



Mutual Fund Fact Sheet

March 2024





Macroeconomics & Market Update

March 2024





MACRO ECONOMIC UPDATE

GLOBAL

- The US Consumer Price Index increased by 0.4% in February, after rising by 0.3% in January. Over the last 12 months, the all-items index increased by 3.2% before seasonal adjustment.
- The S&P Global Flash US Composite Output Index fell to 52.2pts in March 2024, from 52.5pts in February, driven by a softer uptick in services. Similarly, in the UK, business activity noted an expansion for the fifth consecutive month albeit at its slowest pace since January 2024 to reach 52.9pts in March 2024, down from the 53.0pts recorded in February.
- The Personal Consumption Expenditures (PCE) price index in the US increased by 0.3% MoM and 2.5% YoY in February 2024. The core PCE price index, which excludes volatile food and energy components, rose by 0.3% MoM and 2.8% YoY in February 2024. Consumer spending rose by 0.8% in February (vs 0.2% in January).
- The Bank of Japan (BOJ) raised its lending rate for overnight borrowing by banks to a range of 0%-0.1%. This decision underscores a significant pivot from the BOJ's ultra-loose monetary policy stance.
- All major indices under our coverage gained over the period as the S&P 500 (+10.63% YTD), FTSE (+2.84% YTD), Euro STOXX 50 (+11.16% YTD), DOWJONES (+5.62% YTD), the SHCOMP (2.23% YTD), and Nikkei 225 (+20.63% YTD) indices all closed higher.

DOMESTIC

- Headline inflation extended its uptick by 180bps in February as it rose to 31.70% YoY (vs. 29.90% YoY in January) as both food (+251bps to 37.92% YoY) and core (+154bps to 25.13% YoY) reported a surge.
- The Central Bank of Nigeria (CBN) announced the successful clearance of a USD7bn backlog of valid foreign exchange transactions, fulfilling the CBN Governor's commitment to ending the protracted concern.
- At the Monetary Policy Committee (MPC) meeting in March 2024, the Committee hiked the Monetary Policy Rate (MPR) further by 200bps to 24.75%. This move reflects the CBN's effort to curb inflation and attract FPI inflows.
- The Stanbic IBTC Bank Purchasing Managers' Index (PMI) remained unchanged at 51.0pts in March remaining where it was in February 2024.
- In 2023FY, Total Trade grew by 37.21% YoY to NGN71.88trn. The growth follows an upswing in both Total Imports (+40.36% YoY to NGN35.92trn) and Total Exports (+34.20% YoY to NGN25.59trn). Overall, Nigeria's Balance of Trade rested at a surplus of NGN2.90bn in 2023FY.



FINANCIAL MARKET UPDATE

FIXED INCOME

Primary Market

- At the NTB auctions in March 2024, the average stop rate surged by 43bps MoM to 18.38%, compared to 17.96% in February 2024. Similarly, the average bid-to-cover ratio rose to 10.14x, compared to 8.57x in February 2024. Influx of liquidity from maturities and portfolio rotation came into the market as investors capitalize on the elevated yield environment .
- In March 2024, the Debt Management Office (DMO) auctioned NGN450bn worth of bonds through the reopening of two (2) existing instruments (FEB 2031 and FEB 2034) and opening of a 3-year bond (MAR-2027). The average stop rate closed at 20.13% and average bid-to-cover was 1.37x compared to the 18.75% and 1.67x respectively in February 2024. The slowdown in bid to cover ratio is in line with the expectation that rates would remain elevated for longer which favors short term exposure and reduces traction for bond instruments.

Secondary Market

- In March 2024, the secondary fixed income market closed negative, as average yield increased by 148bps MoM to 18.54%. Similarly, the NT-Bill market closed bearish as average yield surged by 76bps MoM to 17.66%. Likewise, the FGN Bond market ended on a negative note, as average yield went up by 219bps MoM to close at 19.41%.

EQUITIES

- In March 2024, the NGX ASI increased by 4.58% MoM to settle at 104,562.06 points, bringing the Nigerian Equities market to a bullish close. Consequently, the market gained 39.84% YtD in March 2024, compared to 33.71% YtD in February 2024.
- In March 2024, only the Banking (+21.21% MoM) and Insurance (+10.44% MoM) sectors closed positive, while the Industrial Goods (-0.92% MoM), Consumer Goods (-0.78% MoM) and Oil and Gas (-0.66% MoM) sectors posted losses.



Mutual Fund Performance

March 2024



AGGRESSIVE GROWTH FUND

Fund Objective:

- ❖ The objective of the Fund is to provide long term capital growth opportunities for investors with a high-risk tolerance.

Investment Approach:

- ❖ The ARM Aggressive Growth Fund is an open-ended fund with a permissible investment limit of 70% - 100% in stocks of companies quoted on the Nigerian Stock Exchange.
- ❖ A top-down approach is used in the stock selection into the Fund.
- ❖ The 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 Details	
Benchmark	NGX30 Index
Comparable	FMAN List of Equity Funds
Custodian	Rand Merchant Bank Limited
Trustee	FBNQuest Trustees Nigeria Limited
Launch Date	2007
AuM	₦4.05 Billion
Annual Expense Ratio (YtD)	2.16%
Min Initial Investment	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark
Portfolio Allocation	Equity (70% - 100%): Fixed Income (0-30%)

