

# FACT SHEET

July 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

- In the fourth consecutive month of positive performance, the NSEASI grew 8.24% over the month of July.
- Improvements in the Cement (+9.44%), Food and Beverage (11.50%) Banking (+10.07%), Consumer and Personal Care (4.05%), Breweries (+3.01%), Insurance (1.26%), and Oil & Gas (-0.30%) sectors, offset negative performance from the Real Estate (-0.14%) and Construction (-2.74%) sectors.
- The equity market rally over the month of July continues to reflect ongoing liquidity renaissance in the currency market due to the introduction of the I & E Window (IEW) as well as recovery in crude oil prices and production, and improvements in the macroeconomic backdrop of the markets – in particular, currency stability and moderating inflation.

### Fixed Income

- In July, average yields on the Naira curve stayed flat at 18.52%. On the short end, yields inched 3bps lower as rates on the long end of the curve stayed unchanged.
- Yield resilience is surprising given the trend in drivers – increased average daily system liquidity (N265 bn, +7% MoM) and the reduction in overnight lending rates (38% to 19%).
- 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. Though we still see some room for further inflationary moderation in 2017, though we expect this impact to taper off in August.
- The CBN continued 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

<b>Equities</b>	75 - 100%
<b>Fixed Income</b>	0% - 25%

## Contact Details

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