

Global Economic Review

Resilient Growth in Challenging Environments

Global activity firmed up in the second half of 2024, with most countries maintaining positive and progressive growth. Advanced Economies witnessed a rebound in labor supply, improved consumer purchasing power, slight reduction of interest rate, the fading of energy price shocks and positive supply chain improvement in Q2-2024. On a year-on-year basis, the economy of the United States, United Kingdom and Euro-zone grew by 3.1%, 0.9% and 0.6% in Q2-2024, higher than the GDP growth of 2.9%, 0.3% and 0.5% respectively in Q1-2024. Meanwhile, in Emerging Market and Developing Economies (EMDEs) the struggle continues as GDP growth recedes in China (Q2'24: 4.7% vs Q1'24: 5.3%), India (Q2'24: 6.7% vs Q1'24: 7.8%), Russia (Q2'24: 4.0% vs Q1'24: 5.4%), South Africa (Q2'24: 0.5% vs Q1'24: 0.3%). The slight setback in GDP growth in China in Q2-2024 was attributed to the persistent property downturn, weak domestic demand, falling yuan, and trade frictions with the West.

Central Banks Eases Tight Monetary Policy in Q3-2024

- For the first time in four (4) years, the US Fed Reserve drops fed fund rate to 4.75% - 5.00% in Q3-2024 (Q2-2024: 5.00%-5.50%) in a bid to encourage production as inflation eases.
- The Bank of England (BOE) also eased its policy rate to 5.00% in Q3-2024 (Q2-2024: 5.25%) as they sustained target inflation level of 2% during the quarter.
- The People's Bank of China cut key lending rates: 1-year and 5-year loan prime rate (LPR) were cut to 3.35% (Q2-2024: 3.45%) and 3.85% (Q2-2024: 3.95%) respectively in Q3-2024.
- As inflation trends down, the ECB lowered the three key interest rates: refinancing operations rate and marginal lending rate dropped by 60 bps to 3.65% (Q2-2024: 4.25%) and 3.90% (Q2-2024: 4.5%) respectively; while the deposit facility rate was cut by 25bps to 3.50% (Q2-2024: 3.75%).

Crude oil price falls on weak demand and the expectation of a reversal of oil output cut

- Despite the extension of oil output cuts and ongoing geopolitical tension in the Middle East (which accounts for 31.5% of the global oil production), the quarterly average price of Brent crude oil and WTI fell by 7.43% and 6.68% to \$78.71 and \$75.27 per barrel respectively in Q3-2024 (quarter-on-quarter). The decline in the price of crude oil was attributed to the waning demand in China (the world's largest oil importer) and the expectation of a reversal of OPEC oil output cut.

Mixed Inflation Outcome in Q3-2024

Some countries achieved notable progress in dragging down consumer price index in Q3-2024 mainly due to the reduction in energy prices and cumulative effects of the past monetary policy. Inflation in the United States fell by 50 bps to 2.5% in Q3-2024 from 3.0% in Q2-2024. Inflation is 20 bps above the inflation target of 2% in United Kingdom in Q3-2024. In addition, Inflation in the Eurozone is gradually approaching ECB's 2% target as consumer price index slowed down by 30 bps to 2.2% in Q3-2024. Meanwhile, Emerging Markets & Developing Economies continued to witness mixed outcomes in the third quarter of 2024 as inflation in China and Russia grew by 40 bps and 50 bps to 0.6% and 9.1% respectively due to elevated food prices. On the other hand, inflation slowed down in Argentina and Ghana by 3480 bps and 240 bps to 236.7% and 20.4% respectively.

