



Age Group	Male (%)	Female (%)
18-24	45	55
25-34	40	60
35-44	35	65
45-54	30	70
55-64	25	75

Macroeconomics & Market Update

February 2025



GLOBAL

- In January 2025, the U.S. unemployment rate edged down slightly by 1bp to 4.0%, from 4.1% in December 2024, reflecting historically low layoffs and rising wages. Nonfarm payrolls increased by 143,000 jobs (compared to the upwardly revised 307,000 jobs added in December).
- In January 2025, US inflation rose by 0.5% month-on-month (MoM), (vs. +0.40% MoM in December 2024),. This was fueled by higher core CPI (+0.4% MoM), shelter (+0.4% MoM), food (+0.4% MoM) and energy (+1.1% MoM) prices. Inflation climbed 3.0% YoY (vs.2.9% YoY in December 2024.).
- Revised estimates of the Gross Domestic product (GDP) showed that real GDP remained unchanged at 2.3%YoY at the second estimates (vs. 3.1% in Q3:2024). This was essentially due to little change in consumer spending and government spending partly offset by a decrease in investments.
- The Federal Reserve's (Fed) preferred inflation gauge, the Personal Consumption Expenditures (PCE) Price Index, rose by 2.4% YoY in Q4:2024 (vs 2.3% YoY at previous estimates).
- Global markets had a mixed performance in February 2025 amid uncertainty over Trump's tariff policies. The EURO STOXX 50 (+4.71% MoM), FTSE 100 (+2.64% MoM), and SHCOMP (+2.83% MoM) indices closed positive, while the NIKKEI 225 (-3.54% MoM), NASDAQ Composite (-2.81% MoM) and S&P 500 (-0.67% MoM) indices closed negative.

DOMESTIC

- In 2024FY, the Nigerian economy expanded by 3.40% YoY (vs. 2.74% YoY in 2023FY). This was driven by increased growth in both the oil (+5.54% YoY in 2024FY vs. -2.22% YoY in 2023FY) and non-oil (+3.27% YoY in 2024FY vs. +3.04% YoY in 2023FY) sectors. In Q4:2024, the overall economy grew by 3.84% YoY (vs. 3.46% YoY in Q3:2024), fueled by expansion in the oil (+1.48%YoY) and non-oil (+3.96% YoY) sectors.
- Following the rebasing exercise, inflation came in at 24.48% YoY in January 2025, down from 34.80% YoY in December 2024. This follows lower food (26.08% YoY vs. 39.84% YoY in December 2024) and core (22.59% YoY vs. 29.28% YoY in December 2024) inflation rates.
- At its first meeting of the year in February 2025, the Monetary Policy Committee (MPC) unanimously agreed to keep the interest rate unchanged at 27.50% as well as other parameters, citing early signs of inflationary pressures easing.

FINANCIAL MARKET UPDATE



FIXED INCOME

Primary Market

- At the FGN Bond auction held in February 2025, the DMO offered NGN350bn worth of bonds across the reopened APR-2029 (NGN200bn) and FEB-2031 (NGN150bn) instruments. The average stop rate at the auction printed at 19.27%, while the bid to cover ratio reached an impressive 4.66x, reflecting heightened investor demand. As a result, the DMO sold NGN910.39bn worth of bonds.
- During the month, two Nigerian Treasury Bills auctions were also held. The total offer for these NT-bills was NGN1.37trn, up from NGN1.05trn in January 2025. The average stop rate declined to 18.38% (vs. 19.57% in the previous month). Consequently, the average bid to cover ratio came in higher at 4.11x up from 3.88x in January. This is on the back of strong investors demand compared to the previous month.
- Furthermore, the CBN held one OMO auction during the month, offering NGN600bn split between the 355-day bill (NGN300bn) and the 362-day bill (NGN300bn). The auction result showed an average stop rate of 21.39%, and a total allotment of NGN1.40trn.

Secondary Market

- True to our expectation the Nigerian fixed income market concluded February 2025 on a positive note as the average yield decreased by 285bps MoM to 19.21%. This was driven by significant buying interest in the NT-bills (-354bps MoM to 19.89%) and FGN bond (-216bps MoM to 18.53%) markets throughout the month.

EQUITIES

- The stock market gained 3.18% MoM (vs. 1.53% MoM in January 2025), bringing the market's year-to-date (YtD) returns at 4.76% (vs. 1.53% YtD in January 2025). The month's gains were fueled by buying interest in DANGCEM, MTNN and PRESCO, offsetting losses in ZENITHBANK, OANDO and FIDELITYBANK.
- The Industrial Goods sector (+10.78% MoM) led gains in February 2025, followed by the Consumer Goods (+1.70% MoM) and Insurance (+0.87% MoM) sectors. However, the Oil and Gas (-4.00% MoM) and Banking (-2.07% MoM) sectors posted losses.



