



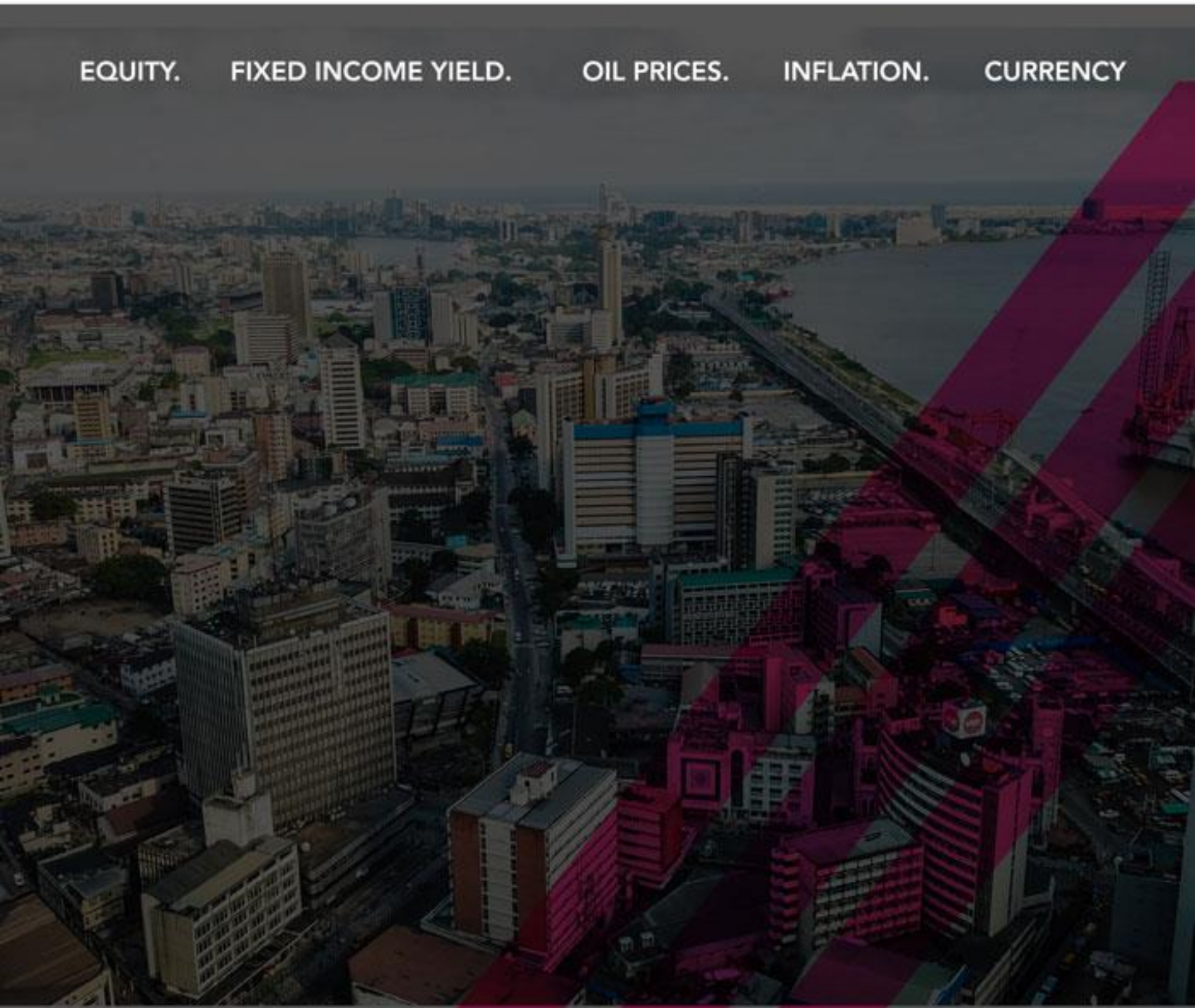
EQUITY.

FIXED INCOME YIELD.

OIL PRICES.

INFLATION.

