



**OVERVIEW**

The AVA Global Asset Managers Limited Dollar Fixed Income Fund (“AVA GAM Dollar 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 achieve capital appreciation in the medium to long term for Investors in US Dollars.

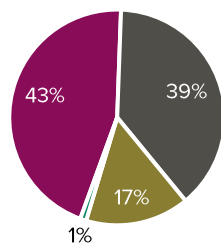
Given the recent compounding pressures on the naira, coupled with the observed decline in the rates for treasury bills and other conventional investment asset classes, the AVA GAM Dollar fund seeks to provide safety, liquidity and competitive investment return by investing in a diversified pool of investment grade dollar denominated securities.

**FUND SUMMARY**

<b>Date of Launch</b>	14th May 2020
<b>Fund Manager</b>	AVA GAM Limited
<b>The Offer</b>	10,000 units of \$100 each
<b>Fund Size</b>	\$1,000,000
<b>Units of Sale</b>	Minimum of 10 units and multiples of 5 units thereafter
<b>Method of Offer</b>	Offer for subscription
<b>Returns</b>	Returns from investments in the Fund will be accumulated as income and distributed periodically as stated in the Trust Deed.
<b>Mandatory Subscription</b>	5% by Fund Manager
<b>Risk Profile</b>	Low Risk

**CURRENT ALLOCATION**

**Asset Allocation (May 2022)**



■ FGN Bonds ■ Corporate Bonds ■ Fixed Deposit ■ Cash

In line with the provisions on the Trust Deed, Investments in the Federal and Corporate Eurobonds remain within the 20%-80% band, and other instruments (Money market) less than 10%.

**INVESTOR PROFILE**

The Fund is targeted at High-Net-Worth Individuals (HNIs), Africans in diaspora, and institutional investors (both local and foreign), who desire exposure to Dollar denominated fixed income investment instruments.

**BENEFITS TO THE INVESTOR**

The Fund will deliver capital appreciation with competitive returns in the medium to long term for investors in US Dollars; significantly higher than what is obtainable from the average domiciliary account in the local banks. The fund affords investors liquidity, diversification and professional portfolio management

**ASSET CLASSES**

SECURITY	ALLOCATION RANGE
FGN Eurobonds	30% – 45%
Corporate Eurobonds	10% – 40%
Money Market Instruments	0% – 20%

**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**

In the month of May 2022, the AVA GAM Dollar FIF closed at \$105.50 to post a year-to-date return of 8.37% and a yield of 4.48%. Below is a quarterly comparison of the AVA GAM Dollar FIF to an applicable benchmark - the S&P BMV Sovereign International UMS Bond Index.

YTD gain	Sep 2021	Dec 2021	Mar 2022
<b>AVA GAM</b>	4.70%	6.13%	7.31%
<b>S&amp;P BMV</b>	-0.01%	0.00%	6.13%

**HOW TO PARTICIPATE**

1. Log on to [www.avacapitalgroup.com](http://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: UTL TRUST MANAGEMENT SERVICES LTD/AVA GAM DOLLAR FUND (USD)  
Account number: 1022700288  
Bank: United Bank for Africa