Mutual Fund Performance

February 2025

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
Management Fee	1.5% of Net Asset Value
Annual Expense Ratio (YtD)	0.39%
Min Initial Investment	₦ 50,000.00
Incentive Fee	Maximum of 20% of excess returns above benchmark
Portfolio Allocation	Equity (70% - 100%): Fixed Income (0-30%)

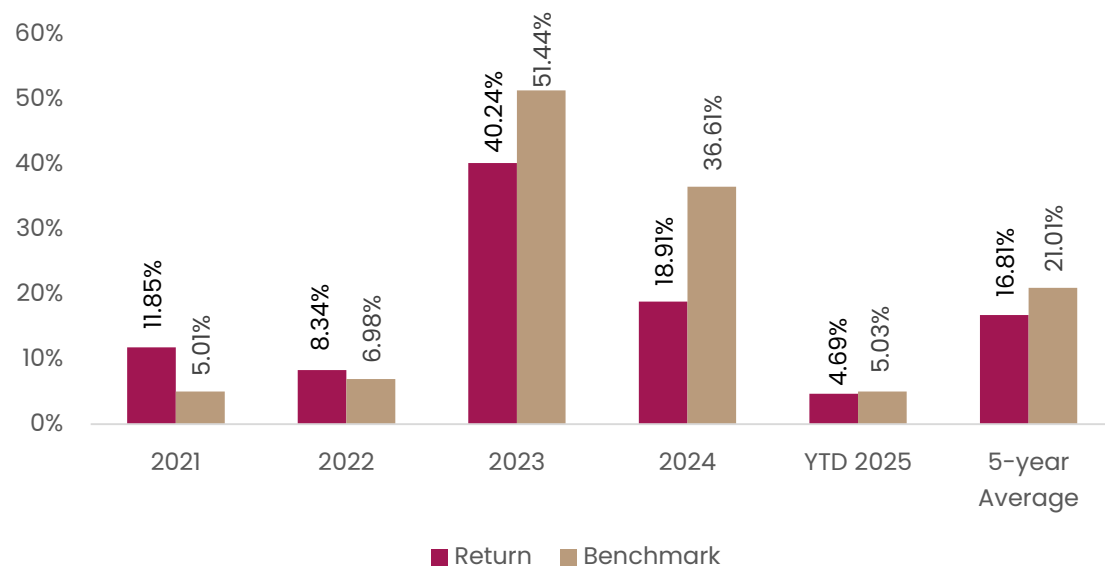
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Financial Services	21%	OVERWEIGHT
Indusrials	17%	UNDERWEIGHT
Telecoms	16%	OVERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	11%	OVERWEIGHT
BUAFOODS	10%	UNDERWEIGHT
AIRTELAF	9%	UNDERWEIGHT

AGGRESSIVE GROWTH FUND

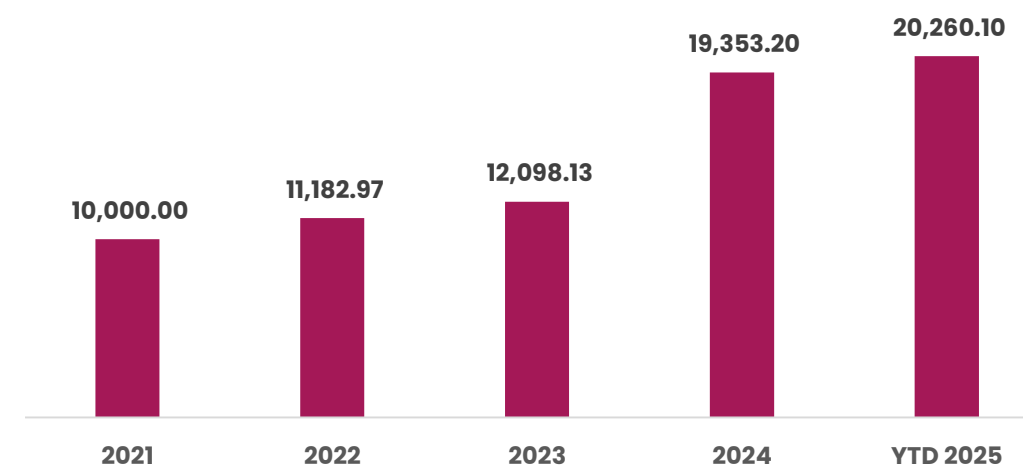


Fund Performance



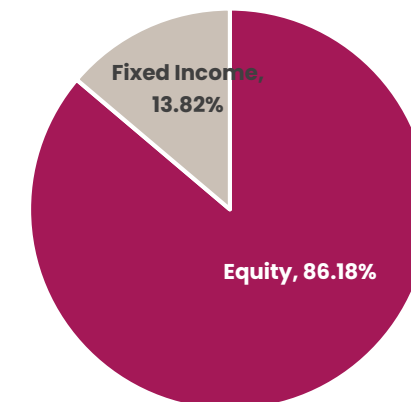
	2021	2022	2023	2024	YTD 2025	5 YEAR AVG
Annual Net Returns	11.85%	8.34%	40.24%	18.91%	4.69%	16.81%
Benchmark	5.01%	6.98%	51.44%	36.61%	5.03%	21.01%

Growth of N10,000 investment from 31/12/2021 to Date



Portfolio Analysis	
Portfolio Beta	0.76
Number of Stocks	25
Monthly Relative Returns	0.16%
Dividend Yield (2023)	2.50%

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	₦7.06 Billion
Annual Expense Ratio (YtD)	0.37%
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