CURRENCY



Mutual Funds Factsheet

May 2023

GLOBAL

- The IMF in its latest forecast for the UK's economy projected a 0.4% YoY expansion compared to its previous projection of a 0.3% contraction. In addition, the UK's economy is expected to grow by 1.0% in 2024 on the back of resilient demand, stronger wage amid declining energy prices, and improved confidence.
- The strong US labor market continues to keep spending elevated despite the previous aggressive interest rate hikes embarked upon by the Fed. This is evidenced by the increase in Personal Consumption Expenditures (PCE) price index by 0.4% MoM and 4.4% YoY in April 2023.
- On May 31st, 2023, the bill to raise the US debt ceiling was passed by the Senate in a bid to avert sovereign debt default. The long-awaited passage was crucial and addressed concerns about the United States' ability to meet its debt obligations.
- In the US and Europe in May, the S&P 500 (+9.30%), STOXX (+6.07%), CAC40 (+8.35%) and DAX (+12.54%) indices all posted positive year-to-date returns. Similarly, major indices in Asia, such as the Nikkei 225 (+21.12%) and SHCOMP (+2.83%) closed on a positive note.

DOMESTIC

- In April 2023, Headline Inflation continued its uptrend as it added 18bps to settle at 22.22% YoY from 22.04% in March 2023. This represents the highest YoY increase since the index was rebased in 2009. Food inflation rose by 18bps while Core inflation increased by 28bps in the same period.
- Nigeria's crude oil production further declined to 1.18MMbpd in April 2023 from 1.35MMbpd in March 2023. On the other hand, Brent price averaged US\$83.37/bbl in April, higher than the average of US\$79.21/bbl in March.
- Nigeria's GDP for Q1 2023 slowed to 2.31% YoY from 3.52% in Q4 2022. This represents the tenth expansion on a quarter-on-quarter basis since H2 2020. The Oil sector contracted by 4.21% YoY (vs -13.38% YoY in Q4 2022) while the Non-oil sector advanced by 2.77% YoY (vs 4.44% YoY in Q4 2022).
- At the 291st Monetary Policy Committee (MPC) meeting, the committee voted for a 50bps raise in Monetary Policy Rate (MPR) to 18.50%, citing elevated inflationary pressures. The third consecutive hike in 2023.
- In April 2023, Nigeria's Purchasing Managers Index (PMI) settled at 53.8 points from 42.3 points in March. This indicates an expansion in the private sector business condition for the first time in 3 months.
- Nigeria's newly elected President announced the removal of fuel subsidy, leading to higher PMS prices across the country. In addition, the government announced the unification of his official exchange rate windows at the inaugural speech.

FINANCIAL MARKET UPDATE

EQUITIES

- In May, the stock market closed strongly positive, following the newly elected President's speech on market-oriented reforms. The market recorded monthly return of 6.5%, pushing the year-to-date performance to 8.8% from the 2.3% in April 2023.
- On a sectoral basis, year-to-date performance was positive across all sectors under our coverage. The Industrial Goods (+3.53% YtD), Consumer Goods (+44.00% YtD), Oil and Gas (+28.87% YtD), Insurance (+19.88% YtD), and Banking (+25.38% YtD) sectors all closed on a positive note.

FIXED INCOME

- In May 2023, the secondary Fixed Income market closed bullish as average yield shed 65bps MoM to settle at 10.07%. This is the lowest since 31 March 2023.
- Average stop rates at the NTB auctions in May dipped 283bps to 5.87% from 8.70% in April. This is following improved demand as indicated by the 105bps surge in average bid-to-cover ratio to 5.10x (vs 4.05x in April 2023). Similarly, the secondary NT-Bills market ended the month on a bullish note as average yield declined by 112bps MoM to 6.18%.
- At the FGN Bonds primary market auction for May, average stop rate climbed 12bps to 15.12% (vs 15.00% in April). However, at the secondary bonds market, closed the month negative as average yield advanced by 17bps MoM to 13.96%.

FUND STRUCTURE

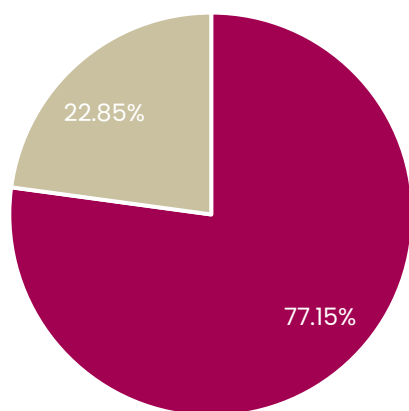
The ARM Aggressive Growth Fund is an open-ended fund with a permissible investment limit exposure of 70% - 100% in stocks of companies quoted on the Nigerian Stock Exchange. The ARM Aggressive Growth Fund is constituted by a trust deed and duly authorized and registered in Nigeria as a unit trust scheme under the Investments & Securities Act 1990.