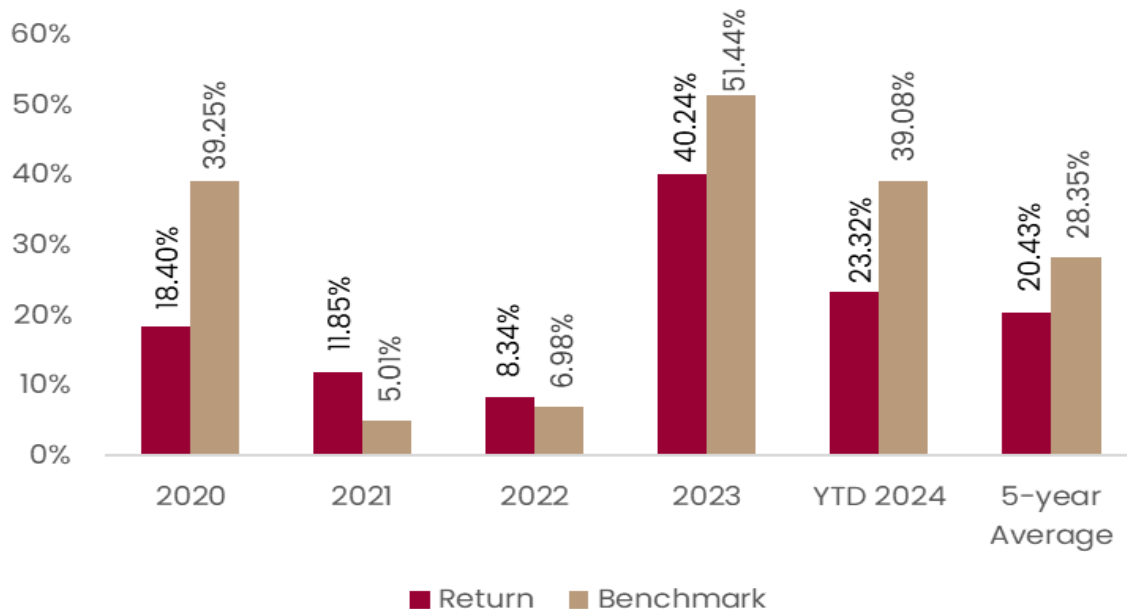
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	36%	OVERWEIGHT
Telecoms	23%	UNDERWEIGHT
Consumer goods	12%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	28%	OVERWEIGHT
BUAFOODS	10%	UNDERWEIGHT
AIRTELAFR	10%	UNDERWEIGHT



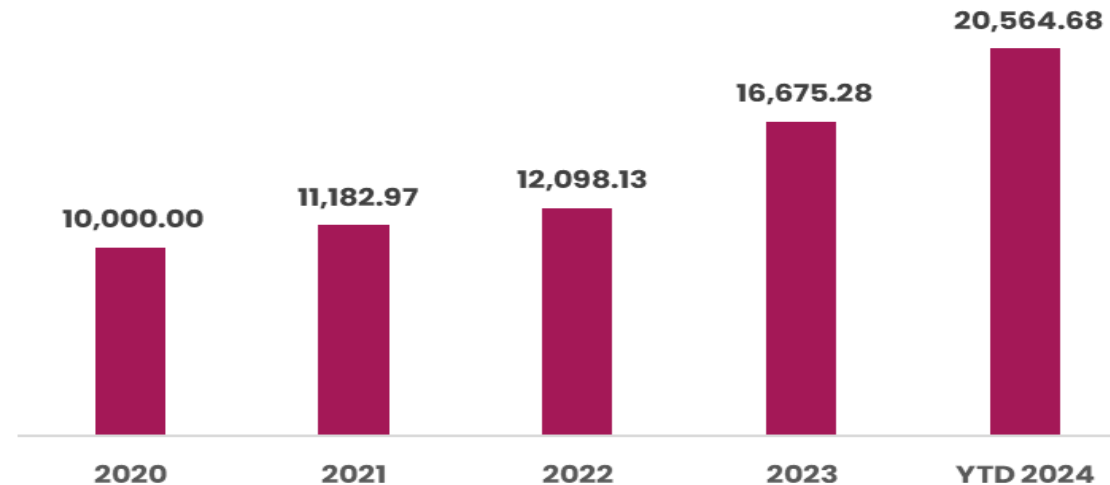
AGGRESSIVE GROWTH FUND

Fund Performance

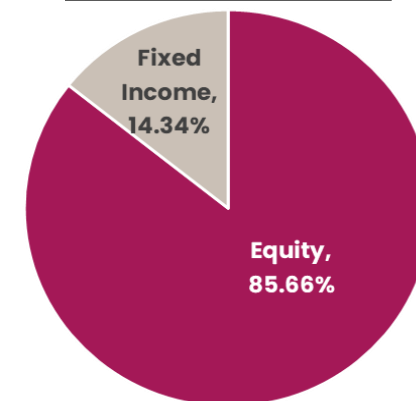


	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	18.40%	11.85%	8.34%	40.24%	23.32%	17.19%
Benchmark	39.25%	5.01%	6.98%	51.44%	39.08%	21.96%

Growth of N10,000 investment from 31/12/2020 to Date



Asset Allocation



Portfolio Analysis

Portfolio Beta	1.03
Number of Stocks	25
Monthly Relative Returns	-0.81%
Dividend Yield (2022)	2.04%



DISCOVERY BALANCE FUND

Fund Objective:

- ❖ The fund objective is to provide long term capital growth opportunities for investors with a medium risk tolerance.

Investment Approach:

- ❖ The ARM Discovery Balance Fund is an open-ended fund that invests in equities on the Nigerian Stock Exchange and domestic fixed income securities.
- ❖ A top-down approach is used in the variable and non-variable income assets selection into the Fund.
- ❖ The 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 Details	
Benchmark	NGXASI:40%, NITTY:40%, FGN 2YR BOND 20%
Comparable	FMAN List of Balanced Funds
Custodian	Rand Merchant Bank Limited
Trustee	FBNQuest Trustees Nigeria
Launch Date	1995
AuM	₦7.32 Billion
Annual Expense Ratio (YtD)	2.12%
Min Initial Investment	₦10,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark
Asset Allocation	Equity (40%-60%): Fixed Income (40%-60%)
Risk Profile	Moderate

