



OVERVIEW

The AVA Global Asset Managers Limited Fixed Income Fund (“AVA GAM Fixed Income Fund” or the “Fund”) is an actively managed open-ended unit trust scheme authorized by the Securities and Exchange Commission (SEC), whose main objective is to ensure maximum returns to subscribers from a range of high-quality fixed income instruments.

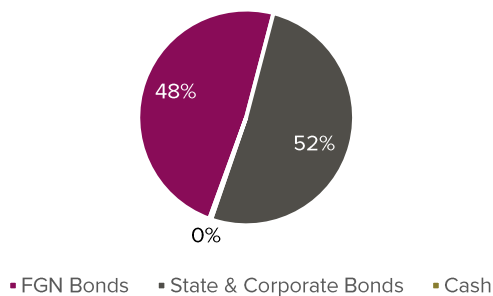
AVA GAM Fixed Income Fund provides investors with the opportunity to invest in a range of high-quality fixed income instruments which include bonds (such as FGN Naira Bonds, Sub-national bonds and Corporate bonds) and other money market securities. The Fund seeks to attract investors with low-risk appetite who require liquid investments. The Fund is managed by AVA Global Asset Managers Limited.

FUND SUMMARY

Date of Launch	April 6 2021
Fund Manager	AVA GAM Limited
The Offer	1,000,000 units of ₦1,000 each
Fund Size	₦1,000,000,000
Units of Sale	Minimum of 10 units and multiples of 10 units thereafter
Method of Offer	Offer for subscription
Returns	Returns from investments in the Fund will be accumulated as income and distributed periodically as stated in the Trust Deed.
Mandatory Subscription	5% by Fund Manager
Risk Profile	Low Risk

CURRENT ALLOCATION

Asset Allocation (May 2022)



In line with the provisions of the Trust Deed, investments in the Federal and State bonds remain within the 20%-80% band, and other instruments (money market) less than 10%.

INVESTOR PROFILE

The Fund is targeted at institutional investors, high net worth individuals, and retail investors seeking a regular stream of income through low-risk investments and optimisation of returns on investment in fixed income securities.

BENEFITS TO THE INVESTOR

Investors have the opportunity to participate in a pooled investment vehicle that generates competitive returns at minimal risk. The Fund is managed with an active strategy, which takes advantage of market opportunities as they arise, while ensuring preservation of investors’ wealth. Furthermore, investors will also benefit from the diversified asset allocation system of the Fund while ensuring a good return on investment.

ASSET CLASSES

SECURITY	ALLOCATION RANGE
FGN Bonds	20% – 80%
State and Corporate Bonds	20% – 80%
Other instruments	0% - 10%

MARKET OVERVIEW

For the month of May 2022, the federal government bond market saw fund managers switch repeatedly between cautionary and accommodative stances. The frequency and magnitude of trades were higher compared to the previous month, buoyed by varying portfolio reallocation activities by investors and managers.

During the month, the Debt Management Office released the May 2022 FGN Bond Auction results for the reopening of the 13.53% FGN MAR-2025, 12.50% FGN APR-2032 and 13.00% FGN-JAN 2042, which revealed that the reopened bonds were oversubscribed by investors. This is a result of abundant liquidity available in the market, given the high demand for the risk-free security and the accompanying tax benefits. However, the month of May closed with a higher average FGN bond yield of 11.58% compared to 11.53% in April, partly due to the supply of the fresh bonds which drove the overall price level southwards.

Activity level in the Nigerian treasury bill market during the month of May saw an improvement in demand level and price movement compared to the previous month. At the close of May, the average T-bill yield stood at 3.70%, slightly lower than 3.71% recorded in April as prices edged higher.

The Nigerian naira slightly appreciated against the dollar on a month-on-month basis at the official I&E FX window; the naira closed at ₦415.65/\$ in May, up from ₦415.69/\$ exchanged in April. This comes after the Central Bank of Nigeria’s Monetary Policy Committee decided to raise the policy rate by 150 basis points from 11.5% to 13% during the month, with the anticipation that the higher interest rate would attract capital inflows which would raise the demand for the local currency by foreign participants, ultimately strengthening the value of the naira relative to the dollar.

FUND PERFORMANCE

The AVA GAM Naira Fixed Income Fund closed the month of May with its NAV at ₦1,110.57 and a year-to-date return of 11.06%. Below is a quarterly comparison of the AVA GAM Naira FIF to an applicable benchmark - the S&P/FMDQ Nigeria Sovereign Bond Index.

YTD gain	Sep 2021	Dec 2021	Mar 2022
AVA GAM	3.85%	6.77%	9.11%
S&P/FMDQ NSBI	-15.81	-14.99%	8.56%

HOW TO PARTICIPATE

1. Log on to www.avacapitalgroup.com
2. Click on AVA GAM Fixed Income Fund
3. Click on Open Account and complete the online form
4. Fund the custodian account with details below:
Account name: STL Trustees Limited/AVA GAM Fixed Income Fund
Account number: 0036574174
Bank: Stanbic IBTC Bank Plc