



Mutual Fund Fact Sheet

April 2024





Macroeconomics & Market Update

April 2024





MACRO ECONOMIC UPDATE

GLOBAL

- US consumer prices in March 2024 rose to 3.5% YoY from 3.2% in February 2024, the fastest pace since September 2023. In the UK, inflation slowed to 3.2% YoY in March 2024 compared to the 3.4% YoY in February 2024.
- In Q1:2024, US GDP grew as estimated by 1.6% YoY, driven by increases in consumer spending, residential fixed investment, non-residential fixed investment, state and local government spending.
- The S&P Global Flash US Composite PMI revealed that the US economy expanded at a slower pace to 50.9pts in April 2024 (vs. 52.1pts in March 2024), hitting its lowest level since November 2023.
- Boosted by a thriving services sector, the UK economy expanded at its fastest pace since May 2023, as evidenced by the S&P Global Flash UK Composite PMI which rose to 54.0 points in April 2024 (vs. 52.8 points in March 2024).

DOMESTIC

- Nigeria headline inflation for March 2024 was 33.20% YoY, up from 31.70% YoY in February 2024. This higher rate of inflation was driven by significant increases in both food (+209bps to 40.01% YoY) and core (+77bps to 25.90% YoY) inflation.
- The Central Bank of Nigeria (CBN) released a circular, reducing the Loan-to-Deposit Ratio (LDR) requirement for banks from 65% to 50% in April 2024. This was in a bid to moderate the lending requirement of banks given the increment in CRR.
- CBN issued a directive to all banks regarding the use of Foreign Currency (FCY) denominated collaterals for Naira loans. The directive effectively prohibits banks from granting Naira loans backed by FCY denominated collaterals, except in cases where these collaterals are Eurobonds issued by the FGN or guarantees from foreign banks, including standby Letters of Credit.
- The Stanbic IBTC Bank Purchasing Managers' Index (PMI) ticked up to 51.1pts in April 2024, an improvement from the 51.0pts in March 2024.



FINANCIAL MARKET UPDATE

FIXED INCOME

Primary Market

- At the NTB auctions in April 2024, the average stop rate steadied at 17.96%, while the average bid-to-cover ratio declined to 6.76x, compared to 28.71x in March 2024
- In April 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 5-year bond (APR-2029). The average stop rate closed at 19.68% and average bid-to-cover stood at 2.04x.

Secondary Market

- In April 2024, average yield at the NT-bill secondary market gained 4.54% MoM to settle at 22.20%, while average yield at the secondary FGN Bond market closed slightly lower, having declined by 0.47% MoM to 18.94%. Overall, the Naira Fixed Income market closed bearish, as average yield increased by 2.03% MoM to 20.57%.

EQUITIES

- The Nigerian Equities market ended April 2024 on a bearish note, as the NGX ASI lost 6.06% MoM to print at 98,225.63 points. As a result, year-to-date (YtD) returns on the index fell to 31.36% from the 39.84% recorded in March 2024.
- On a sectoral basis, all sectors under our coverage closed in the red in April 2024. Specifically, the Banking (-24.79% MoM), Insurance (-6.49% MoM), Consumer Goods (-4.04% MoM), Industrial Goods (-3.19% MoM) and Oil and Gas (-2.04% MoM) all posted losses in the month.



Mutual Fund Performance

April 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	₦3.85 Billion
Annual Expense Ratio (YtD)	2.19%
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%)

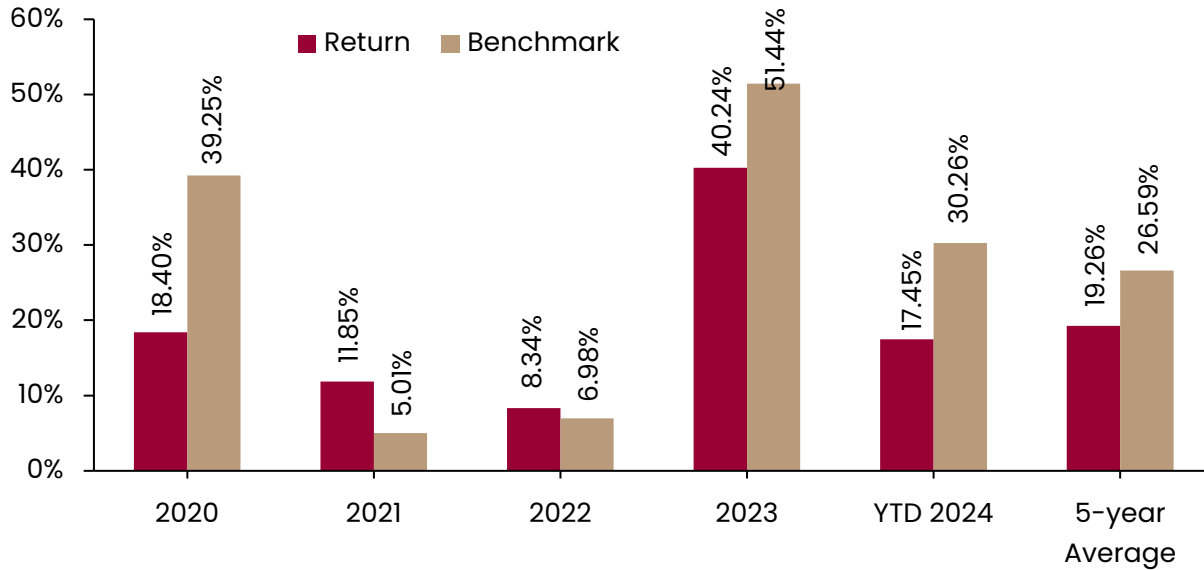
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	36%	OVERWEIGHT
Telecoms	23%	UNDERWEIGHT
Consumer goods	12%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	28%	OVERWEIGHT
BUAFOODS	11%	UNDERWEIGHT
AIRTELAFR	10%	UNDERWEIGHT