Domestic Economic Review

Nigeria Sustains Positive GDP Growth Amid Elevated Inflation and Devaluation

- Asserting dominance as the giant of Africa, Nigerian economy remained resilient, the Gross Domestic Product rose by 3.19% (year-on-year) in real terms in the second quarter of 2024, despite the persistent increase in inflation, security challenges, monetary and exchange rate policy alterations. According to data from the National Bureau of Statistics (NBS), the growth rate recorded in Q2-2024 is 68 basis points (bps) higher than the 2.51% recorded in Q2-2023 and 21 bps higher than the 2.98% reported in Q1-2024. On a year-on-year basis, the growth in Gross Domestic Product (GDP) in Q2-2024 was driven by the Oil sector which grew by 10.15% (Q2-2023: 13.43%). Meanwhile, the growth in the non-oil sector slowed to 2.80% in Q2-2024 (Q2-2023: 3.58%), reflecting the impacts of high inflation, elevated interest rate and depreciation of naira.

Purchasing Power of Nigerians Remains Challenged Even as Inflation Decreases to 32.15% in Q3-2024

- Nigeria's headline inflation rate slowed down for the second consecutive time in Q3-2024 as inflation fell to 32.15% (year-on-year), which is 204bps lower than the 34.19% reported in Q2-2024. This shows that the effect of the tight monetary policy adopted by the Central Bank of Nigeria (CBN), in addition to the base effect and harvest season, yielded positive result in Q3-2024. Food inflation fell to 39.53% and 37.52% in July and August 2024 respectively (June 2024: 40.87%), as harvest season slowed down the rise in food prices during the period. However, despite the overall downtrend in headline inflation, core inflation maintained an upward trajectory as it increased to 27.47% and 27.58% in July and August 2024 (June 2024: 27.40%), as the country witnessed the effect of the depreciating currency during the period.

Monetary Policy Committee Raises MPR by 100 bps to 27.25% in Q3-2024

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held two meetings in the third quarter of 2024 where it raised MPR by 50 bps twice to 27.25% (from 26.25% to 26.75 in July 2024 and to 27.25 in September 2024) as the Apex bank aims to reduce the rise in core inflation despite the fall in headline inflation. In addition, the Committee increased the Cash Reserve Ratio (CRR) by 500bps and 200bps for commercial and merchant banks respectively, while Liquidity Ratio (LR) remained unchanged at 30.00% in Q3-2024. However, the committee increased the Asymmetric Corridor to +500/-100 bps in Q3-2024 from +100/-300 bps around the MPR as the Apex Bank continues to mop up excess liquidity in the system.

Naira Depreciates Further Despite the Growth in External Reserves

- On a quarter-on-quarter basis, the naira depreciated further against the greenback by 2.43% and 11.93% at the official NAFEM and parallel market to close at ₦1,541.94 (Q2-2024: ₦1,505.30) and ₦1,707.00 (Q2-2024: ₦1,525.00) respectively despite the interventions by the CBN and the one-off Retails Dutch Auction System (rDAS). We attribute the depreciation of Nigeria's local currency in Q3-2024 to high demand and limited supply.
- Nigeria's foreign exchange reserves rose by 11.31% (\$3.87 billion) to \$38.06 billion in Q3-2024 (vs. \$34.19 billion in Q2-2024), driven by improved FX inflows arising largely from improved diaspora remittances, foreign investment inflows and issuance of domestic foreign currency-denominated bonds during the period.

Head Office

171, Moshood Olugbani Street, Off Ligali Ayorinde, Victoria Island, Lagos.
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Q4 2024 Outlook

Global Economy

- We project an improvement in the global economic growth in the third quarter of 2024 due to the expectation of marginal slowdown in energy prices, stimulus in China, gradual easing of monetary policy in Advanced Economies and expectation of elevated consumption. Nevertheless, the IMF expects global growth projection to slow to 3.2% in 2024 (from 3.3% in 2023) mainly as a result of the cumulative effects of past contractionary monetary policies, Red Sea crisis and crisis in the Middle East over the past quarters.
- Global inflation will continue to trend downward in Q4-2024 due to the effectiveness of the past monetary policy tightening adopted by various countries. Again, Advanced Economies are expected to return to rates near pre-pandemic (2017-19) levels mainly due to the expectation of moderated energy prices and the effectiveness of the past tight monetary policy. Although, we expect a slight slowdown in inflation in Emerging Market and Developing Economies (EMDEs), consumer price index will remain above the target of most countries due to the impacts of geopolitical tensions, flooding, weak local currencies, among others.
- We anticipate continued cooling of monetary policy rate in Advanced Economies in Q4-2024 as inflation is gradually approaching the target of most countries. In addition, we expect EMDEs to be less aggressive in tightening in Q4-2024 to support fragile economic growth and avoid economic recession. Nevertheless, we expect key interest rates to remain high in EMDEs to attract foreign portfolio investors and strengthen local currencies.
- We anticipate prices of crude oil to remain high in Q4-2024 as widening conflict in the Middle East (which accounts for over 30% of the world's total crude oil production) could lead to the damage of oil infrastructure and disrupt crude oil flows from the region.