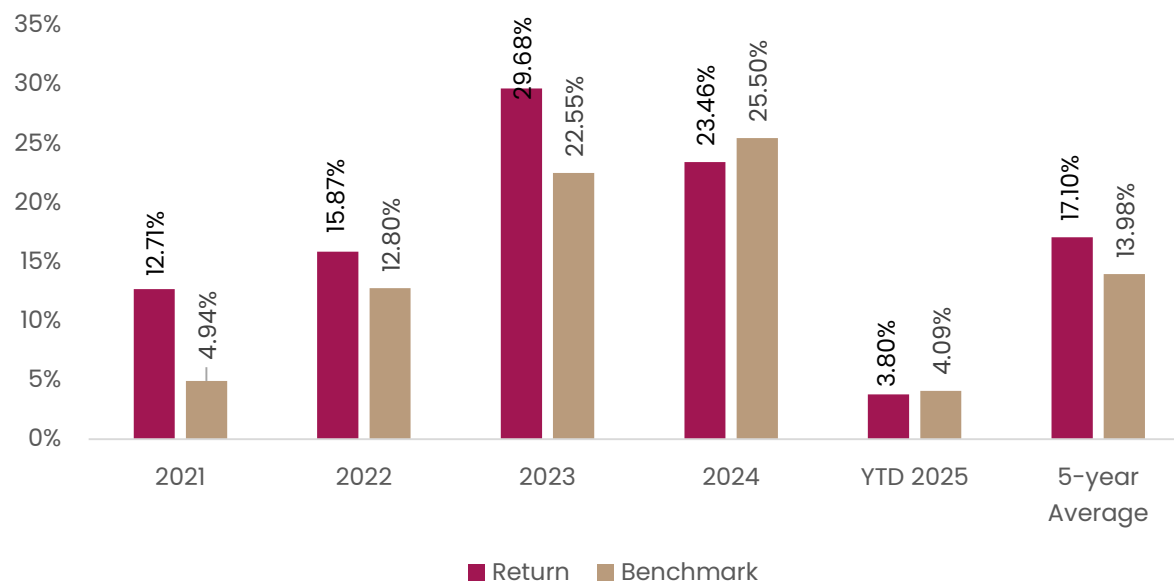
Top 3 Equity Sector Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
Industrials	12%	UNDERWEIGHT
Telecoms	11%	OVERWEIGHT
Financial Services	10%	UNDERWEIGHT

Top 3 Equity Exposures		
SECTOR	PORTFOLIO WEIGHT	RELATIVE WEIGHTING
DANGCEM	7%	UNDERWEIGHT
BUAFOODS	6%	UNDERWEIGHT
AIRTELAF	5%	UNDERWEIGHT

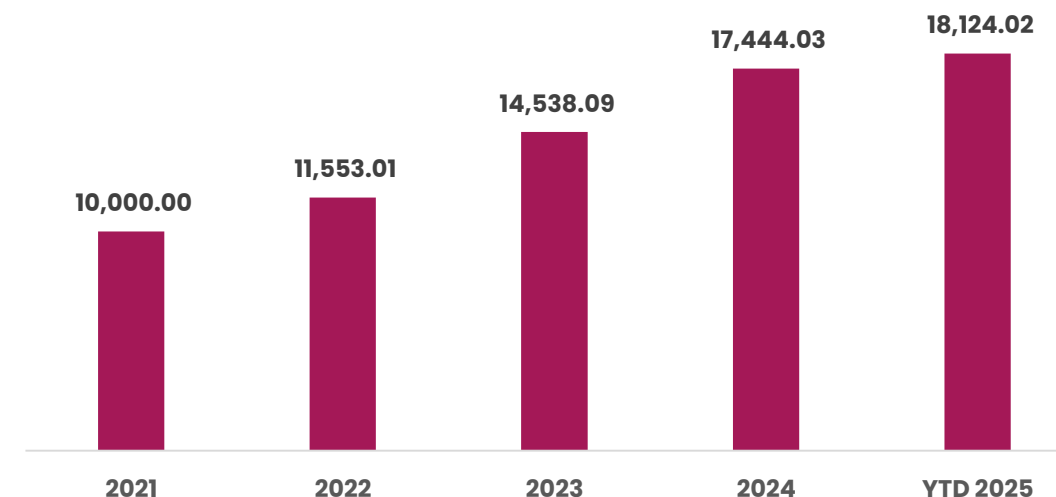
DISCOVERY BALANCE FUND



Fund Performance



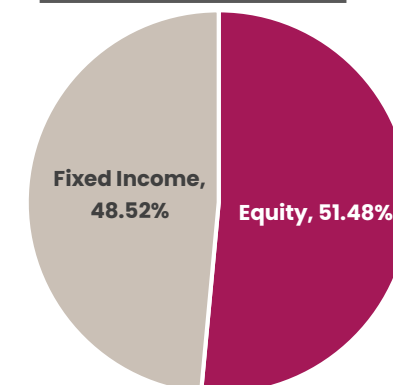
Growth of N10,000 investment since 31/12/2021



	2021	2022	2023	20234	YTD 2025	5 YEAR AVG
Annual Net Returns	12.71%	15.87%	29.68%	23.46%	3.80%	17.10%
Benchmark	4.94%	12.80%	22.55%	25.50%	4.09%	13.98%

Portfolio Analysis	
Portfolio Beta	0.42
Number of Stocks	24
Monthly Relative Returns	1.26%
Dividend Yield (2023)	3.00%

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
INDUSTRIALS	14%	UNDERWEIGHT
AGRICULTURE	10%	UNDERWEIGHT
CONSUMER GOODS	9%	UNDERWEIGHT