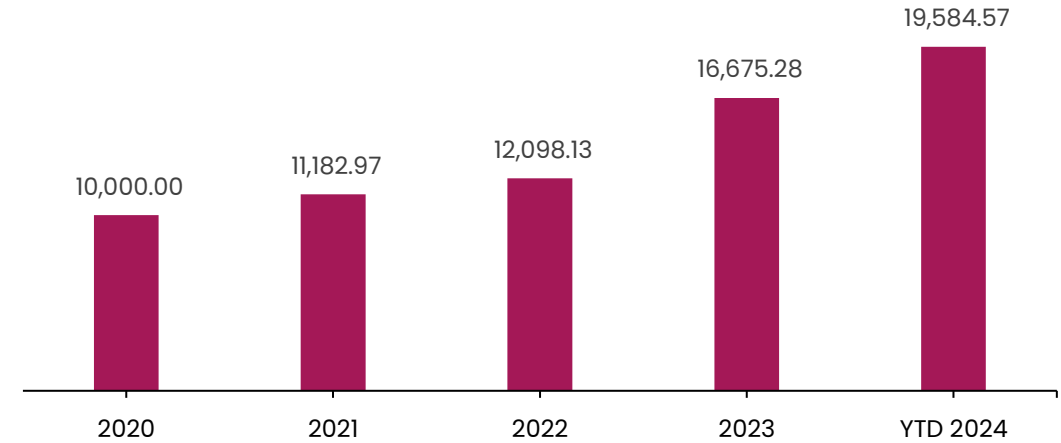


AGGRESSIVE GROWTH FUND

Fund Performance



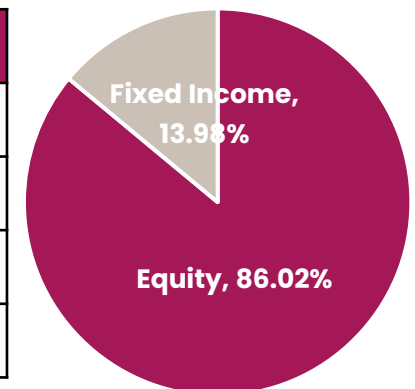
Growth of N10,000 investment from 31/12/2020 to Date



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	18.40%	11.85%	8.34%	40.24%	17.45%	19.26%
Benchmark	39.25%	5.01%	6.98%	51.44%	30.26%	26.59%

Portfolio Analysis	
Portfolio Beta	1.01
Number of Stocks	25
Monthly Relative Returns	3.51%
Dividend Yield (2022)	2.04%

Asset Allocation





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	₦7.13 Billion
Annual Expense Ratio (YtD)	2.14%
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

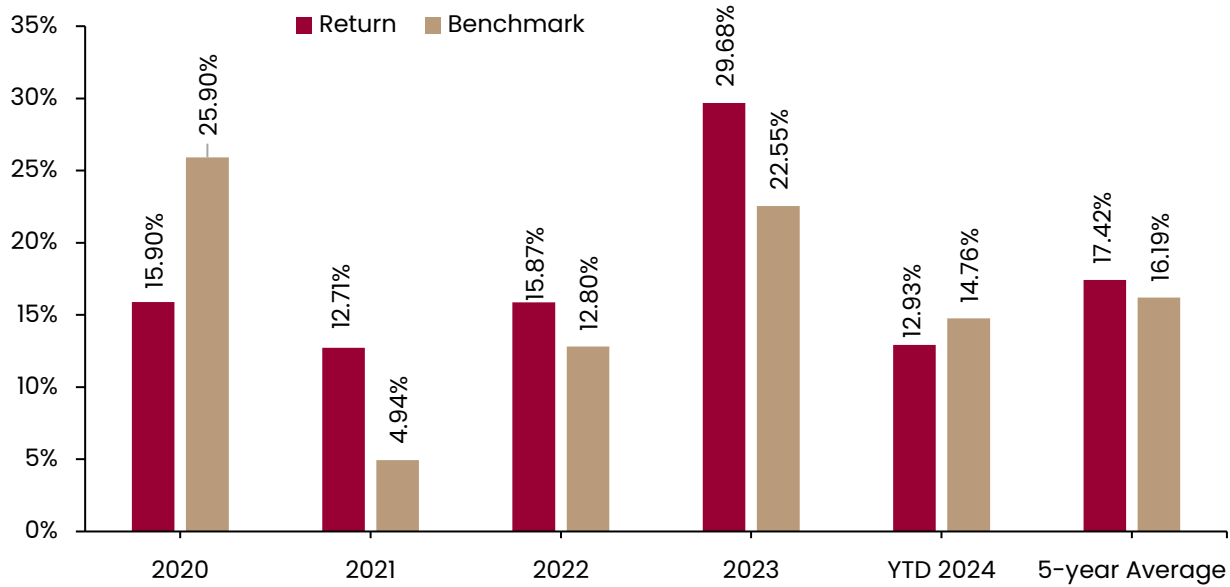
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	20%	OVERWEIGHT
Consumer Goods	7%	OVERWEIGHT
Telecoms	10%	UNDERWEIGHT