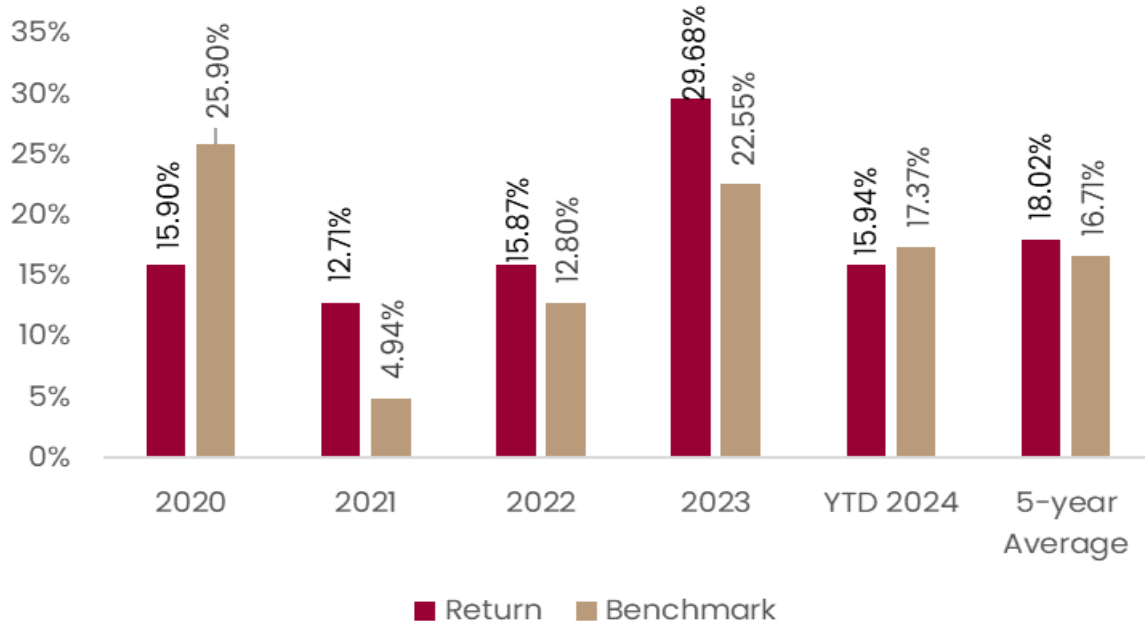
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	20%	OVERWEIGHT
Consumer Goods	7%	OVERWEIGHT
Telecoms	10%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	13%	OVERWEIGHT
BUACEMENT	6%	OVERWEIGHT
BUAFOODS	5%	UNDERWEIGHT

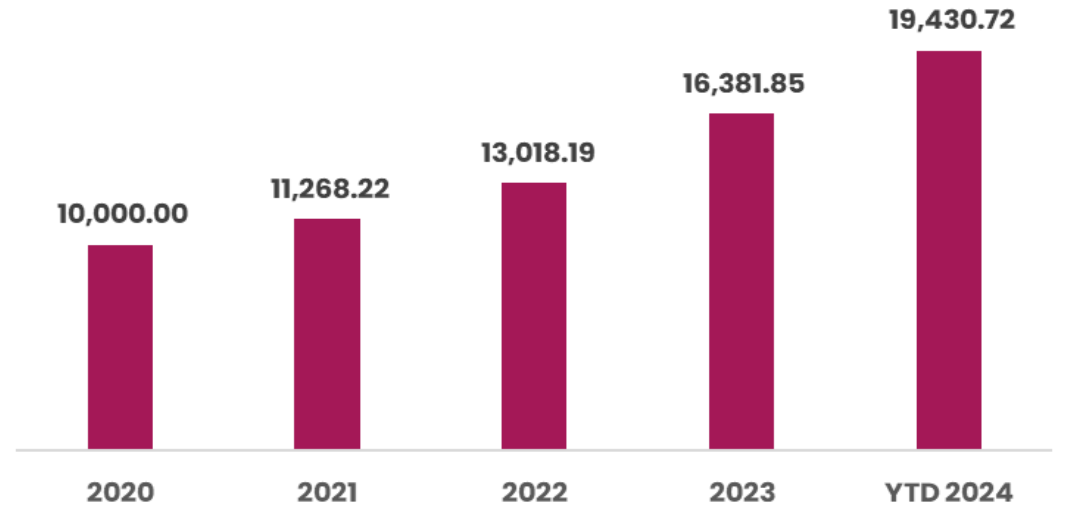


DISCOVERY BALANCE FUND

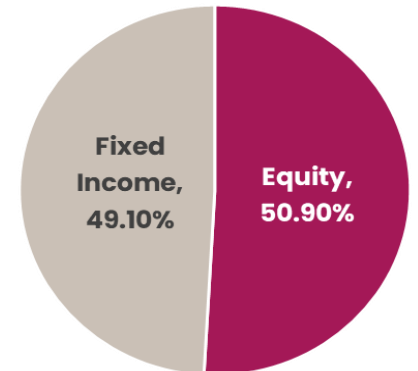
Fund Performance



Growth of N10,000 investment since 31/12/2020



Asset Allocation



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	12.71%	15.87%	29.68%	15.94%	15.69%
Benchmark	25.90%	4.94%	12.80%	22.55%	17.37%	14.10%

Portfolio Analysis	
Portfolio Beta	0.93
Number of Stocks	22
Monthly Relative Returns	-0.92%
Dividend Yield (2022)	3.07%



Ethical Fund: Shari'ah Compliant

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 and have a medium investment risk appetite.

Investment Approach:

- ❖ Invest in Shari'ah compliant equities on the Nigerian Stock Exchange.
- ❖ Invest in investment grade Shari'ah compliant alternative instruments.
- ❖ The 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.

Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Consumer Goods	16%	UNDERWEIGHT
Industrials	13%	OVERWEIGHT
Telecoms	9%	OVERWEIGHT

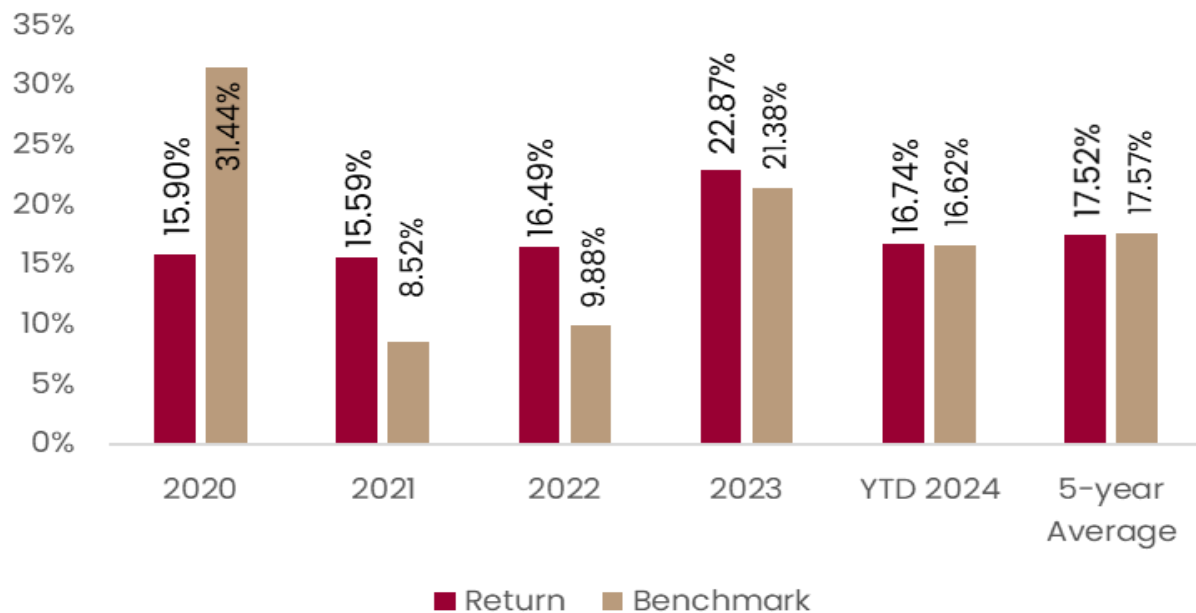
Fund Details	
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Comparable	FMAN List of Ethical Funds
Custodian	Rand Merchant Bank Limited
Trustee	Royal Exchange Plc
Launch Date	2004
AuM	₦1.01 Billion
Annual Expense Ratio (YtD)	2.17%
Management Fee	1.5% of Net Asset Value
Min Initial Investment	₦10,000.00
Incentive Fee	Maximum of 20% of excess returns above benchmark
Asset Allocation	Equity (40%-60%): Alternative Investment (40%-60%)
Risk Profile	Medium

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
BUAFOODS	14%	UNDERWEIGHT
DANGCEM	7%	UNDERWEIGHT
AIRTELAFR	5%	UNDERWEIGHT



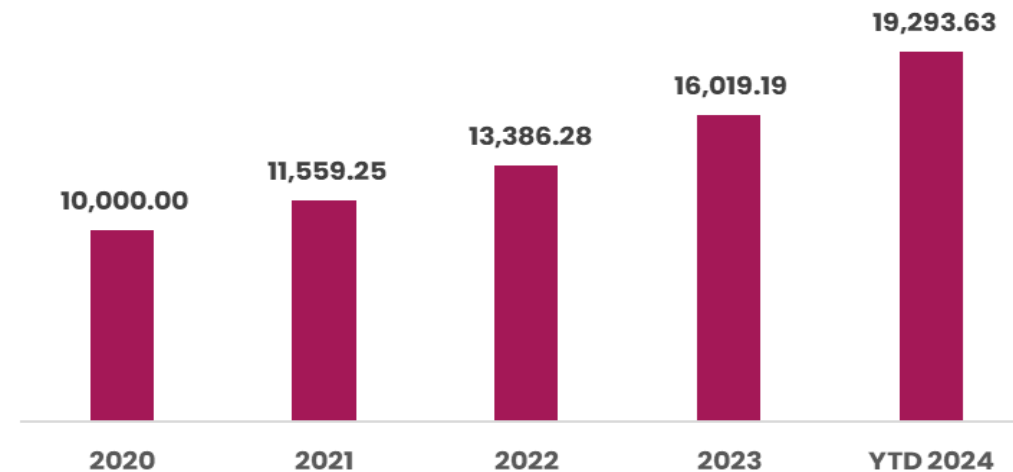
Ethical Fund: Balanced (Shari'ah Based)

Fund Performance

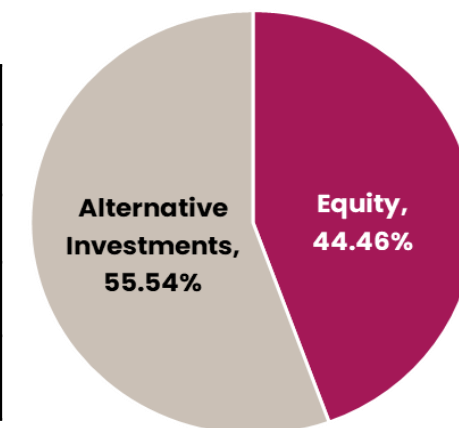


	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	15.59%	16.49%	22.87%	16.74%	14.69%
Benchmark	31.44%	8.52%	9.88%	21.38%	16.62%	15.72%

Growth of N10,000 investment since 31/12/2020



Asset Allocation



Portfolio Analysis	
Portfolio Beta	0.78
Number of Stocks	10
Monthly Relative Returns	-1.12%
Dividend Yield (2023)	3.07%



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.

