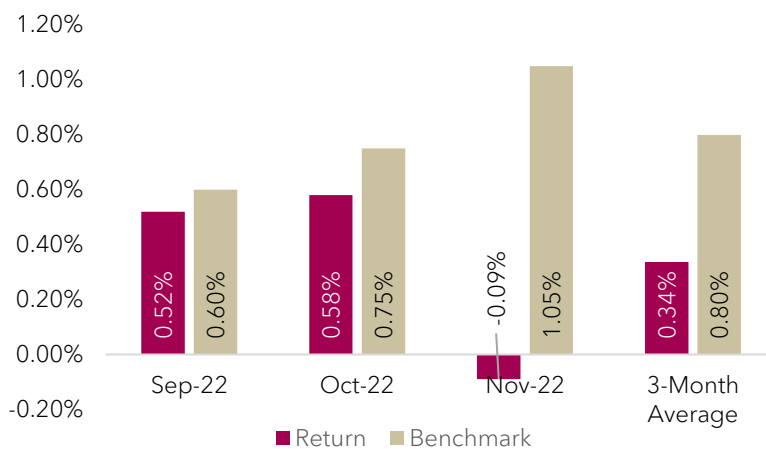
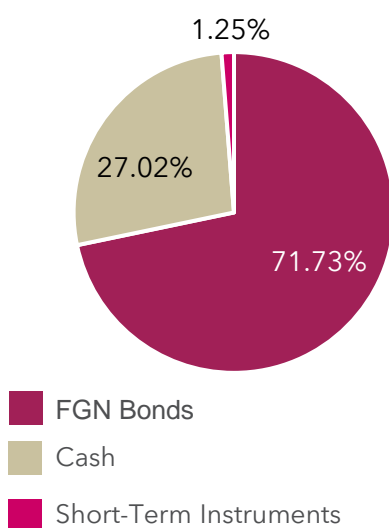
The ARM Short Term Bond Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in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

FUND OBJECTIVE

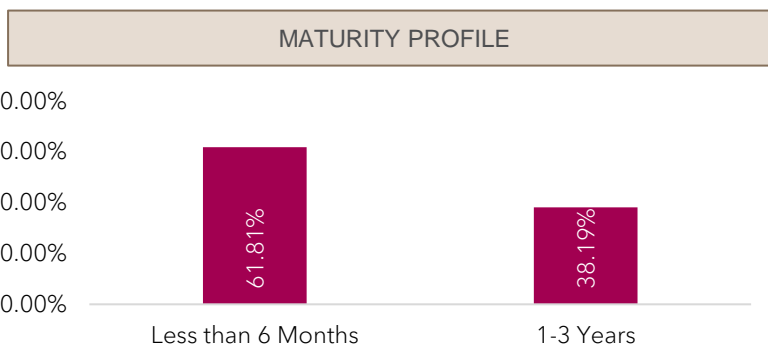
The primary objective of the Fund is to provide investors with competitive returns and diversification benefits through investment in Naira denominated short to medium term investment grade fixed income securities such as money market instruments, FGN and Corporate bonds with a maximum duration of 3 years.

KEY FACTS

Launch Date	April 2022
Size of Fund	₦889.31 Million
Initial Investment Amount	₦10,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Trustee	STL Trustees Ltd.
Custodian	Rand Merchant Bank
Risk Profile	Low - Medium
Monthly Relative Return(Oct 22)	-1.14%
FUND ASSET ALLOCATION	FUND PERFORMANCE



Fund Duration	0.69
Holding Yield	9.60%



*Weekly return for the month of June 2022 due to the recent launch of the fund

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FUND STRUCTURE

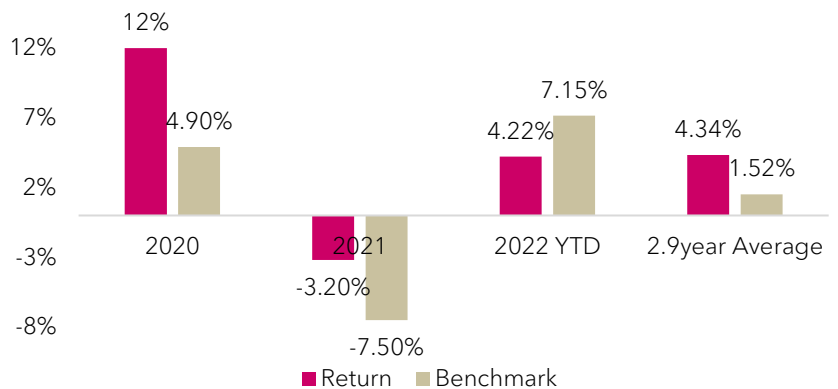
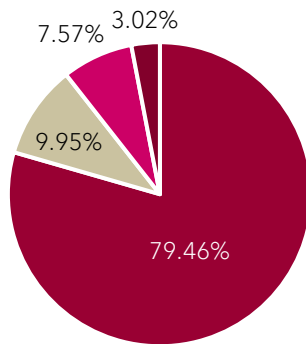
The ARM Fixed Income Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond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

