

FACT SHEET

July 2018



FUND STRUCTURE

The ARM Discovery Fund's investment objective is to provide capital growth primarily through investments in equity, real estate and fixed income securities in the Nigerian market. The Fund Manager maintains a minimum equity position of 40% and a maximum of 75%. It is not the objective of the Fund to replicate the performance of the Nigerian equity market; rather, it has a primary objective to deliver real returns over the long term.

FUND INVESTMENT OBJECTIVE

The Fund seeks to maximize return by investing in a broad spectrum of assets classes that comprises of equities, fixed income and real estate. The Fund's aims at deriving long term value through selecting assets with intrinsic value, through exhaustive research that combines a top bottom macroeconomic review and bottom up security selection.

The Fund is suitable for investors with moderate risk tolerance level and requires regular income. It's appropriate for investors with a near to long term investment horizon of at least three to five years.

BENCHMARK

The Fund has a composite benchmark comprising 60% Nigerian Stock Exchange All Share Index (NGSEASI) and 40% one year average Treasury Bills yield.

MARKET REVIEW

Equities

- NGSEASI performance ended on a negative note in the month of July, falling by 3.29% over the month.
- The Nigerian equity market continues to reflect bearish sentiment as investors (offshore and domestic) continue to take profit and rebalance their portfolios.
- Investor confidence in Naira assets remains impoverished by uncertainty surrounding pre-election activities, risk to oil prices and likely pressures on the currency.

Fixed Income

- In the month of May, the MPC held its meeting and held all monetary tools unchanged, market liquidity remains of huge concerns to the committee as they finally voice out their fears and its impact of exchange rate stability.
- Yields contracted by 1.84% QoQ at the short end of the curve premised on higher liquidity - from April 2018 liquidity levels stood above N1trn per month.
- The long end was largely driven by sell off from FPI's premised on perceived election risk, FED rate hike and an expected rate increase in the short to medium term.
- Stop rates at auctions have inched up as investors price-in the above mentioned.

KEY FACTS:

Launch Date: January 1995

Memorandum listing: April 2002

Size of Fund: ₦4.2billion

Initial Investment Amount: ₦10,000.00

Management Fee: 1.5% of NAV

Incentive Fee: Maximum of 30% of returns in excess of 10% annually

Benchmark: NSE/T Bill Composite Index

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

Registrars: First Registrars Limited

Asset Allocation	
Equities	40% - 75%
Real Estate	0 - 30%
Fixed Income	25% - 60%
Cash	0 - 5%

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