

FACT SHEET

August 2017

FUND OBJECTIVE

The ARM Aggressive Growth Fund is an open-ended investment vehicle sponsored and managed by ARM Investment Managers. A minimum of 75% and maximum of 100% of the Fund is invested 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.

INVESTMENT OBJECTIVE

The Fund invests primarily in equities of companies quoted on the Nigerian Stock Exchange. The mix of assets in the Fund is aimed at providing investors with long term capital growth.

BENCHMARK

Given that the fund's strategy is largely geared towards capital growth and appreciation, the benchmark is the Nigerian Stock Exchange All Share Index (NGSEASI).

MARKET REVIEW

Equities

- NSEASI performance was negative for the first time in five months, falling by 0.96% over the month of August.
- The market showed improvements in the Food and Beverage (+16.51%), Breweries (+8.23%) Personal Care (+6.36%) and Real Estate (+0.44%) sectors, while the Oil & Gas (-19.10%), Cement (-7.72%), Construction (-6.67%), Insurance (-1.07%) and Banking (-0.90%) sectors performed negatively, offsetting positive performance.
- With much of value created by the bear market repatriated we see limited potential for further upside. We continue to seek fundamentally attractive companies to invest in while remaining cautious of the fact that not a lot has changed in macro-fundamentals.

Fixed Income

- In August, average yields on the Naira curve rose to 18.58%. On the short end, yields increased by 27bps as rates on the long end of the curve also rose by 20bps
- The change in yields is in accordance with the trend in drivers – reduction in average daily system liquidity (N135 bn, -48% MoM) and the increased overnight lending rates (19% to 27%).
- In the near term, following the conclusion of the MPC meeting where rates remained unchanged, we see limited scope for an alteration of the apex bank contractionary drive. Although, there is still room for further inflationary moderation in 2017, though we expect this impact to taper off before the end of the year.
- The CBN continues to highlight the need to maintain the status quo as the new FX window finds a level.
- Our strategy remains the same, we continue to take advantage of the attractive rates presently available. By rolling over near maturity holdings into longer duration instruments, we expect to hedge against further drops in rates.

Key Facts

Launch Date: April 2004

Memorandum listing: 2008

Size of Fund: ₦3 billion

Initial Investment Amount: ₦50,000.00

Management Fee: 1.5% of NAV

Incentive Fee: Maximum of 20% of Return in excess of 10% annually

Benchmark: Nigerian Stock Exchange All Share Index (NGSEASI)

Trustee: First Trustees Nigeria Limited, a subsidiary of FBN Capital Limited.

Registrars: First Registrars Limited

Asset allocation

Equities	75- 100%
Fixed Income	0%- 25%

Contact Details

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