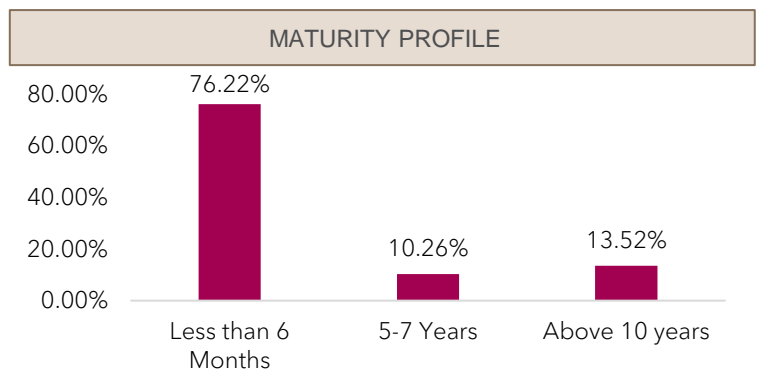
KEY FACTS

Launch Date	February 2020
Size of Fund	₦977.19m
Initial Investment Amount	₦5,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of 5-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Trustee	STL Trustees Ltd.
Custodian	Rand Merchant Bank
Risk Profile	Medium - High
Monthly Relative Return(Nov 22)	-1.64%
FUND ASSET ALLOCATION	FUND PERFORMANCE



- FGN Bonds
- Short Term Securities
- SGN Bonds
- Cash

Fund Duration	1.48
Holding Yield	7.91%



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 maximum of 100% in bond instruments.

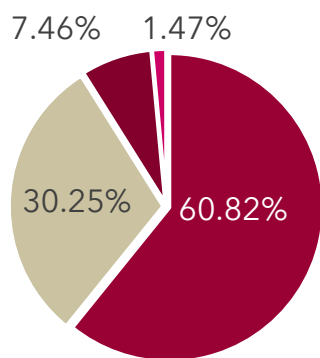
FUND OBJECTIVE

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	\$10.66 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(Nov 22)	-1.69%

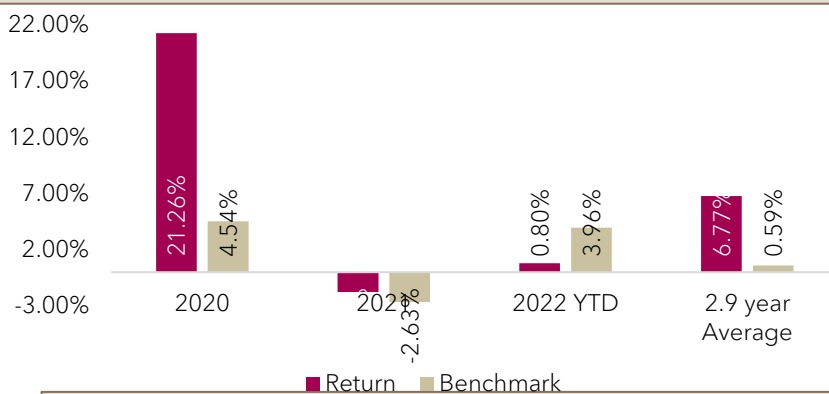
FUND ASSET ALLOCATION



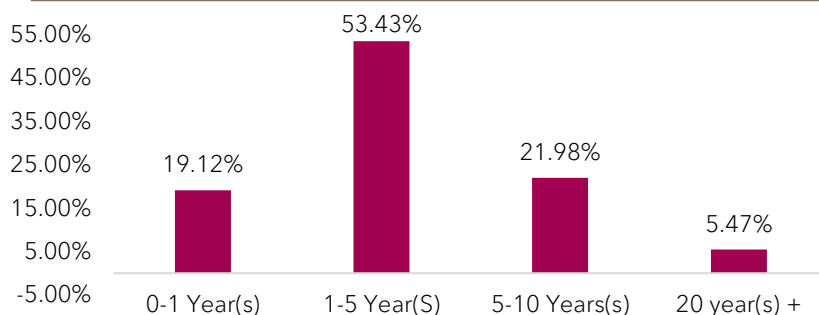
- FGN Eurobonds
- Corporate Eurobonds
- Short-term Instruments
- Cash

Fund Duration	3.37
Holding Yield	7.89%

FUND PERFORMANCE



MATURITY PROFILE



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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).