Domestic Economy

- We expect Nigeria's GDP growth to remain weak in Q4-2024 due to weak local currency and high PMS price. In addition, the decision of the apex bank to raise the monetary policy rate and cash reserve ratio will lead to high costs of factors of production, thereby resulting in lower economic outputs.
- We anticipate that inflation will remain high in Q4-2024 due to the implementation of the higher minimum wage, the recent increase in PMS price, and the yuletide spending. Nevertheless, we do not expect a significant increase in inflation in Q4-2024 due to the base effect, extension of tight monetary policy and benefits from the harvest season.
- We maintain that the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) will maintain a contractionary monetary policy in Q4-2024 in a bid to rein in high core inflation, reduce money supply, and attract foreign portfolio investors into the country.
- We project that the Nigerian naira will remain under pressure against the US dollar and other major currencies at the foreign exchange market in Q4-2024 mainly due to high FX demand and weak capital inflows. Meanwhile, constant intervention by the CBN at the official and parallel market and positive sentiments from foreign portfolio investors are major upside potential to our outlook.

Head Office

MONEY MARKET FUND



Guaranty Trust Fund Managers Ltd
RC 60000

Fund Overview

The Money Market Fund is an open-ended Fund authorized and registered by the Securities and Exchange Commission on November 28, 1990. Its diversified portfolio consists of quality money market instruments including short-term government securities, commercial papers and bank placements.

The Fund is most suitable for Investors with a short-term investment horizon and offers an alternative to short-term deposits and savings accounts with the added benefit of enjoying decent returns from the professional management of the Fund's assets.

Fund Manager's Remark

The Fund's asset size grew by 43.5% from N27.8Billion to close at N39.8Billion in the quarter under review while the Fund's return closed at 20.62% at the end of Q3'2024.

We witnessed yields trend upward during the quarter as the government made a conscious effort to mop up liquidity which resulted in primary auction stop rates inching higher across standard tenors. The average stop rate of treasury bills in the primary market rose by 64bps to close at 18.73% in Q3-2024 (vs. 18.09% average primary auction stop rate in Q2-2024).

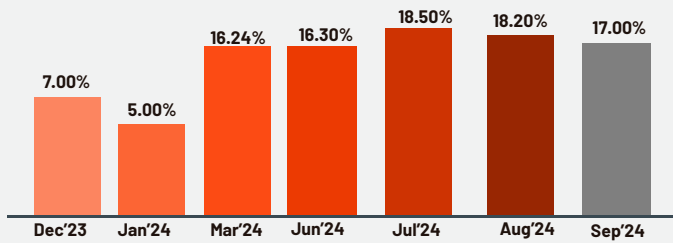
The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held two meetings in the third quarter of 2024 where it raised MPR by 100 bps to 27.25% (from 26.25% in the second quarter of 2024) in a bid to keep reining in inflation. In addition, the committee increased the Cash Reserve Ratio (CRR) by 500bps and 200bps for commercial and merchant banks respectively in Q3-2024. While Liquidity Ratio (LR) remained unchanged at 30.0% in Q3-2024.