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

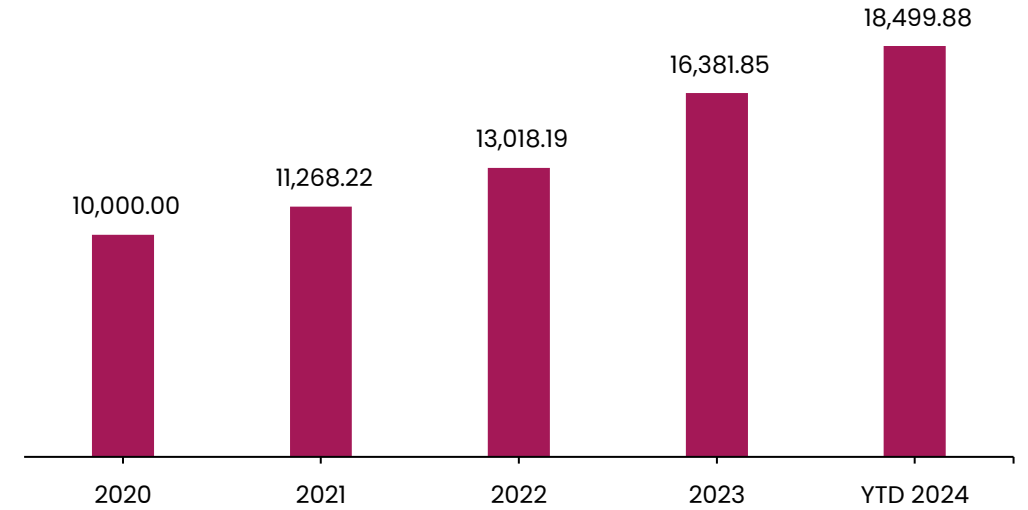


DISCOVERY BALANCE FUND

Fund Performance



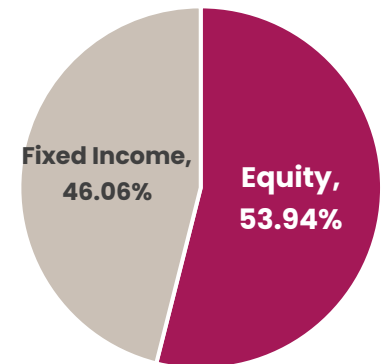
Growth of N10,000 investment since 31/12/2020



	2020	2021	2022	2023	YTD 2024	5 YEAR AVG
Annual Net Returns	15.90%	12.71%	15.87%	29.68%	12.93%	17.42%
Benchmark	25.90%	4.94%	12.80%	22.55%	14.76%	16.19%

Portfolio Analysis	
Portfolio Beta	0.89
Number of Stocks	22
Monthly Relative Returns	-0.89%
Dividend Yield (2022)	3.07%

Asset Allocation





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

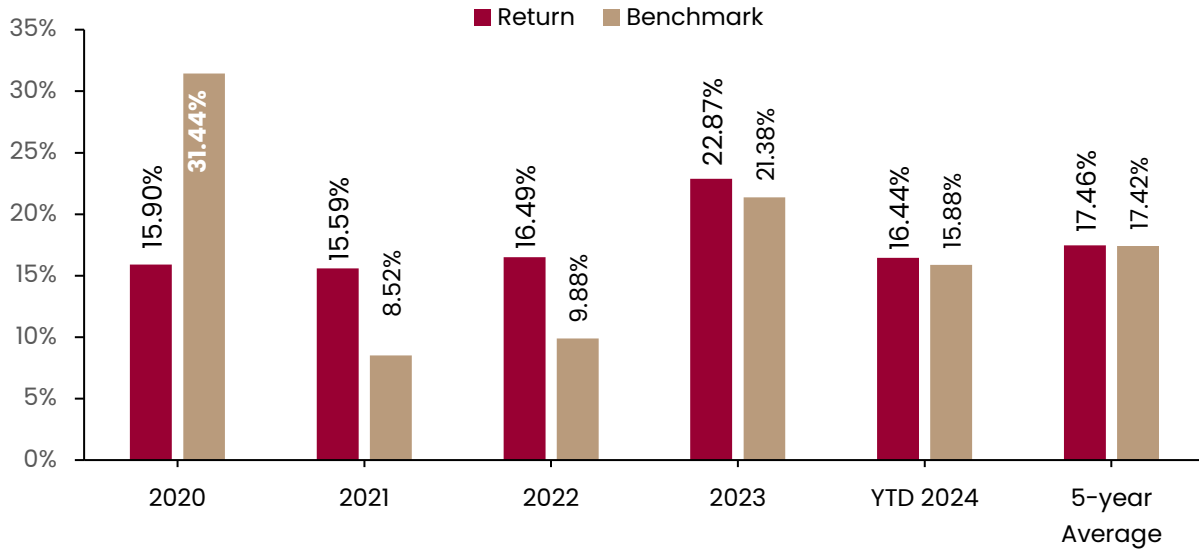
Fund Details	
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Comparable	FMAN List of Ethical Funds
Custodian	Rand Merchant Bank Limited
Trustee	Royal Exchange Plc
Launch Date	2004
AuM	₦918 Million
Annual Expense Ratio (YtD)	2.22%
Management Fee	1.5% of Net Asset Value
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