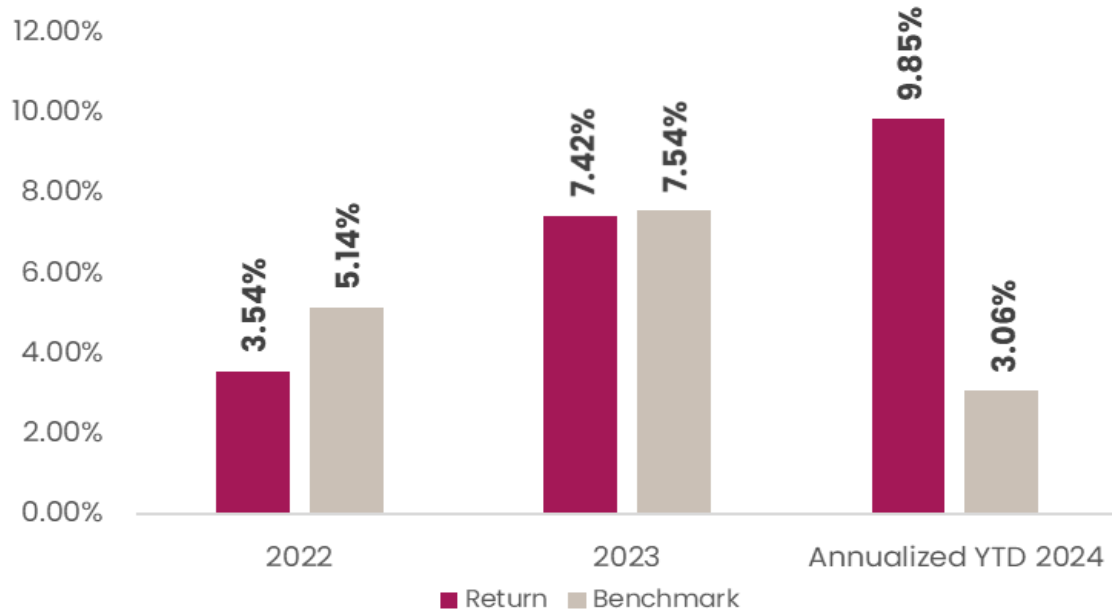
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Comparable	FMAN List of Equity Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦906.7m
Expense Ratio	2.43%
Initial Investment	₦10,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum 20% of excess returns above benchmark

Portfolio Analysis	
Risk Profile	Medium
Fund Duration	2.50
Holding Yield	15.13%
Dividend Yield (2024)	6.76%



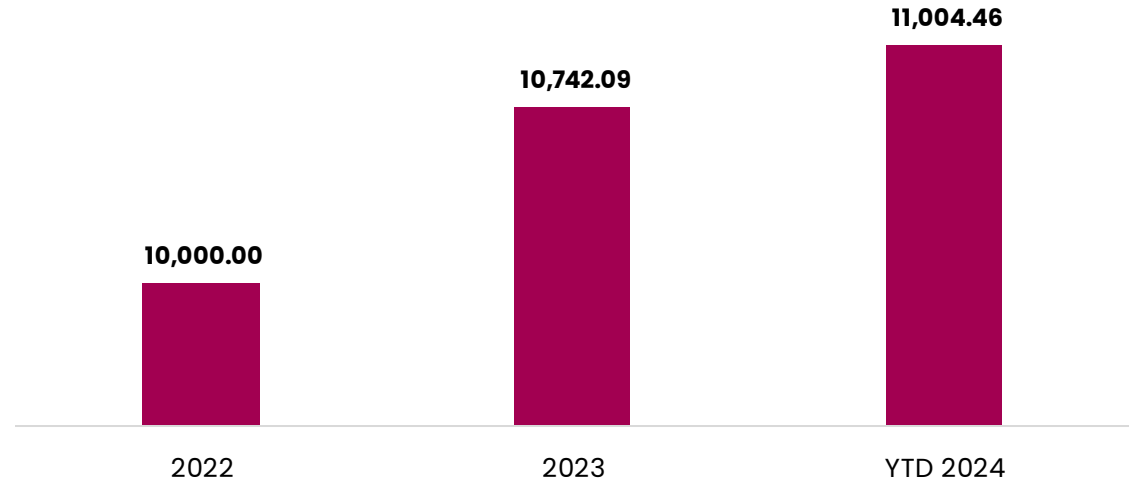
ARM Short-Term Bond Fund

Fund Performance

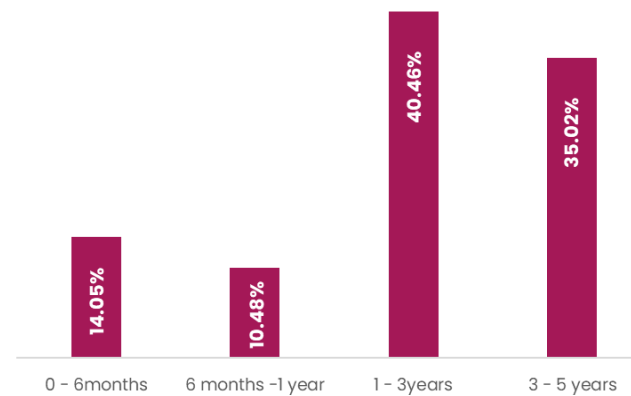


	2022	2023	YTD 2024
Annualized Net Returns	3.54%	7.42%	9.85%
Benchmark	5.14%	7.54%	3.06%

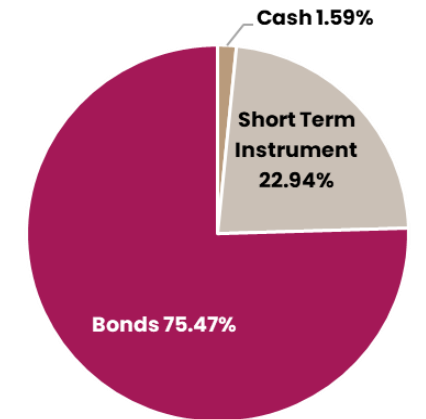
Growth of N10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation





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.

Fund Details

Benchmark	Composite of 5-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	₦1.38bn
Expense Ratio	2.31%
Initial Investment	₦5,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