Q4'24 Outlook

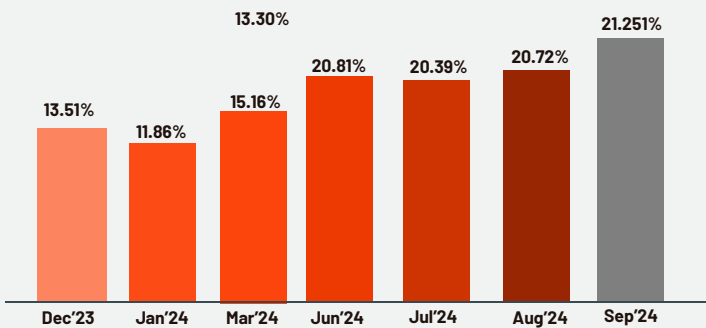
We maintain that yields will remain high in the money market due to the decision of the apex bank to raise MPR and the expectation of further tightening in Q4-2024. In view of this, we expect the Money Market Fund to benefit from elevated yields in the market and sustain impressive performance in Q4-2024.

Fund Composition and Performance

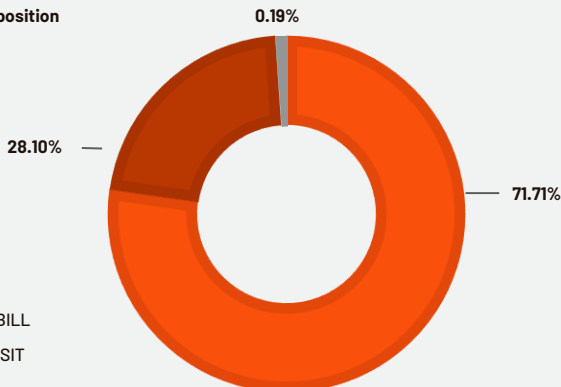
91 days Tbilis Benchmark



Fund Performance



Fund Composition



Fund Features

Launch Date	1990
Net Assets	₦39.81billion
Domiciliary	Nigeria
Currency	NG Naira
Objective	Interest Income Guaranteed Principal
Financial Year End	December
Minimum Initial Investment	₦1,000
Fund Rating	A+(f)
Rating Agency	Agusto & Co.
Management Fee	1% of Net Asset Value (NAV)
Incentive Fee	15% of Excess Return above 10%
Risk Tolerance	Low
Permissible Asset Class	Bank Placement (15% - 75%) Short Term Govt. Instr. (25% - 85%) Others* (0% - 60%)
Composite Benchmark	91D Treasury Bill
Fund Price (30-Sep-24)	Bid/Offer: N100/N100
Custodian	Citibank Nigeria Ltd
Trustee	United Capital Trustees Limited

*Other refers to money market investments such as commercial papers, banker's acceptances, certificates of deposits, collateralized repurchase agreements

Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Pension Fund Administrators
- Insurance firms
- Endowment Funds
- Religious Organizations
- Cooperatives, Trusts and Wealth Managers

Head Office

171, Moshood Olugbani Street,

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Fund Overview

The Fixed Income Fund was launched on June 13, 2007 and is licensed by the Securities and Exchange Commission (SEC). The fund is designed to provide a pre-stated return on investment. It is a principal-guaranteed Fund and delivers a return equivalent to the Standing Deposit Facility rate (SDF).

This fund seeks to achieve its objective by investing a minimum of 70% in Fixed Income instruments, maximum of 30% in money market instruments and up to 10% in fundamentally sound stock of blue-chip organizations.

Fund Manager's Remark

The Fund's Asset under Management (AuM) improved by 2% to close at ₦11.56Billion at the end of Q3'2024.

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held two meetings in the second quarter of 2024 where it raised MPR by 100 bps to 27.25% (from 26.25% in the second quarter of 2024) in a bid to keep reining in inflation. In addition, the committee increased the Cash Reserve Ratio (CRR) by 500bps and 200bps for commercial and merchant banks respectively in Q3-2024, While Liquidity Ratio (LR) remained constant at 30.0% in Q3-2024.