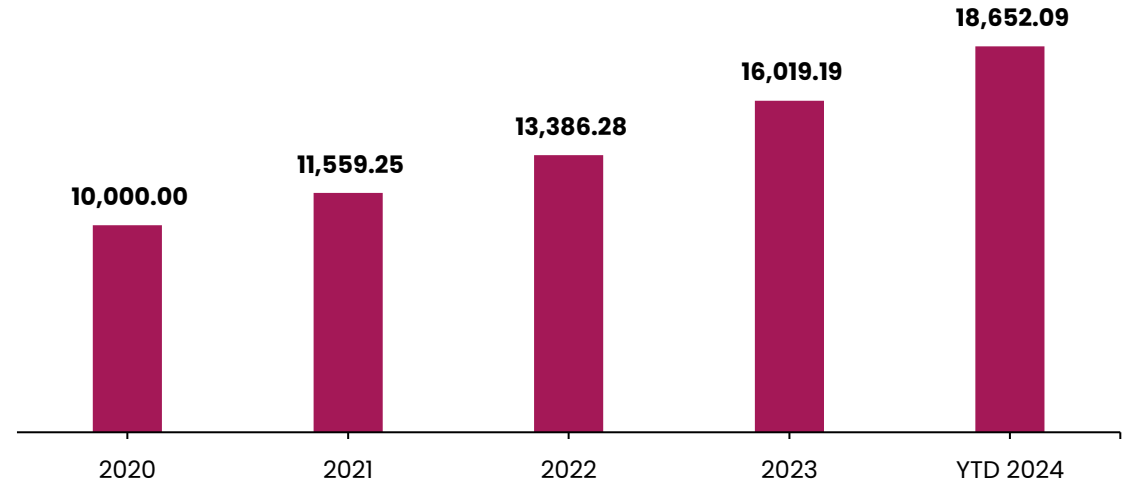


Ethical Fund: Balanced (Shari'ah Based)

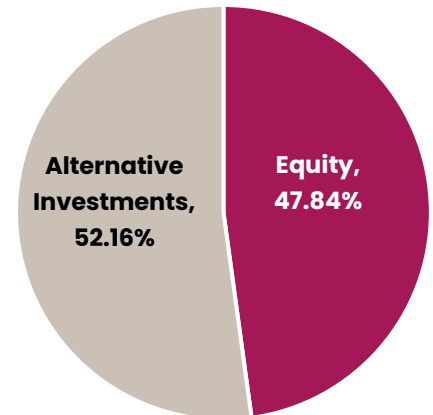
Fund Performance



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%	15.59%	16.49%	22.87%	16.44%	17.46%
Benchmark	31.44%	8.52%	9.88%	21.38%	15.88%	17.42%

Portfolio Analysis	
Portfolio Beta	0.76
Number of Stocks	10
Monthly Relative Returns	-0.65%
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.

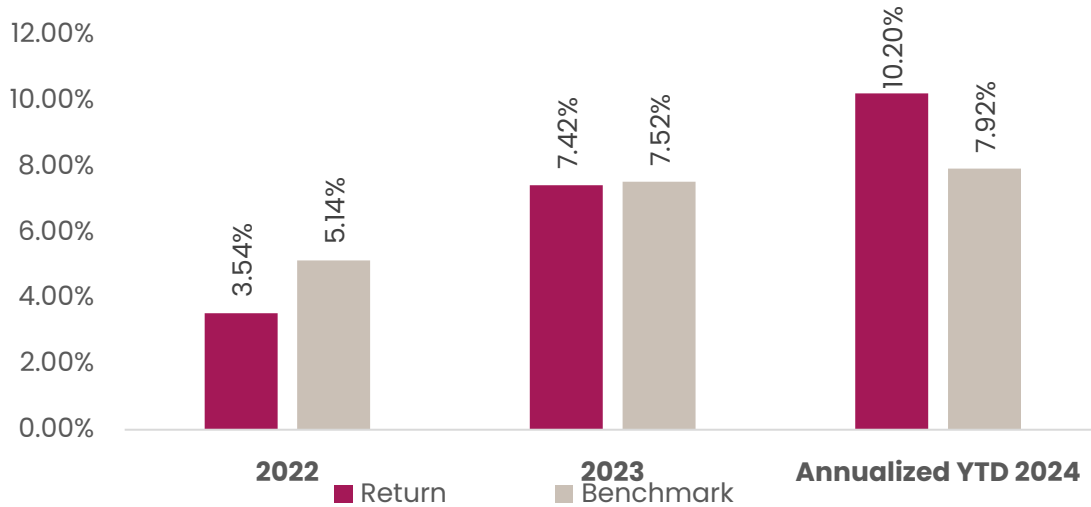
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Treasury Bills Yield
Comparable	FMAN List of Equity Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦852.42m
Expense Ratio	2.43%
Initial Investment	₦10,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum 20% of excess returns above benchmark

