

FACT SHEET



FUND STRUCTURE

The ARM Eurobond Fund is an open-ended fund that invests in US Dollar denominated fixed income instruments. The Fund is authorised 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).

INVESTMENT 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 Eurobonds hereby managing reinvestment risk.

MARKET REVIEW

Eurobonds

- Positive momentum was sustained in the Nigerian Eurobonds market in August as Brent crude oil price moved above the \$45/bp mark, though witnessing mild declines as signs of weak economic recoveries threatened a rebound in demand.
- Demand for Nigerian Eurobonds remained strong in August as all instruments recorded declines in yields save for the NGERIA 2021s which advanced by c.70bps. Having recorded a 53bps month-on-month decline from July, average yield for the month closed at 7.40%.
- For the Sovereign Eurobonds, demand was particularly strong at the mid end of the curve, especially on the 2025s (-84bps), 2027 (-99bps), 2030 (-88bps), 2031 (-87bps) and 2032 (82bps) Eurobonds. Average yield on the sovereign Eurobonds closed at 6.78% by month end.
- ETI 2024 and ACCESS 2021 were the most sought after corporate, with each recording yield declines of 76bps and 73bps respectively. Average yield on corporate bonds declined to 7.04%, as the yield spread between corporate and sovereign Eurobonds tightened in August.

Key Facts

Launch Date: February 2020

Memorandum listing: NA

Size of Fund: \$10.31million

Initial Investment Amount: \$1,000.00

Management Fee: 1.5% of NAV

Incentive Fee: Maximum 20% of excess return above benchmark

Benchmark: Composite Index of 3year Nigerian Sovereign Eurobond and US Treasury Bill

Trustee: STL Trustees Limited

Asset Allocation	
FGN Eurobonds	35% - 70%
Corporate Eurobonds	0% - 40%
FGN Non-USD Sovereigns	0%-10%
Short Term Instruments	5%-35%
Cash	0%-5%

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