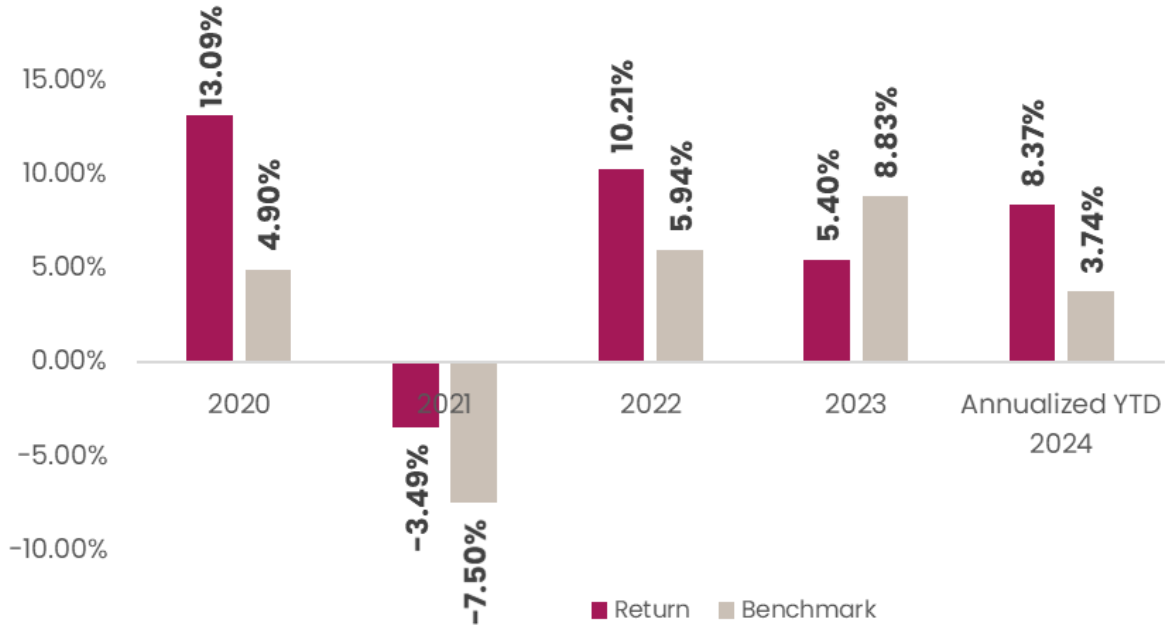
Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	4.60
Holding Yield	15.69%
Dividend Yield (2023)	6.78%



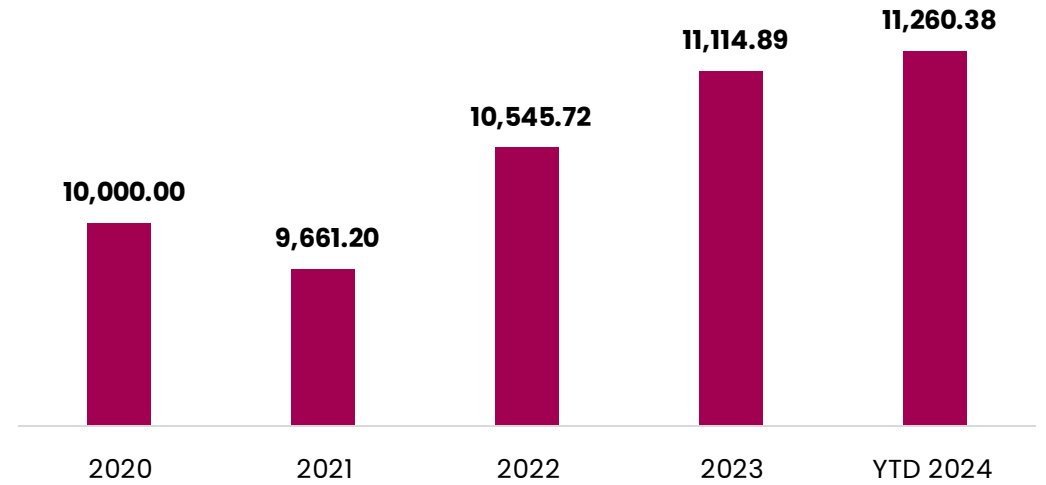
ARM Fixed Income Fund

Fund Performance

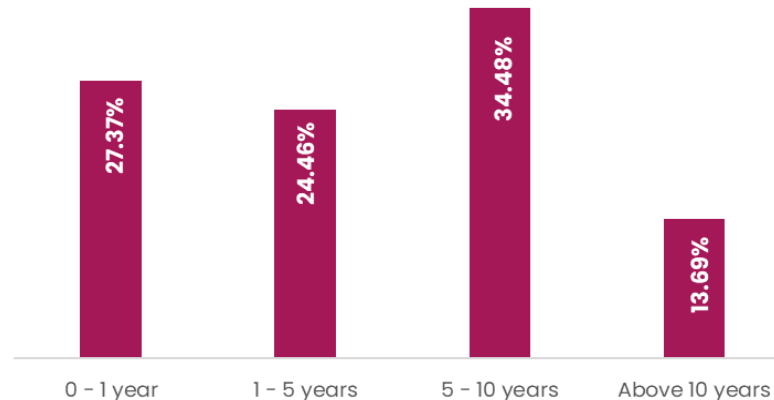


	2020	2021	2022	2023	YTD 2024
Annualized Net Returns	13.09%	-3.49%	10.21%	5.40%	8.37%
Benchmark	4.90%	-7.50%	5.94%	8.83%	3.74%

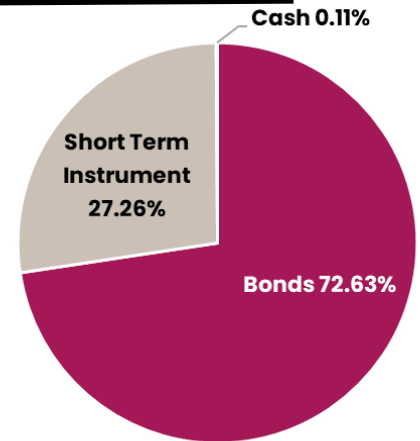
Growth of N10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation





ARM Eurobond Fund

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.