Portfolio Analysis	
Risk Profile	Medium
Fund Duration	1.63
Holding Yield	14.79%
Dividend Yield (2024)	6.76%

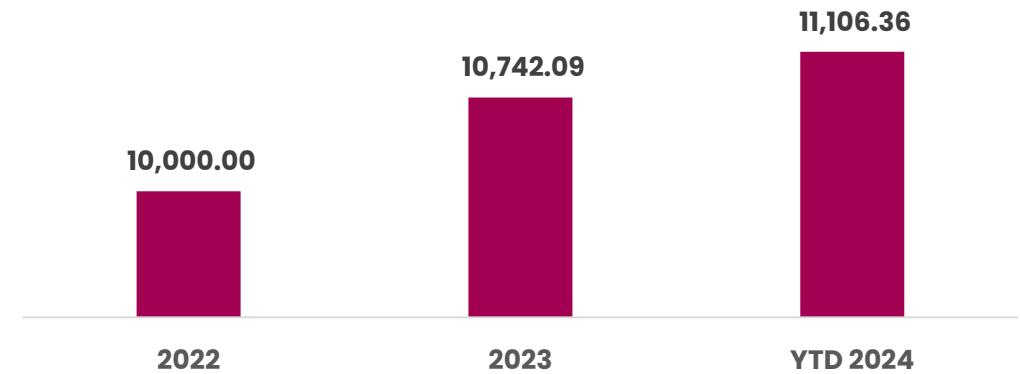


ARM Short-Term Bond Fund

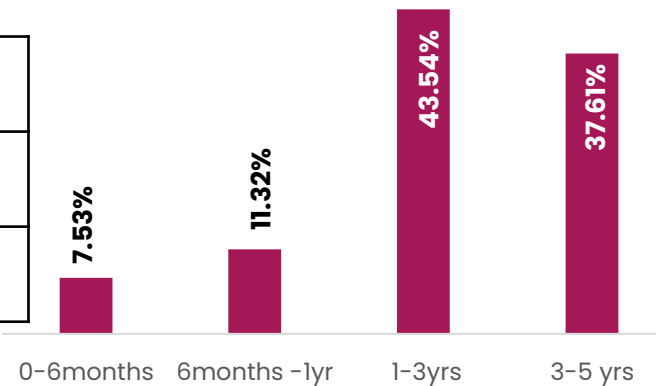
Fund Performance



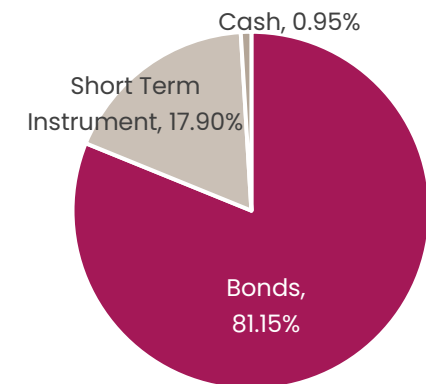
Growth of N10,000 investment since 31/12/22 to Date



Maturity Profile



Asset Allocation



	2022	2023	YTD 2024
Annualized Net Returns	3.54%	7.42%	10.20%
Benchmark	5.14%	7.54%	7.92%



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	₦1.36bn
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

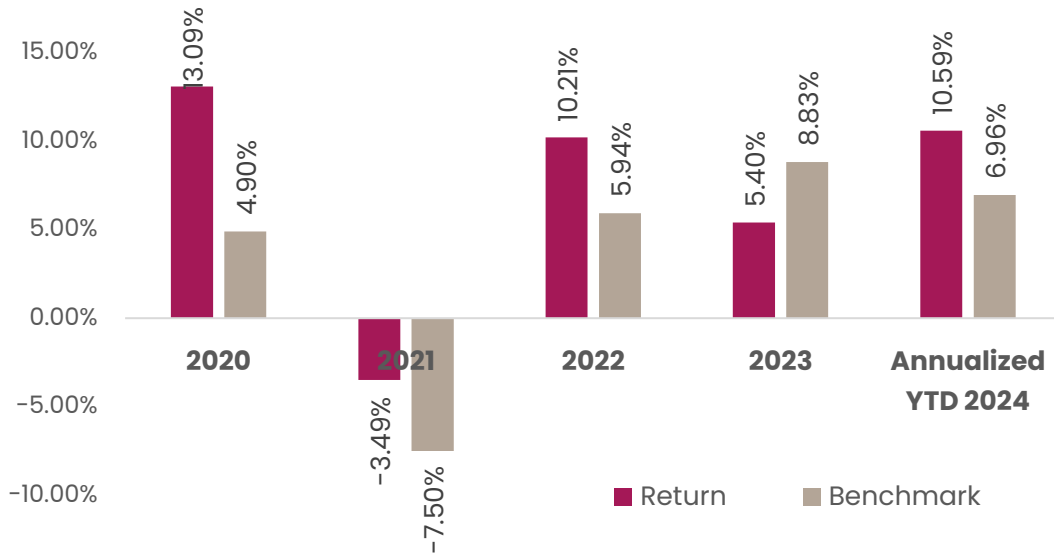
Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	2.37
Holding Yield	15.62%
Dividend Yield (2023)	6.78%