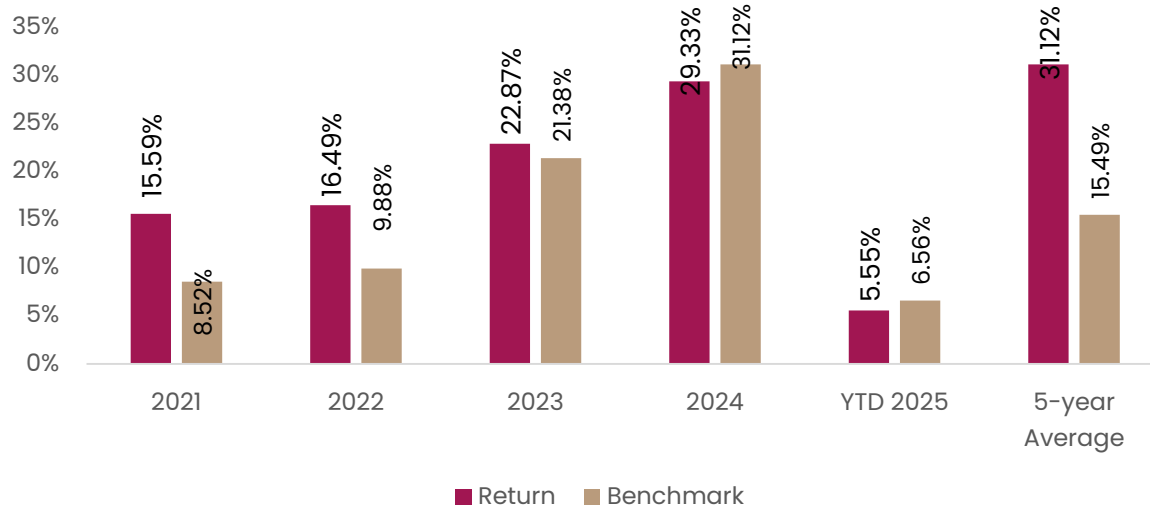
Fund Details	
Benchmark	Composite of NSE Lotus Islamic Index and 5-Year Sovereign Sukuk Bond
Comparable	FMAN List of Ethical Funds
Custodian	Rand Merchant Bank Limited
Trustee	Royal Exchange Plc
Launch Date	2004
AuM	₦1.06 Billion
Annual Expense Ratio (YtD)	0.36%
Management Fee	1.5% of Net Asset Value
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
OKOMUOIL	10%	OVERWEIGHT
MTNN	9%	UNDERWEIGHT
BUAFOODS	7%	UNDERWEIGHT

Ethical Fund: Balanced (Shari'ah Based)

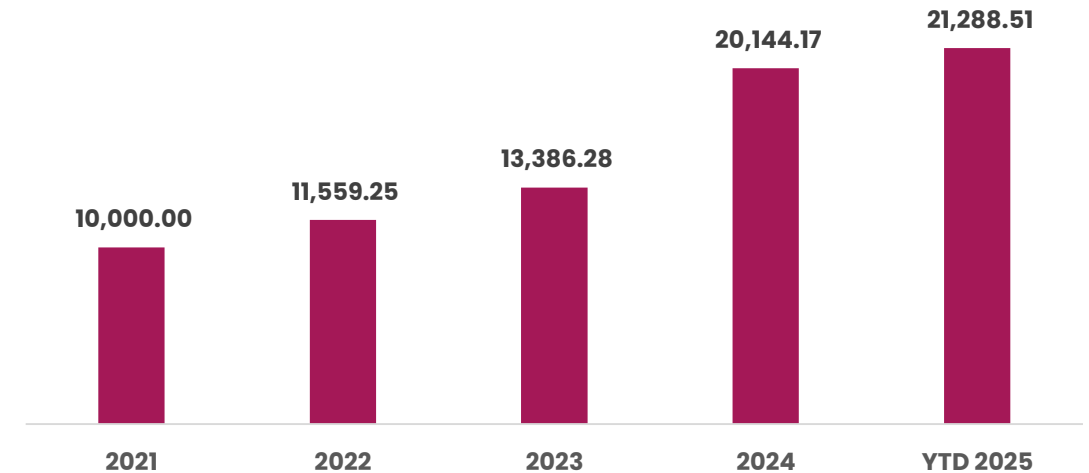


Fund Performance



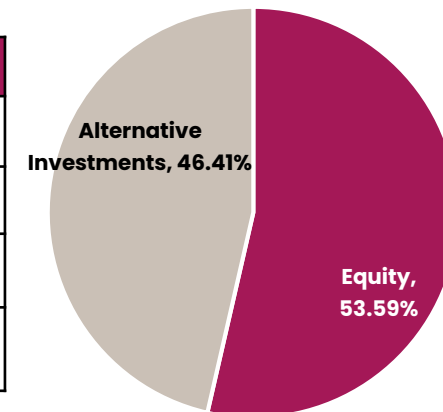
	2021	2022	2023	2024	YTD 2025	5 YEAR AVG
Annual Net Returns	15.59%	16.49%	22.87%	29.33%	5.55%	31.12%
Benchmark	8.52%	9.88%	21.38%	31.12%	6.56%	15.49%

Growth of N10,000 investment since 31/12/2021



Asset Allocation

Portfolio Analysis	
Portfolio Beta	0.34
Number of Stocks	10
Monthly Relative Returns	-0.79%
Dividend Yield (2023)	3.00%



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.