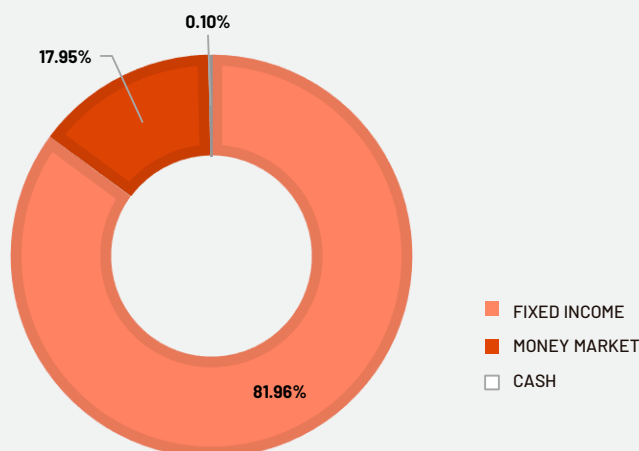
Q4'24 Outlook

With the projection of high inflation and extension of tight monetary policy in Q4-2024, we expect yields in the bonds and treasury bills market to remain high in Q4-2024. Consequently, we maintain that Guaranty Trust Fixed Income Fund will continue to benefit from the high-interest rate environment.

Fund Composition and Performance

DATE	GUARANTEED RETURN (P.A.)	ADDITIONAL YIELD (PAID AT FYE)
Jan - Mar 2022	4.50%	N/A
Apr - Jun 2022	4.50%	N/A
Jul - Sep 2022	6.00%	N/A
Oct - Dec 2022	6.00%	N/A
Jan - Mar 2023	6.00%	N/A
Apr - Jun 2023	6.00%	N/A
Jul - Sep 2023	6.00%	N/A
Oct - Dec 2023	6.00%	N/A
Jan - Mar 2024	6.00%	N/A
Apr - Jun 2024	6.00%	N/A
Jul - Sep 2024	6.00%	N/A

Fund Composition



Fund Features

Launch Date	2007
Net Assets	₦11.56Billion
Domiciliary	Nigeria
Currency	NG Naira
Objective	Interest Income Capital Appreciation
Financial Year End	December
Minimum Initial Investment	50,000 Units
Income Distribution	Bi-Annual
Guaranteed Return	6.00% p.a.
Management Fee	50% of Excess Return above SDF
Revenue Reserve	50% of Excess Return above SDF
Risk Tolerance	Moderate
Permissible Asset Class	Fixed Income (70% - 100%) Equities (0% - 10%) Money Market (0% - 30%)
Composite Benchmark	Standing Deposit Facility (SDF)
Fund Price (30-Sep-24)	₦1.00
Custodian	Citibank Nigeria Ltd
Trustee	FBN Quest Trustees Limited

Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Pension Fund Administrators
- Insurance firms
- Endowment Funds
- Religious Organizations
- Cooperatives, Trusts and Wealth Managers

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EQUITY INCOME FUND



Guaranty Trust Fund Managers Ltd
RC 000000

Fund Overview

The Equity Income Fund is a registered open-ended Unit Trust Scheme that was launched in 2018 and is licensed by the Securities and Exchange Commission (SEC).

Its objective is to provide regular income and long-term capital appreciation from investments in dividend knights and high-quality equity instruments quoted on the NGX, where the issuers have an investment grade rating from a credit rating agency registered by SEC.

Fund Manager's Remark

The asset size for the period under review closed at N592.3 million. The Fund has invested 81.12% in equities, 17.04% in money market instruments while 1.75% remained as cash.

The Nigerian equities market declined as the All-Share Index (ASI) depreciated by 1.50% in Q3-24 as investors migrated to the fixed-income market to take advantage of high yields. The NGX All-Share Index and Market Capitalization depreciated to close at 98,558.79pts and N56.64 Trillion respectively as at 30th September 2024.