FUND OBJECTIVE

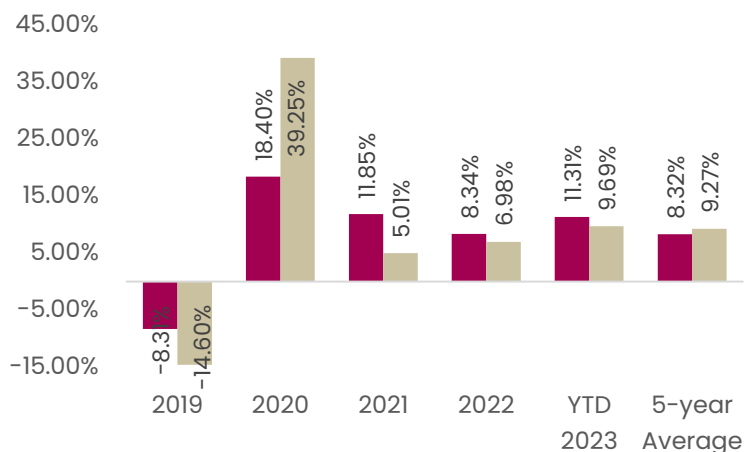
The mix of assets in the Fund is aimed at providing long term capital growth opportunities for investors with a high-risk tolerance.

KEY FACTS

Launch Date	April 2007
Size of Fund	₦2.56 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 Exchange Group 30 Index (NGX30)
Trustee	FBNQuest Trustees Nigeria Ltd, a subsidiary of FBNQuest Ltd.
Custodian	Rand Merchant Bank Limited
Risk Profile	High
Monthly Relative Return	0.35%
Equity Beta	0.96
FUND ASSET ALLOCATION	FUND PERFORMANCE



■ Equity ■ Fixed Income



■ Return ■ Benchmark

Top 3 Equity Sector Exposures		
Sector	Portfolio Weighting	Relative Weighting
Telecoms	28%	Underweight
Industrials	21%	Underweight
Financial Services	17%	Overweight

Top 3 Equity Exposures		
Stock	Portfolio Weighting	Relative Weighting
MTNN	17%	Overweight
DANGCEM	12%	Underweight
AIRTELAFRICA	11%	Overweight

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FUND STRUCTURE

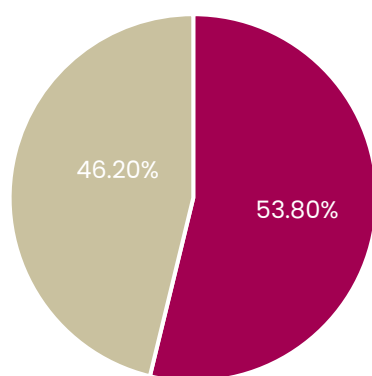
The ARM Discovery Balanced fund seeks to maximize return by investing in a broad spectrum of asset classes that comprises of equities and fixed income securities. The Fund Manager is required to maintain a minimum equity position of 40% and a maximum of 60%. It is not the objective of the Fund to replicate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

FUND OBJECTIVE

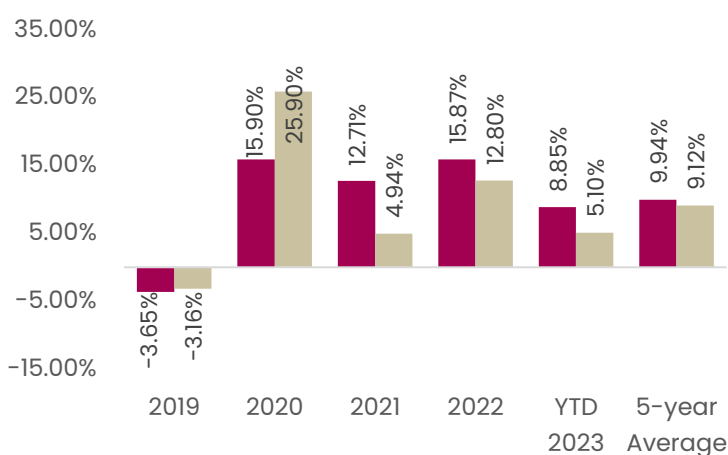
The mix of assets in the Fund is aimed at providing long term capital growth opportunities for investors with a medium risk tolerance.