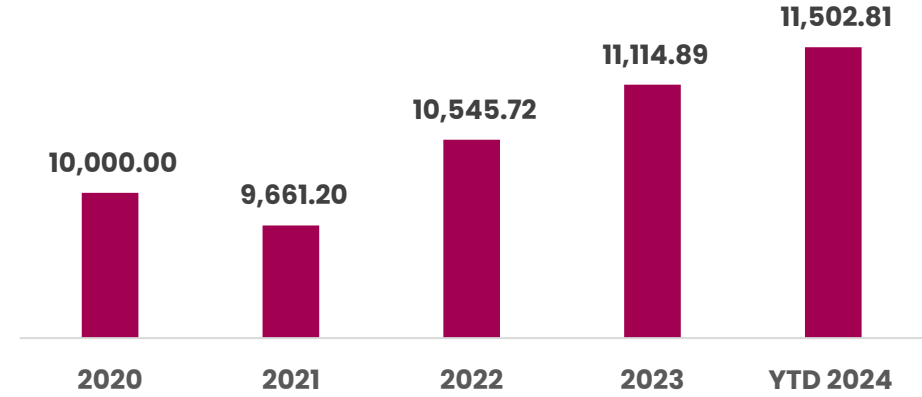


ARM Fixed Income Fund

Fund Performance

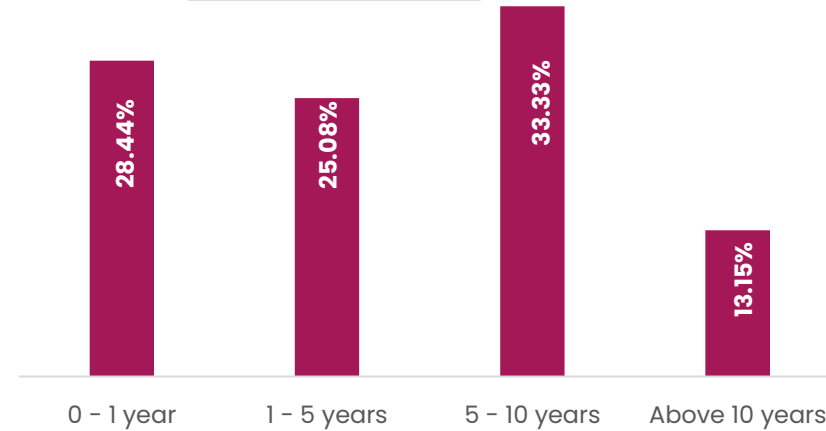


Growth of N10,000 investment since 31/12/20 to Date

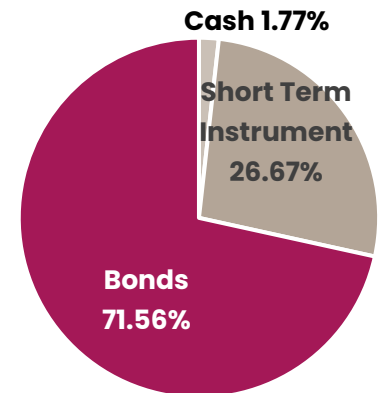


	2020	2021	2022	2023	YTD 2024
Annualized Net Returns	13.09%	-3.49%	10.21%	5.40%	10.59%
Benchmark	4.90%	-7.50%	5.94%	8.83%	6.96%

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.