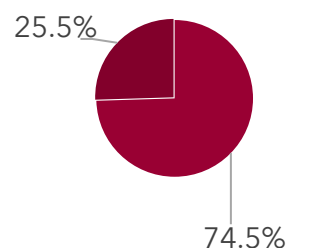
FUND OBJECTIVE

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.

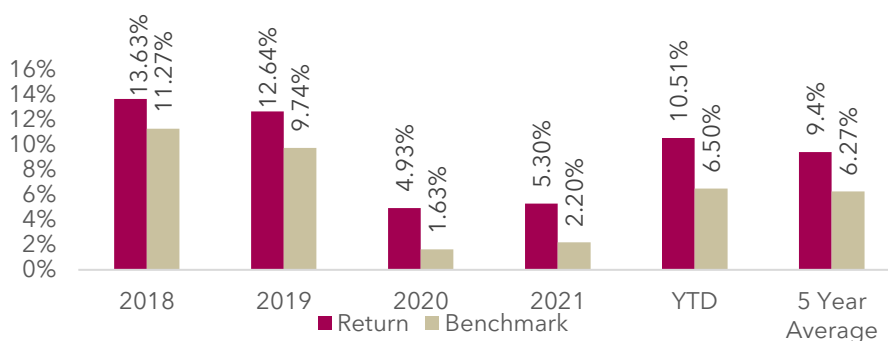
KEY FACTS

Launch Date	March 2013
Size of Fund	₦65.7 Billion
Initial Investment Amount	₦1,000.00
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	4.01%

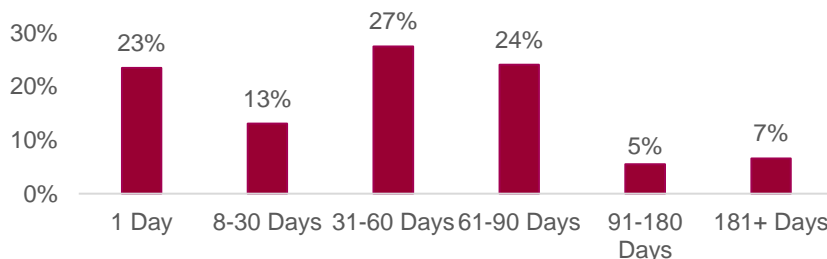
FUND ASSET ALLOCATION



FUND PERFORMANCE



MATURITY PROFILE



GLOBAL MARKETS

The direction of the global markets in December typically depends on inflation data, US Fed policies and the progress of China's gradual relaxation measures. Again, we believe market participants will continue to track labour conditions and inflation readings to gauge the policy actions of global central banks. In the oil market, OPEC+ on December 4 agreed to maintain its existing output policy (oil production cut of 2 million barrels). This decision comes a day after G7 nations imposed a fixed price-cap on Russia's sea-borne oil shipment. Although, we think the overall impact on crude oil prices will be limited given that the price cap will be referenced to global crude oil prices. Consequently, we think it is unlikely that there would be respite in sight to the energy challenges in the Eurozone. In the US, we believe market participants will continue to focus on the evolution of labour market data vis-à-vis inflation readings to gauge the policy action of the Federal Reserve. Overall, we expect volatility to continue to permeate across financial markets albeit at a moderate level as growing prospects that inflation might have peaked in US would likely improve risk on sentiments.

DOMESTIC MARKETS

EQUITY

The strong performance in November (ASI: +8.72% m/m) has raised the hope that the local bourse is positioned for a third consecutive year of positive close. Although, month-on-month growth may moderate as we see a bear-bull tussle in December as profit-taking activities may anchor the equities market at some point. Even at that, we still believe bullish sentiments will prevail in light of positive corporate actions at the tail end of the year, particularly amidst heavily weighted stocks that can sustain the market in the green territory. Interestingly, despite the uncertainties around the country's Presidential election as it draws closer and the relatively unstable currency environment, the local bourse has been less vulnerable to external shocks given foreign investors' retained apathy towards Nigerian equities.

FIXED INCOME

In the fixed income market, activities are expected to decline as the year draws to a close, with investors favouring short-dated instruments over longer maturing ones. Rates are however expected to remain elevated on the back of the high inflation rate, tight system liquidity and lower maturity profile in December.



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