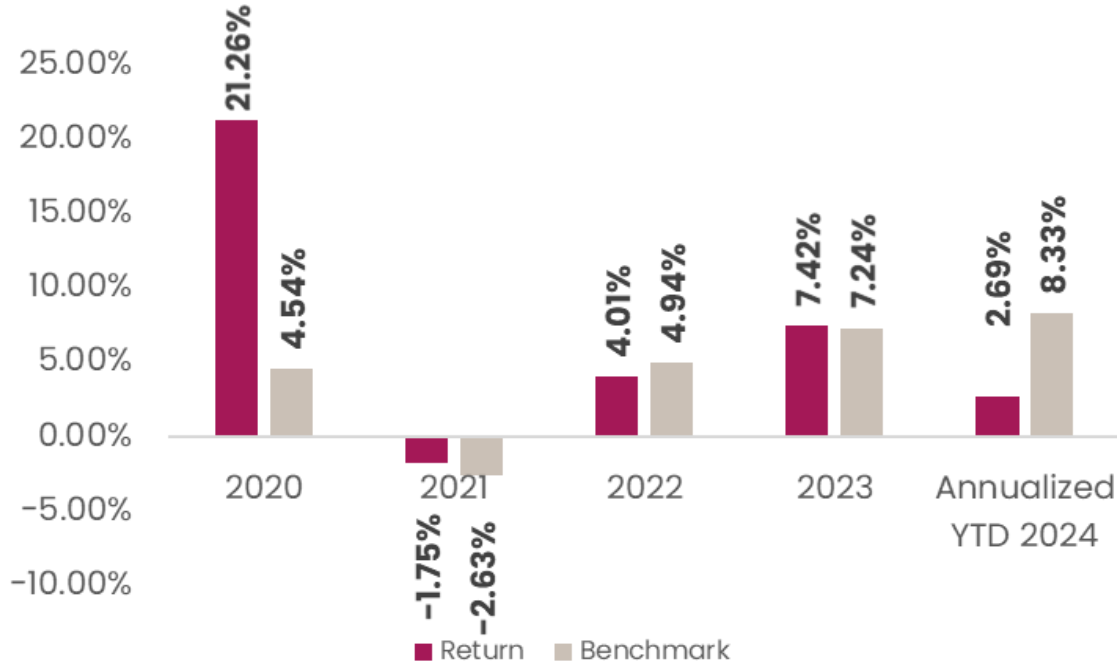
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Eurobond and US Treasury Bills Yield
Comparable	FMAN List of Eurobond Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	\$10.99m
Expense Ratio	1.92%
Initial Investment	\$1,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

Portfolio Analysis	
Risk Profile	Medium - High
Fund Duration	5.69
Holding Yield	8.64%
Dividend Yield (2023)	6.10%



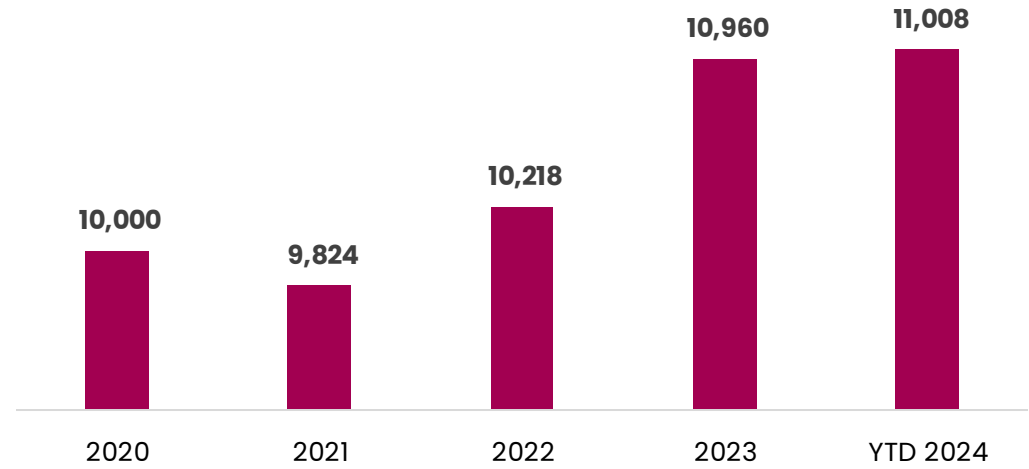
ARM Eurobond Fund

Fund Performance

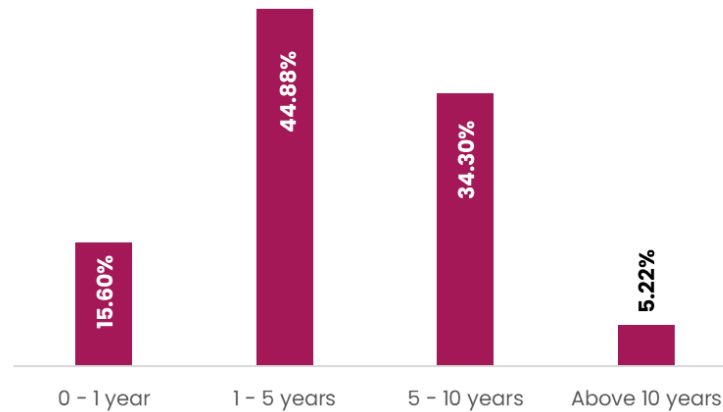


	2020	2021	2022	2023	YTD 2024
Annualized Net Returns	21.26%	-1.75%	4.01%	7.42%	2.69%
Benchmark	4.54%	-2.63%	4.94%	7.24%	8.33%

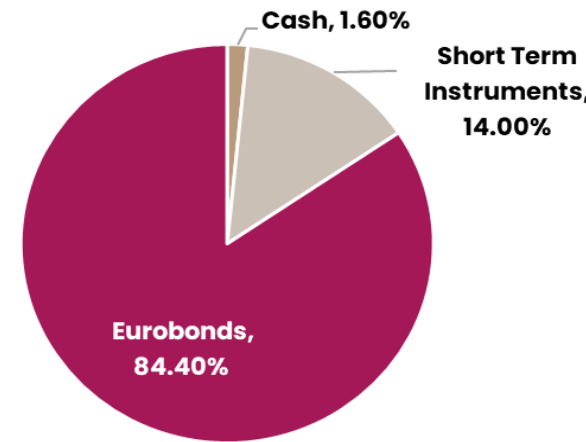
Growth of \$10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation





Money Market Fund

Fund Objective

- ❖ The primary objective of the Fund is to provide a steady stream of income to investors.