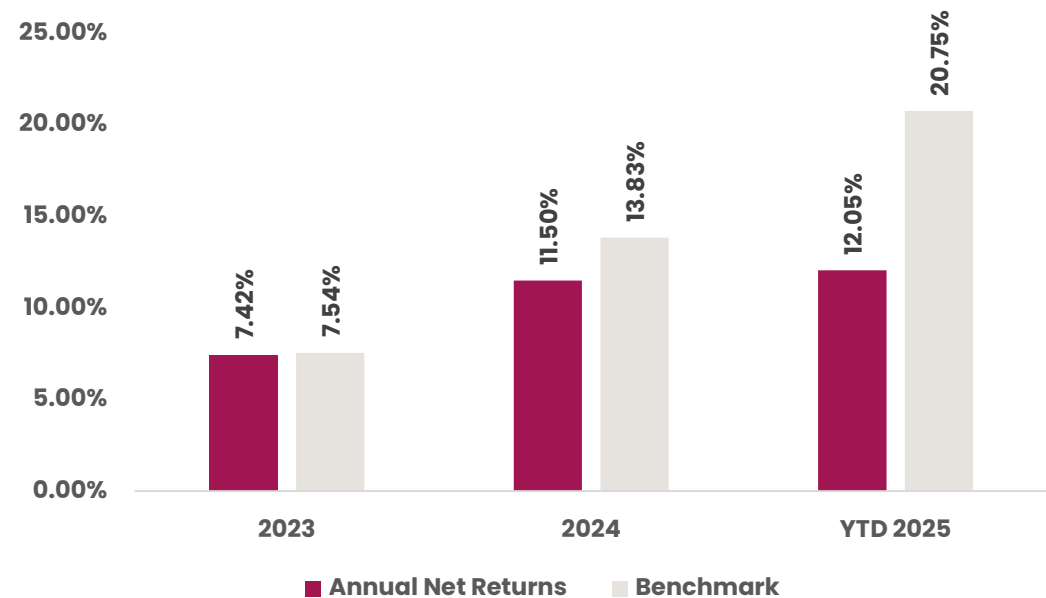
Fund Details	
Benchmark	Composite of 3-Year Nigeria Sovereign Bond and Nigeria Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	April 2022
Net Asset Value	₦844.8mn
Expense Ratio	0.47%
Initial Investment	₦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	1.41
Holding Yield	15.68%
Dividend Yield (2023)	4.15%

ARM Short-Term Bond Fund

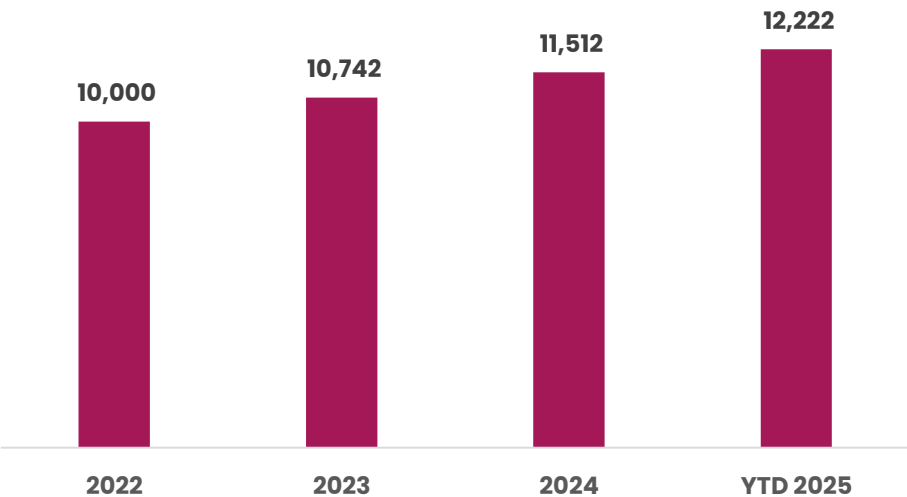


Fund Performance

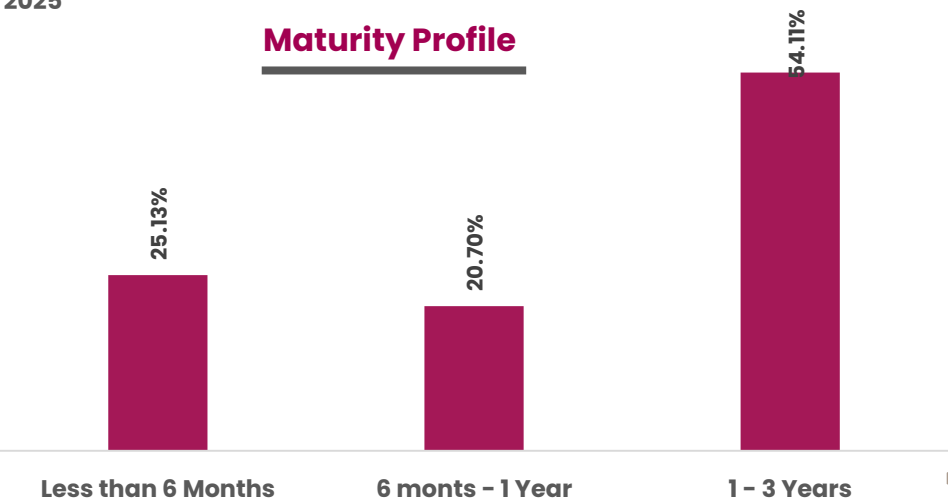


	2023	2024	YTD 2025
Annual Net Returns	7.42%	11.50%	12.05%
Benchmark	7.54%	13.83%	20.75%

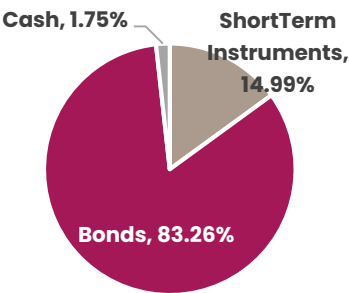
Growth of N10,000 investment since 31/12/22 to Date