KEY FACTS

Launch Date	January 1995
Size of Fund	₦5.20 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 NGX 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	2.91%
Equity Beta	0.83
FUND ASSET ALLOCATION	FUND PERFORMANCE



■ Equity ■ Fixed Income



■ Return ■ Benchmark

Top 3 Equity Sector Exposures		
Sector	Portfolio Weighting	Relative Weighting
Telecoms	15%	Underweight
Industrials	11%	Underweight
Banking	11%	Overweight

Top 3 Equity Exposures		
Stock	Portfolio Weighting	Relative Weighting
MTNN	11%	Overweight
DANGCEM	7%	Underweight
AIRTEL	4%	Underweight

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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

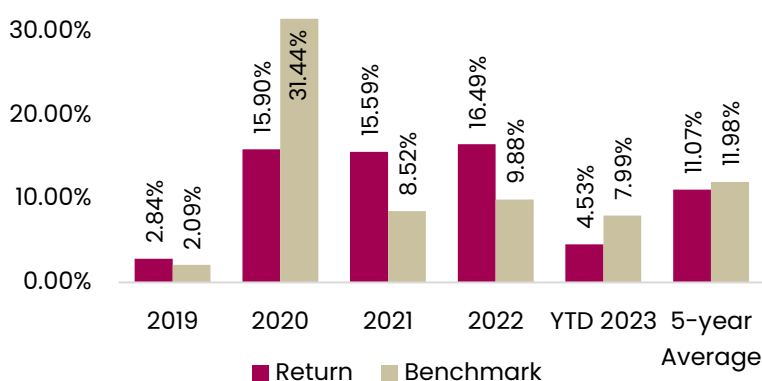
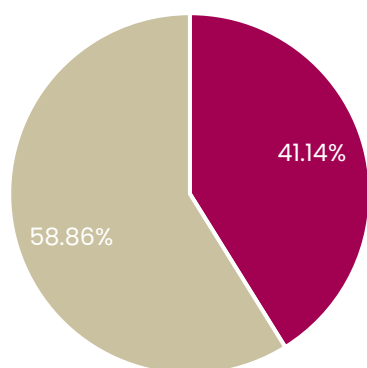
The primary objective of the Fund is to achieve long-term capital appreciation and income distribution through investments in a select portfolio of securities and assets in accordance with the principles of Islamic finance and ethical values. The Fund is suitable for investors who:

- 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	₦550.89 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	-1.29%
Equity Beta	0.80
FUND ASSET ALLOCATION	FUND PERFORMANCE



■ Equity ■ Alternative Investments

Top 3 Equity Sector Exposures		
Sector	Portfolio Weighting	Relative Weighting
Consumers	13%	Overweight
Industrials	12%	Overweight
Telecoms	10%	Underweight

Top 3 Equity Exposures		
Stock	Portfolio Weighting	Relative Weighting
BUAFOODS	9%	Overweight
MTNN	7%	Overweight
OKOMUOIL	6%	Overweight

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ARM SHORT TERM BOND FUND



FUND STRUCTURE

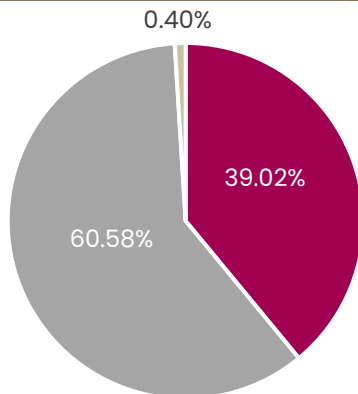
The ARM Short Term Bond Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in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