Investment Approach

- ❖ The Fund invests 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.
- ❖ A top-down approach is used in securities selection into the Fund.
- ❖ The 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 Details	
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Comparable	FMAN List of Money market Funds
Custodian	Rand Merchant Bank Limited
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Launch Date	2013
AuM	₦84.00 Billion
Annual Expense Ratio (YtD)	2.03%
Min Initial Investment	₦1,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

Portfolio Analysis	
Risk Profile	Low
Fund Duration	83.83 days

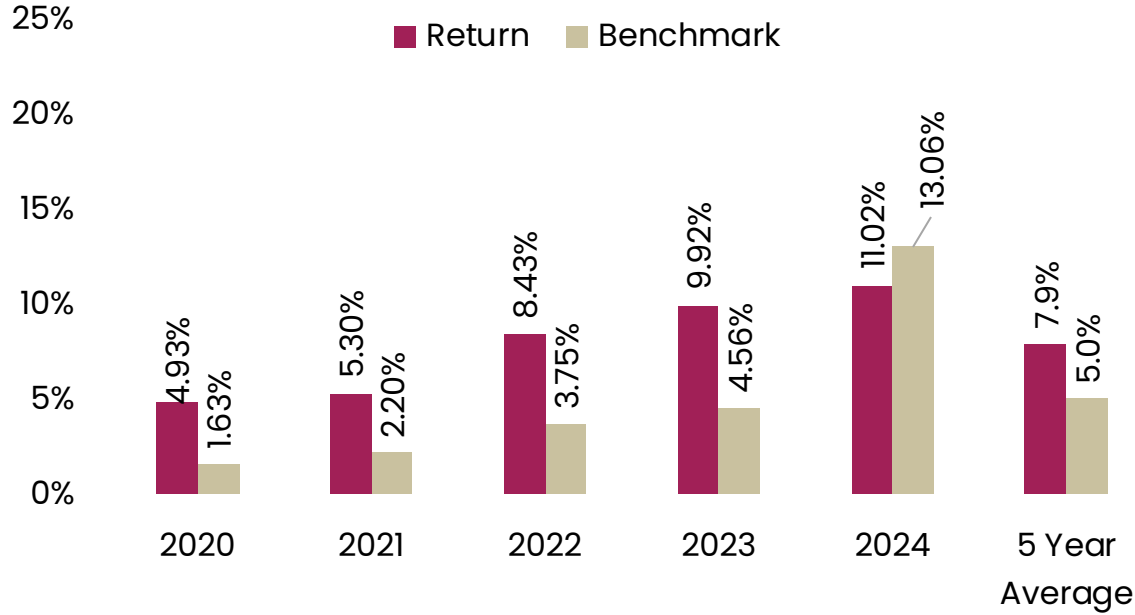


Money Market Fund

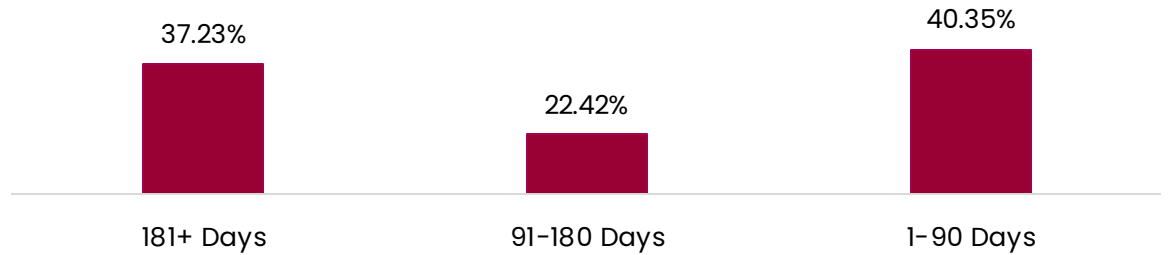
Fund Performance

Maturity Profile

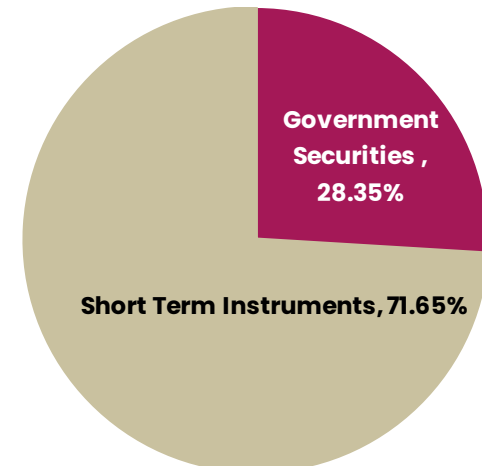
Fund Performance



Maturity Profile



Asset Allocation



	2020	2021	2022	2023	YTD 2024
Annual Net Returns	4.93%	5.30%	8.43%	9.92%	11.02%
Benchmark	1.63%	2.20%	3.75%	4.56%	13.06%



MARKET & MACRO OUTLOOK

GLOBAL MARKETS

In March 2024, major central banks held policy rates constant. The Euro Area, UK and US have emphasized the need to continuously reassess general macro data as well as current inflation trajectory, to determine the appropriate time for a policy reversal. However, the general market sentiment is for inflation to taper down considerably toward their 2% target levels in 2024. In the US, Fed Futures are currently pricing in a 60% probability of a rate cut as early as June 2024, while predictions for cuts in the EU and UK are for H2:2024.

In Asia, the Bank of Japan ended its 8-year negative interest rate and yield curve control policies by guiding its new policy rate within a 0-0.1% range. In China, we observed the seasonality factor following the Spring Festival holidays support output growth. Its official PMI data showed its first expansion in its manufacturing sector to 50.8 points (from 49.1 points) in six months. Overall, we maintain our view on the possible escalation in global geopolitical conflicts as well as a struggling Chinese economy limiting progress toward a full global recovery.

GLOBAL EQUITIES

In April 2024, we expect that the renewed optimism around rate cut would impact the market positively as investors take position in anticipation of the decision.

DOMESTIC MARKETS

EQUITY

The domestic bourse is currently caught amid sustained hawkish monetary policy, improving exchange rate outlook, and expectations of the release of corporate earnings. On a balance of factor, we expect the overall performance of the equities market to be muted in April.

FIXED INCOME

As the Central Bank continues to tighten liquidity in the system by adjusting Monetary Policy Rate and other policy parameters, we opine that yields would remain on the upside in April 2024.



Thank You