Maturity Profile



Asset Allocation



Invested in your tomorrow

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 Interbank Treasury Bills True Yield
Comparable	FMAN List of Fixed Income Funds
Custodian	Rand Merchant Bank Limited
Trustee	STL Trustees Limited
Launch Date	February 2020
Net Asset Value	₦1.33bn
Expense Ratio	0.40%
Initial Investment	₦5,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 20% of excess returns above benchmark

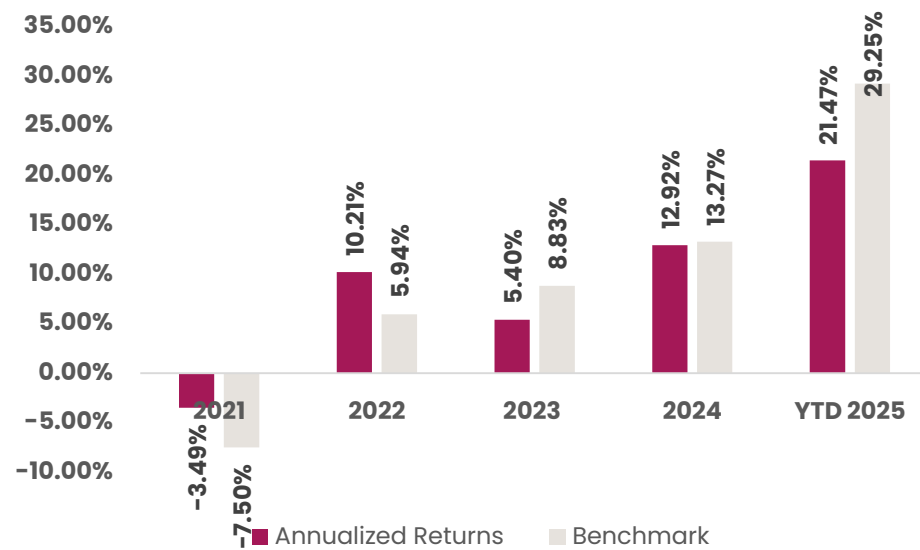
Portfolio Analysis

Risk Profile	Medium - High
Fund Duration	3.57
Holding Yield	16.66%
Dividend Yield (2024)	3.84%

ARM Fixed Income Fund

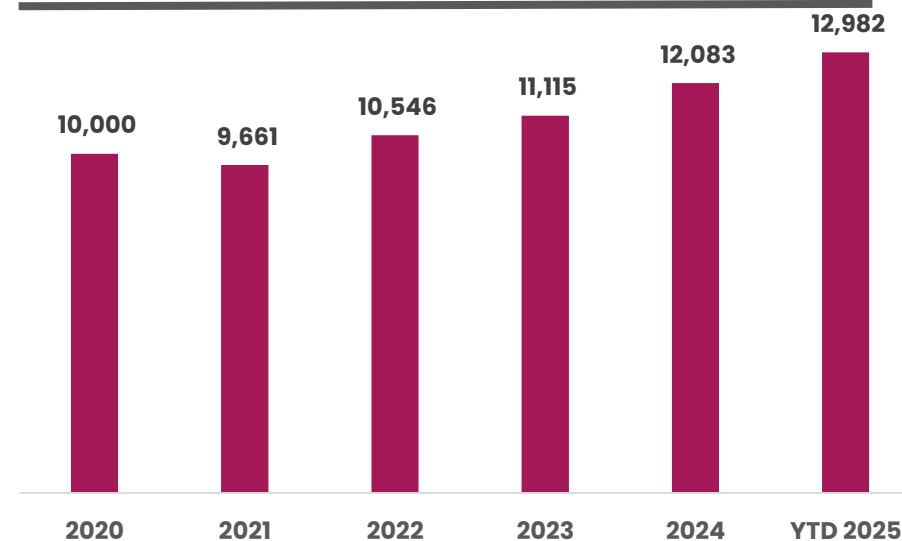


Fund Performance

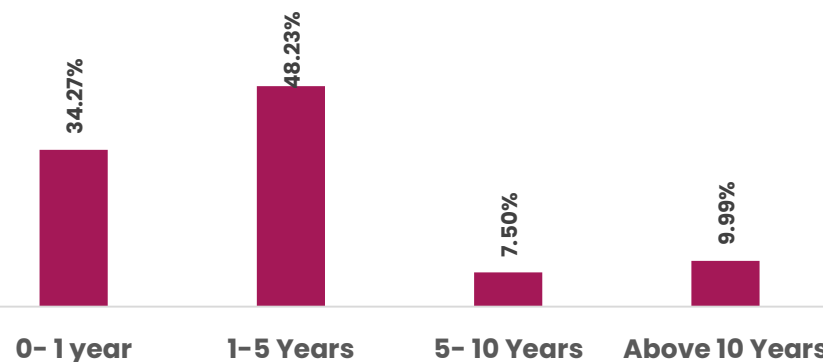


	2021	2022	2023	2024	YTD 2025
Annualized Returns	-3.49%	10.21%	5.40%	12.92%	21.47%
Benchmark	-7.50%	5.94%	8.83%	13.27%	29.25%