FUND OBJECTIVE

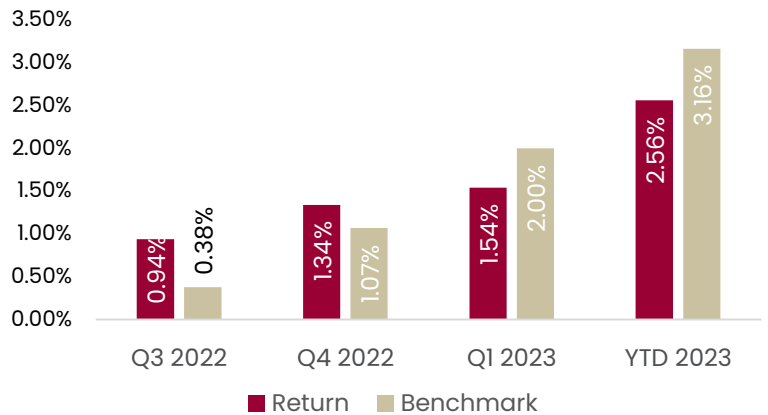
The primary objective of the Fund is to provide investors with competitive returns and diversification benefits through investment in Naira denominated short to medium term investment grade fixed income securities such as money market instruments, FGN and Corporate bonds with a maximum duration of 3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

KEY FACTS

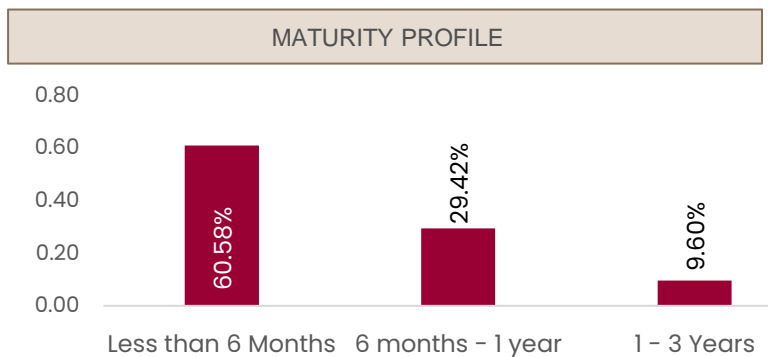
Launch Date	April 2022
Size of Fund	₦863 Million
Initial Investment Amount	₦10,000.00
Incentive Fee	Maximum 20% of excess returns above benchmark
Management Fee	1.5% of NAV
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Trustee	STL Trustees Ltd.
Custodian	Rand Merchant Bank
Risk Profile	Low - Medium
Monthly Relative Return	0.06%
FUND ASSET ALLOCATION	FUND PERFORMANCE



- FGN Bonds
- Short Term Instruments
- Cash



Fund Duration	0.39
Holding Yield	9.83%



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ARM FIXED INCOME FUND



FUND STRUCTURE

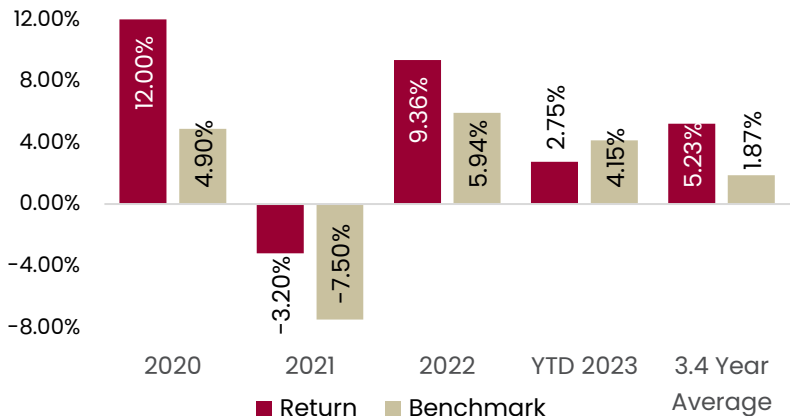
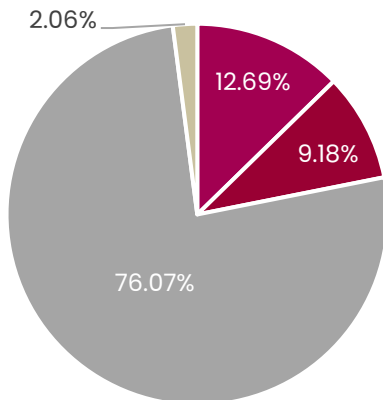
The ARM Fixed Income Fund is an open-ended fund authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by the Securities & Exchange Commission (SEC). The fund can invest a minimum of 70% and maximum of 100% in bond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