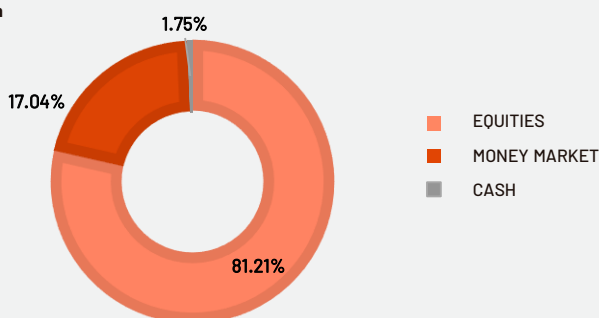
Q4'24 Outlook

Equity Income Fund may struggle in Q4-2024 as we do not expect Nigeria's equities market to be dominated by bullish sentiments during the period. With the recent hike in policy rate and expectation of higher yields, we anticipate movement of investors from the equities market to the fixed-income market to take advantage of elevated yields in Q4-2024.

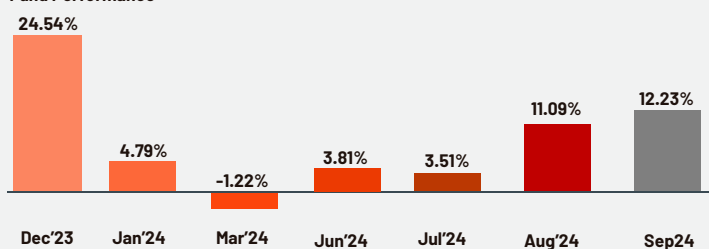
Fund Composition and Performance

EQUITY SECTORAL ALLOCATION	
Sector	Exposure
Banking	29.60%
Agriculture	31.30%
FMCG	21.42%
I.C.T	10.26%
Oil & Gas	4.56%
Industrial	2.85%

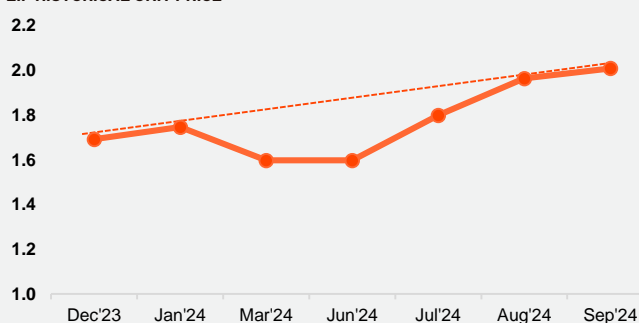
Fund Composition



Fund Performance



EIF HISTORICAL UNIT PRICE



Fund Features

Launch Date	2018
Net Assets	N592.3million
Domiciliary	Nigeria
Currency	NG Naira
Objective	Dividend Income Growth Stock
Financial Year End	December
Minimum Initial Investment	N5,000
Subsequent	Multiples of N1,000
Management Fee	1.5% of Net Asset Value (NAV)
Risk Tolerance	High
Permissible Asset Class	Equities (70% - 95%) Money Market (5% - 30%) Cash (0% - 5%)
Composite Benchmark	Equities (ASI) - 70% Fixed Income - 30%
Fund Price (30-Sep-24)	Bid: 1.9824 Offer: 2.0067
Custodian	Citibank Nigeria Ltd
Trustee	FBN Quest Trustees Limited

Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Insurance firms
- Endowment Funds
- Religious Organizations
- Cooperatives, Trusts and Wealth Managers

Head Office

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BALANCED FUND



Guaranty Trust Fund Managers Ltd
RC 000008

Fund Overview

The Guaranty Trust Balanced Fund was launched in 2002 and is a fund licensed by the Securities and Exchange Commission (SEC). It is focused on long term capital appreciation, which is achieved by maintaining a flexible diversified portfolio of equities, fixed income securities and money market instruments.

Funds are deployed into quality equity instruments quoted on The NGX, while the bond issuers have an investment grade rating from a credit rating agency registered by SEC.

Fund Manager's Remark

The Nigerian equities market declined as the All-Share Index (ASI) depreciated by 1.50% in Q3-24 as investors migrated to the fixed-income market to take advantage of high yields. The NGX All-Share Index and Market Capitalization depreciated to close at 98,558.79pts and N56.64 Trillion respectively as at 30th September 2024. The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held two meetings in the second quarter of 2024 where it raised MPR by 100 bps to 27.25% (from 26.25% in the second quarter of 2024) in a bid to keep reining in inflation. In addition, the committee increased the Cash Reserve Ratio (CRR) by 500bps and 200bps for commercial and merchant banks respectively in Q3-2024. While Liquidity Ratio (LR) remained unchanged at 30.0% in Q3-2024.