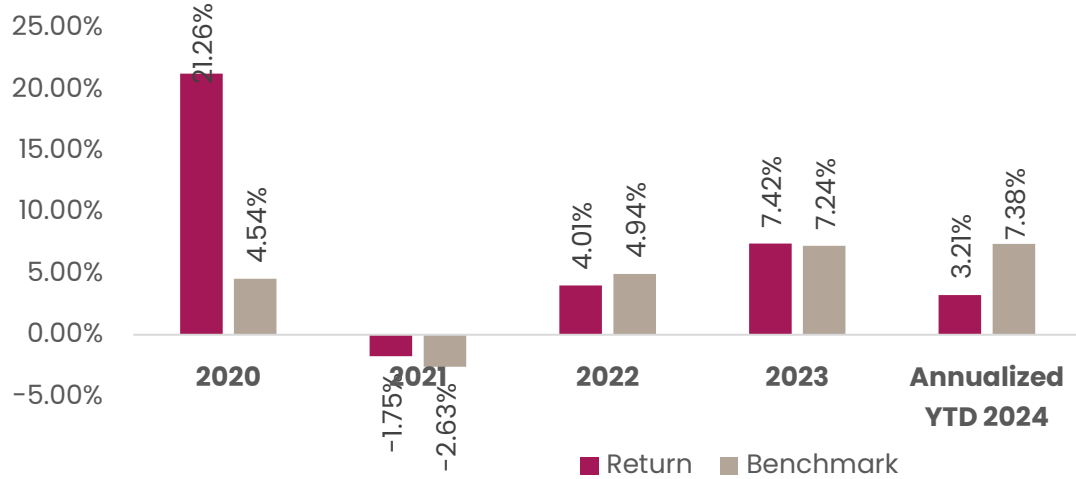
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Eurobond and US Treasury Bills Yield
Comparable	FMAN List of Eurobond Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	\$10.97m
Expense Ratio	1.92%
Initial Investment	\$1,000.00
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	2.64
Holding Yield	8.98%
Dividend Yield (2023)	6.10%

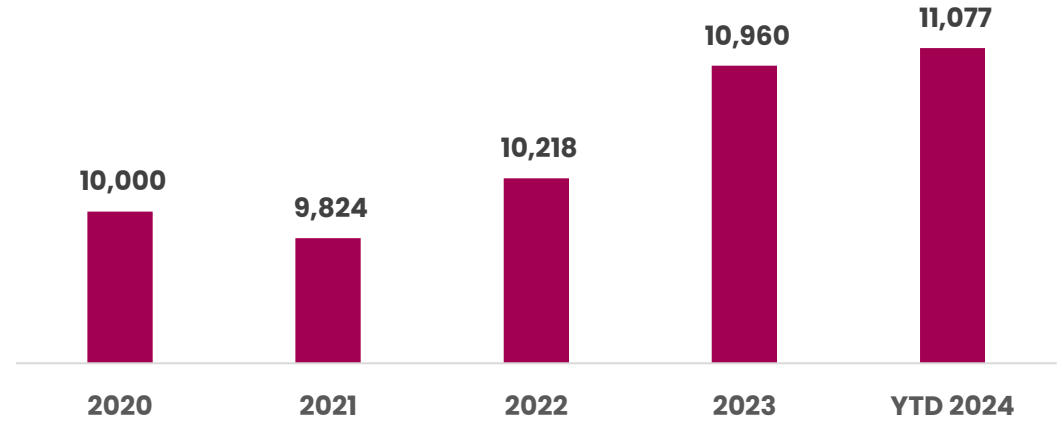


ARM Eurobond Fund

Fund Performance

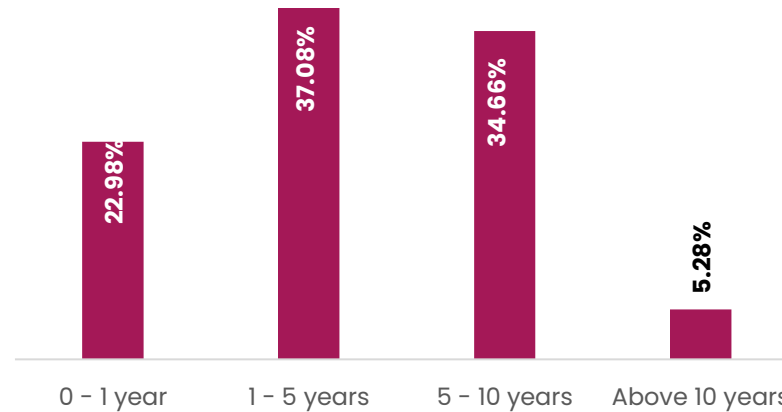


Growth of \$10,000 investment since 31/12/20 to Date

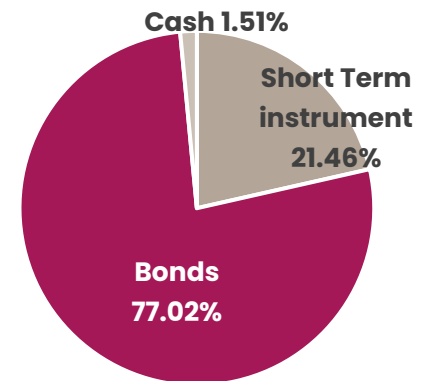


	2020	2021	2022	2023	YTD 2024
Annualized Net Returns	21.26%	-1.75%	4.01%	7.42%	3.21%
Benchmark	4.54%	-2.63%	4.94%	7.24%	7.38%

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	₦84.47 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	81.22 days