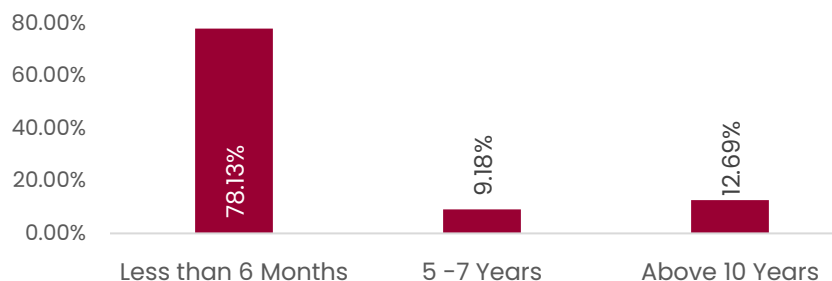
KEY FACTS

Launch Date	February 2020
Size of Fund	₦1.026 Billion
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	-0.19%
FUND ASSET ALLOCATION	FUND PERFORMANCE



- FGN Bonds
- SGN Bonds
- Short Term Instruments
- Cash

MATURITY PROFILE



Fund Duration	1.23
Holding Yield	11.84%

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FUND STRUCTURE

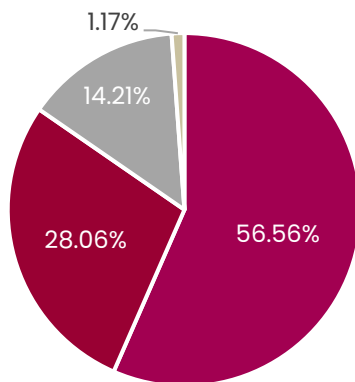
The ARM Eurobond Fund is an open-ended fund that invests in US Dollar denominated fixed income instruments. The Fund is authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007 and is regulated by the Securities & Exchange Commission (SEC).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

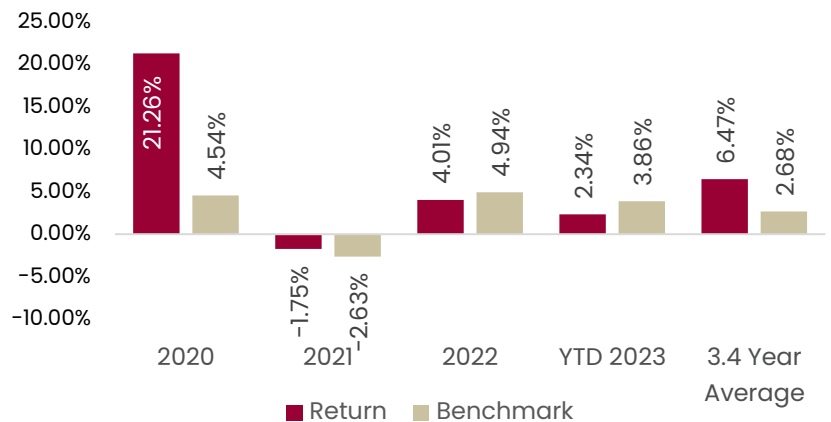
KEY FACTS

Launch Date	February 2020
Size of Fund	\$11.66 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
Monthly Relative Return	-0.84%
FUND ASSET ALLOCATION	FUND PERFORMANCE