At the end of the period under review, the fund's Asset under Management (AuM) closed at N2.92Billion in Q3' 2024.

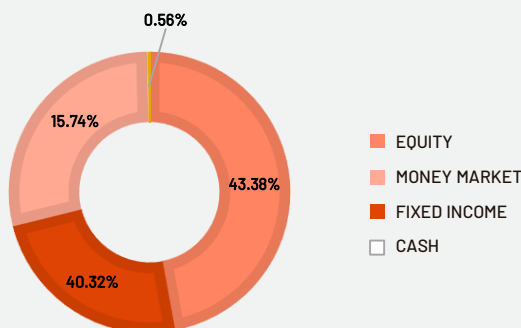
Q4'24 Outlook

We anticipate moderate growth in the Balanced Fund in Q4-2024 due to the expectation of mixed performance from equities market and fixed-income market during the period. Expectation of high rate/yields in the fixed-income market in Q4-2024 will offset any possible setback in Nigerian equities market.

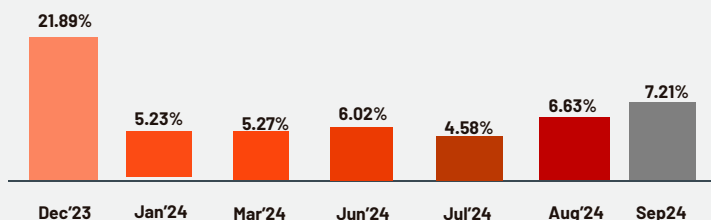
Fund Composition and Performance

EQUITY SECTORAL ALLOCATION	
Sector	Exposure
Banking	43.67%
FMCG	18.15%
I.C.T	17.96%
Agriculture	16.22%
Industrial	4.01%

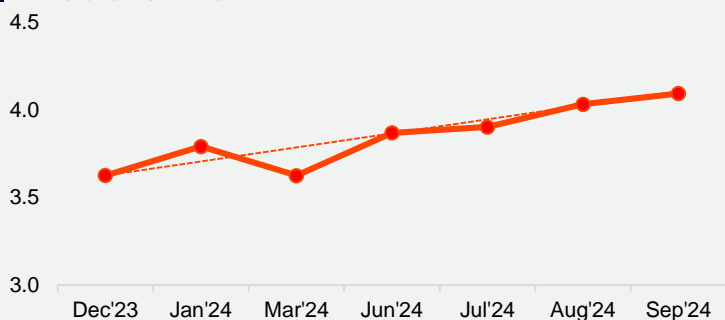
Fund Composition



Fund Performance



BF HISTORICAL UNIT PRICE



Fund Features

Launch Date	2002
Net Assets	₦2.92billion
Domiciliary	Nigeria
Currency	NG Naira
Objective	Interest Income Capital Appreciation
Financial Year End	December
Minimum Initial Investment	N10, 000
Subsequent	Multiples of ₦1,000
Management Fee	2.0% of Net Asset Value (NAV)
Incentive Fee	15% of Excess Return above 10%
Risk Tolerance	Moderate
Permissible Asset Class	Fixed Income (20% - 60%) Equity (40% - 60%) Money Market (0% - 40%) Cash (0% - 5%)
Composite Benchmark	Equities (ASI) - 50% Fixed Income - 50%
Fund Price (30-Sep-24)	Bid: 3.9684 Offer: 4.0931
Custodian	Citibank Nigeria Ltd
Trustee	FBN Quest Trustees Limited

Who Should Invest?

- Individuals in Nigeria (including Children) and the diaspora
- Insurance firms
- Endowment Funds
- Religious Organizations
- Cooperatives, Trusts and Wealth Managers

Head Office

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Fund Overview

The Dollar Fund is a SEC registered open-ended Unit Trust Scheme that was launched in 2018.