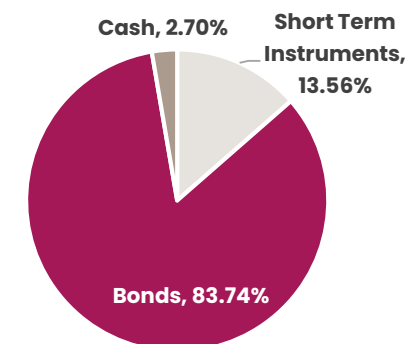
Growth of N10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation



Invested in your tomorrow

Investment Managers | Trustees | Pensions | Securities | Agriculture | Real Estate | Infrastructure

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	\$10.15mn
Expense Ratio	0.31%
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	3.71
Holding Yield	8.93%
Dividend Yield (2024)	2.61%

ARM Eurobond Fund

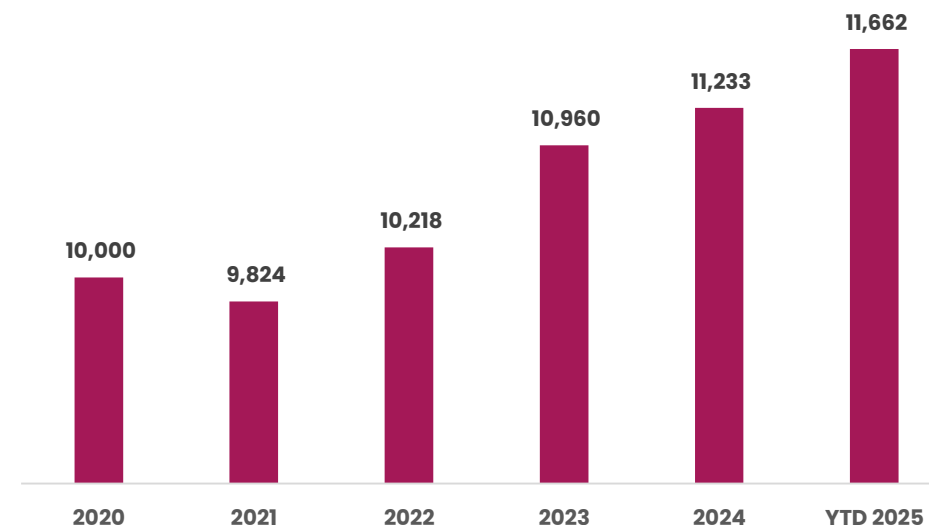


Fund Performance

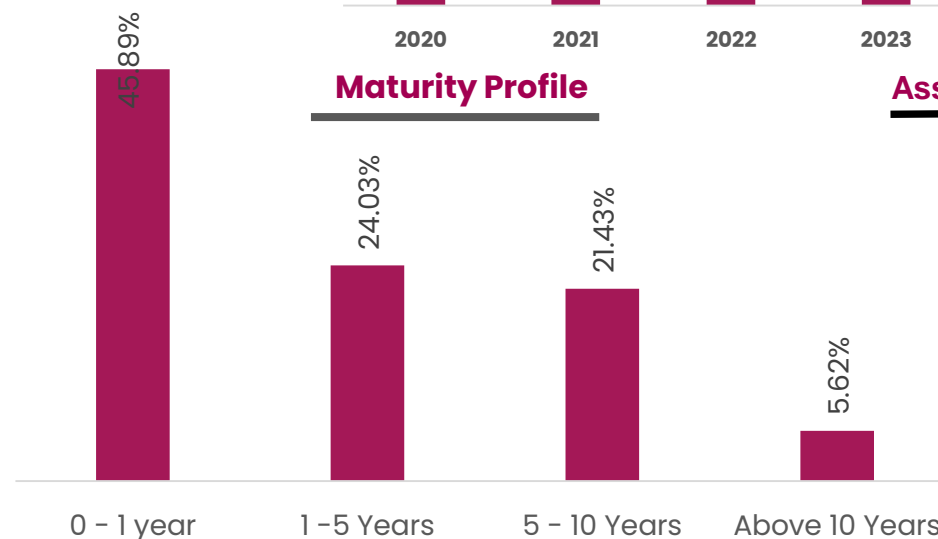


	2021	2022	2023	2024	YTD 2025
Annualized Returns	-1.75%	4.01%	7.42%	5.11%	7.24%
Benchmark	-2.63%	4.94%	7.24%	6.79%	8.96%

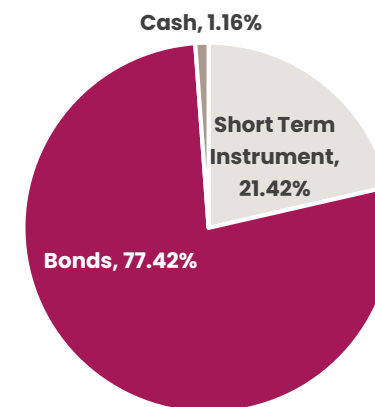
Growth of \$10,000 investment since 31/12/20 to Date



Maturity Profile



Asset Allocation



Invested in your tomorrow

Investment Managers | Trustees | Pensions | Securities | Agriculture | Real Estate | Infrastructure

Money Market Fund

Fund Purpose

- ❖ 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.