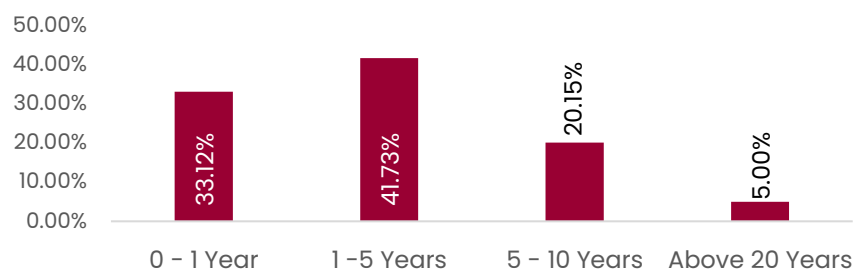


- FGN Eurobonds
- Corporate Eurobonds
- Short Term Instruments

Fund Duration	2.84
Holding Yield	7.72%



MATURITY PROFILE



FUND STRUCTURE

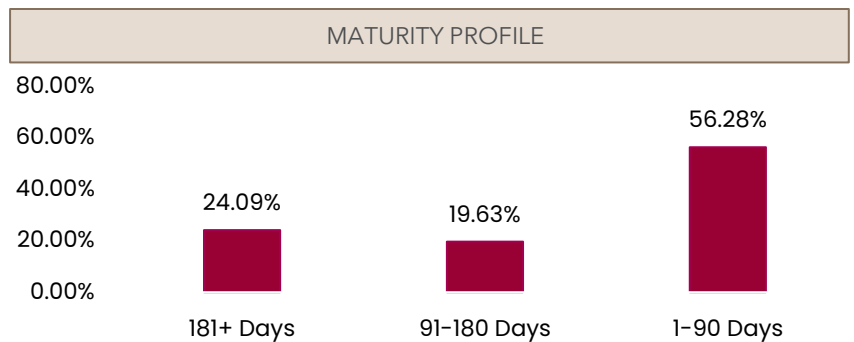
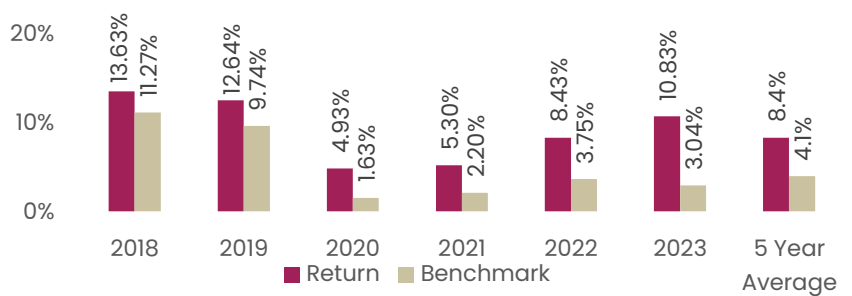
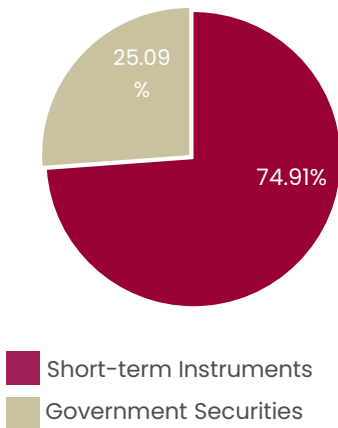
The ARM Money Market Fund is an open-ended fund, authorized and registered in Nigeria as a Unit Trust Scheme under Section 160 of the Investment and Securities Act 2007. The Fund is regulated by Securities & Exchange Commission (SEC).

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	₦ 76.02 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.
Monthly Relative Return	7.40%
FUND ASSET ALLOCATION	FUND PERFORMANCE



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GLOBAL MARKETS

Anticipating a shift in momentum, we predict a slowdown in the recent upward trend observed in the US 2-year and 10-year bond yields after the passage of the bill to raise the US debt ceiling. Additionally, we foresee the US Federal Reserve adopting a wait and see approach at the next policy meeting.

In Euro-Area, we expect the European Central Bank to continue hiking interest rate, albeit at a modest pace of 25 basis points. Furthermore, there is a general expectation of a global decline in economic growth, partly influenced by the subsiding energy prices in comparison to the previous year. This overall decline is likely to have an impact on various sectors and markets worldwide.

On this note, we expect investors to increase their exposure to risky assets as they reassess the impact of the raised debt ceiling and expected temporary pause in rate hike by the US Fed.

DOMESTIC MARKETS

EQUITY

We expect strong positive sentiments to permeate the equities market in June as market anticipates positive economic reforms from the new government. Possible sectors to benefit from these reforms include telecoms, banking, industrial goods, and oil & gas, etc.

FIXED INCOME

The substantial liquidity in the financial system is expected to keep fixed income yields depressed in the near term, further supported by the positive momentum in the equities market. To this end, investors will benefit from credit spreads on corporate issuances



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