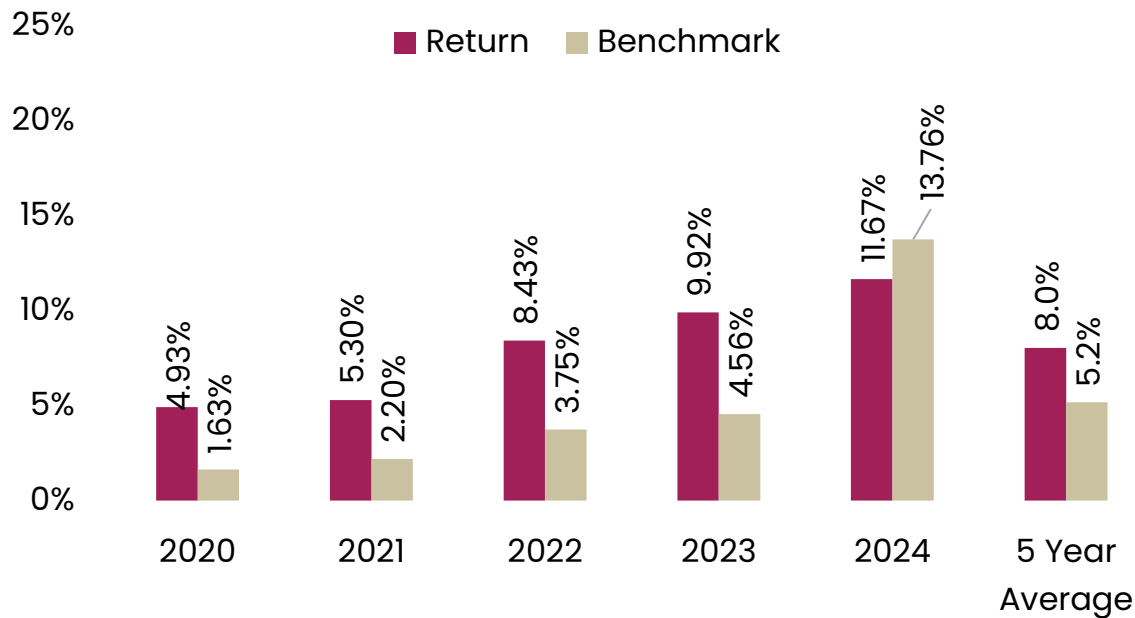


Money Market Fund

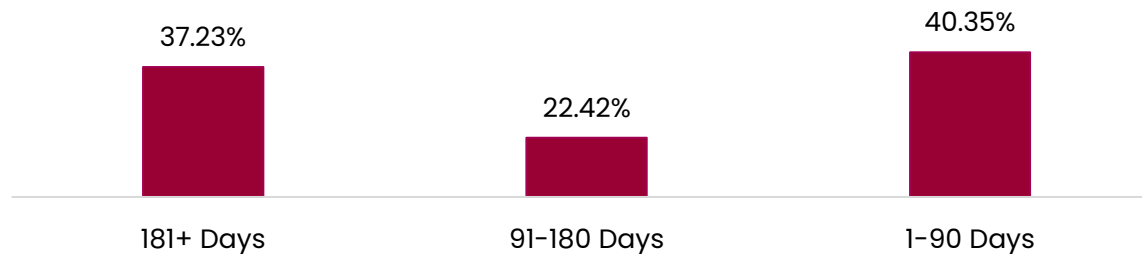
Fund Performance

Maturity Profile

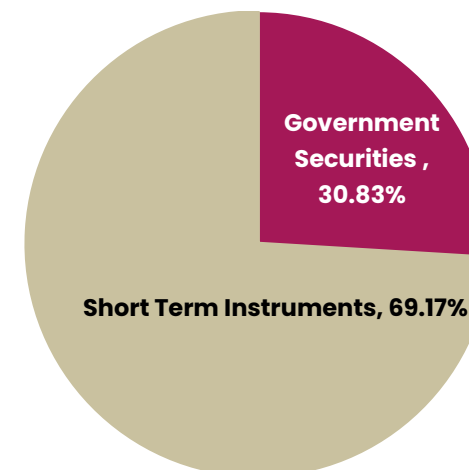
Fund Performance



Maturity Profile



Asset Allocation



	2020	2021	2022	2023	YTD 2024
Annual Net Returns	4.93%	5.30%	8.43%	9.92%	11.67%
Benchmark	1.63%	2.20%	3.75%	4.56%	13.76%



MARKET & MACRO OUTLOOK

GLOBAL MARKETS

In May 2024, we expect similar trend in the US, EU and UK, where their central banks will continue to hold monetary policy rates constant given price stickiness underpinned by the global oil volatility, from the regional conflicts prevalent in Europe and the Middle East.

In Asia, given the interest rate disparity with other developed markets, we observed increasing pressure on Japanese exchange rate, sending the Yen to historic lows against the USD during the month. Finally, in China, while the embattled real estate sector continues to weigh negatively on the economy – declining by 9.5% YoY in Q1:2024, Chinese real GDP may remain strong, propelled by external demand.

DOMESTIC MARKETS

EQUITY

In the domestic equities market, we expect mixed sentiment in May as the retracement in April would provide attractive entry prices for some tickers in the banking and oil and gas sectors while sell-offs may be extended in the consumer goods and telecoms sectors. This, coupled with the hawkish stance of the MPC, may influence an overall bearish sentiment in the market in May.

FIXED INCOME

We expect sustained elevated yields in May, as contractionary effort of the monetary authorities persists. We believe that the likelihood of further rise in fixed income yield is low, however, occasional tightening of market liquidity may elevate short-term yields further.



Thank You





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