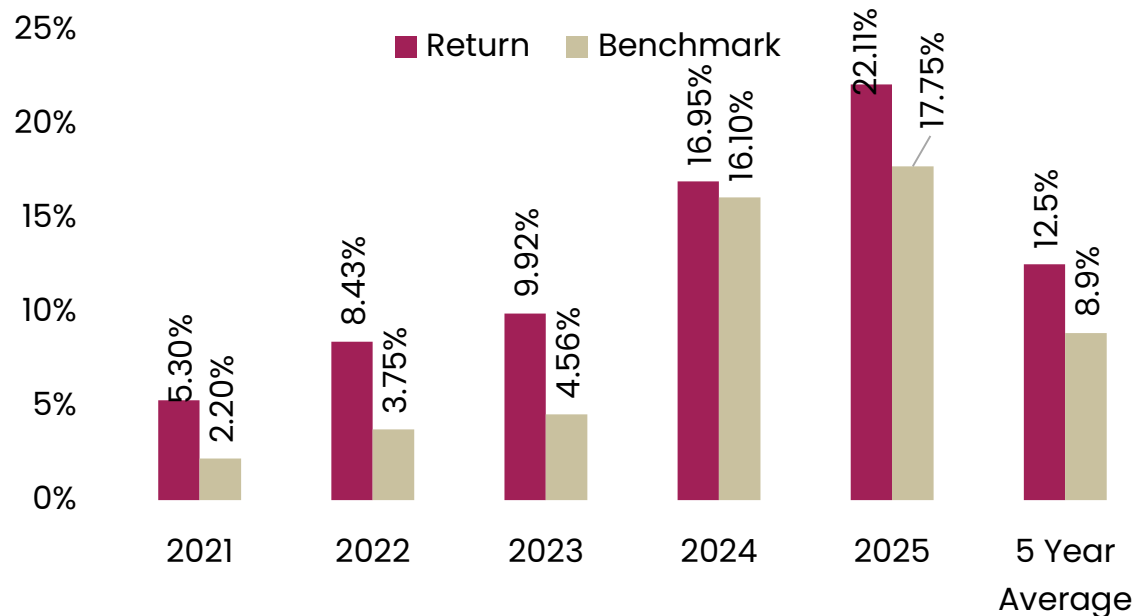
Fund Details	
Benchmark	Average yield on 91-Day Nigerian Treasury Bill primary auction stop rates.
Comparable	FMAN List of Money market Funds
Custodian	Rand Merchant Bank Limited
Trustee	First Trustees Nigeria Ltd., a subsidiary of FBN Capital Ltd.
Launch Date	2013
Aum	₦143.82 Billion
Annual Expense Ratio (YtD)	1.95%
Min Initial Investment	₦1,000.00
Management Fee	1.5% of Net Asset Value
Incentive Fee	Maximum of 15% of excess returns above benchmark
Portfolio Analysis	
Risk Profile	Low
Fund Duration	83.80 days
Monthly Relative Returns	4.81%

Money Market Fund

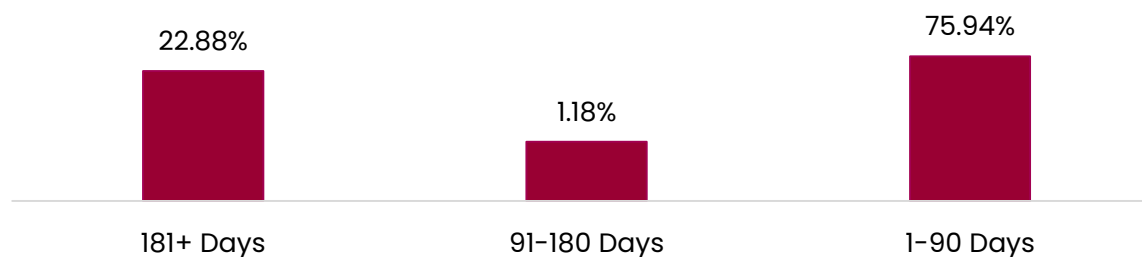


Fund Performance

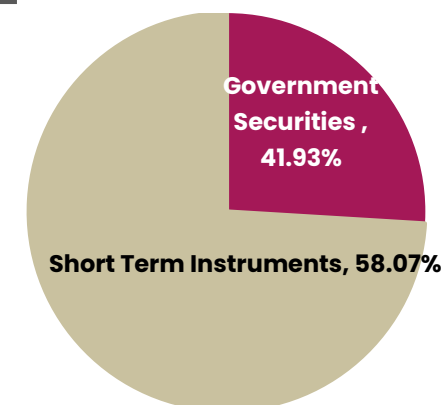
Fund Performance



Maturity Profile



Asset Allocation



	2021	2022	2023	2024	YTD 2025
Annual Net Returns	5.30%	8.43%	9.92%	16.95%	22.11%
Benchmark	2.20%	3.75%	4.56%	16.10%	17.75%

GLOBAL MARKETS

In March 2025, we expect global markets to be driven by President Trump's new policies, peace talks between Russia and Ukraine, tech and AI stocks. Overall, we expect that investors will be focused on defensive stocks such as tech and real estate to mitigate the impact of uncertainties.

DOMESTIC MARKETS

EQUITY

Looking into March 2025, we expect to see some traction away from the equities market towards the fixed income space, as investors try to lock in on yields at the longer end of the yield curve, before an impending rate cut. However, positive earnings results could help keep the market afloat during the month. Overall, we expect mixed sentiment in the market, with the market performance trending towards bearish.

FIXED INCOME

The bullish sentiment in the market is expected to continue into March 2025, supported by an anticipated liquidity inflow of NGN3.52trn. Furthermore, investors seeking to secure yields on longer-tenor instruments to mitigate return risk are expected to contribute to this positive momentum. Based on the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) signals during their February 2025 meeting, a rate cut is anticipated at their next meeting on May 19th and 20th, 2025, provided current favorable economic conditions persist.



www.arm.com.ng

    @armengage

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos, Nigeria