The Fund seeks to provide investors with a bias for Dollar denominated investments access to such securities, which ordinarily would be inaccessible to them by virtue of the minimum amount typically required to make such investments.

Funds are primarily deployed in Corporate and Sovereign Eurobonds of entities listed in Nigeria and money market instruments of highly rated financial institutions.

Fund Manager's Remark

Nigeria's foreign exchange reserves rose by 11.31% (\$3.87 billion) to \$38.06 billion in Q3-2024 (vs. \$34.19 billion in Q2-2024), driven by improved FX inflows arising largely from improved diaspora remittances, foreign investment inflows and issuance of domestic foreign currency-denominated bonds during the period. On a quarter-on-quarter basis, the Naira depreciated further against the greenback by 2.18% and 11.47% at the official NAFEM and parallel market to close at ₦1,541.94/\$ (Q1-2024: ₦1,505.30/\$) and ₦1,700.00/\$ (Q2-2024: ₦1,525.00/\$) respectively in Q3-2024 as the country continued to witness foreign exchange supply shortages.

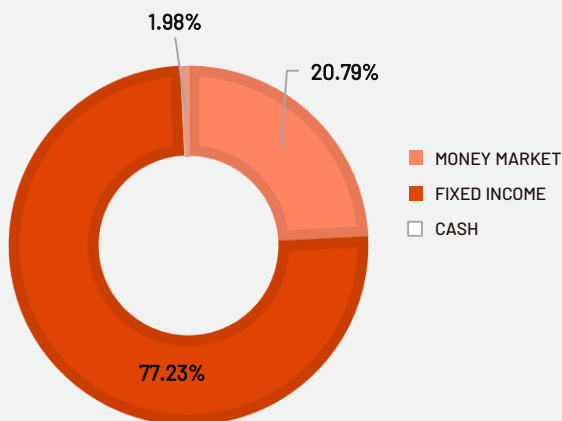
At the end of the period under review, the fund's Asset under Management (AuM) increased by 22.20% to close at \$47.43 million from \$38.8 million in Q3'2024, while return on this fund closed at 6.83% at the end of Q3' 2024.

Q4'24 Outlook

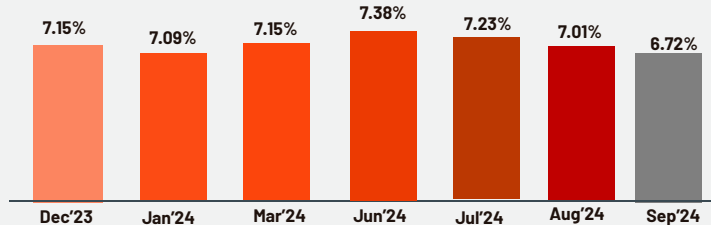
We anticipate improved demand for Nigeria's Eurobonds in Q4-2024 as we project capital inflows from Advanced Economies after the recent policy rate cuts. In addition, the recent growth in Nigeria's external reserves may encourage foreign portfolio investors to pick up Nigeria's Eurobonds.

Fund Composition and Performance

Fund Composition



Fund Performance



Fund Features

Launch Date	2018
Net Assets	\$47.43 million
Domiciliary	Nigeria
Currency	US Dollars
Objective	Interest Income Capital Appreciation
Financial Year End	December
Minimum Initial Investment	\$1,000
Management Fee	1% of NAV
Incentive Fee	20% of Excess Return above 10%
Risk Tolerance	Moderate
Permissible Asset Class	Eurobonds (70% - 100%) Money Market (0% - 30%)
Asset Class Rating	Eurobond - A (S&P) Money Market - BBB (Fitch)
Fund Price (30-Sep-24)	Bid: 100 Offer: 100
Custodian	Citibank Nigeria Ltd
Trustee	FBN Quest Trustees Limited

Who Should Invest?

- Individuals in Nigeria such as employees & SM Entrepreneurs
- Institutional investors
- Contributory schemes
- Funds and Trusts
- Insurance companies
- Government parastatals, etc.

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