



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.

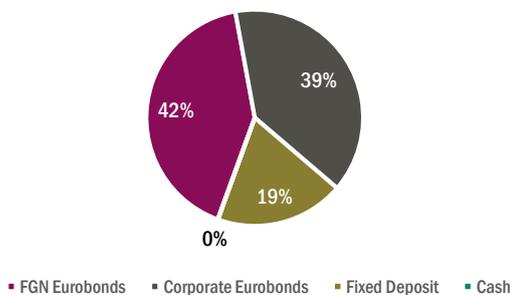
Given the recent compounding pressures on the naira, coupled with the observed decline in the rates for treasury bills and other conventional investment asset classes, the AVA GAM Dollar fund seeks to provide safety, liquidity and competitive investment return by investing in a diversified pool of investment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

FUND SUMMARY

Date of Launch	14th May 2020
Fund Manager	AVA GAM Limited
The Offer	10,000 units of \$100 each
Fund Size	\$1,000,000
Units of Sale	Minimum of 10 units and multiples of 5 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 (January 2023)



In line with the provisions on the Trust Deed, Investments in the Federal and Corporate Eurobonds remain within the 80% band, while money market instruments within the 0% to 20% band.

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

In the debut month of 2023, the FGN Eurobond market closed on a more bearish note than it did in December. Although demand for the instrument soared in the first two weeks of January, investors began to slow down with their purchase decisions. The final week of the month was characterised by absolutely weak sentiments as yields surged across all maturities of the Eurobonds in issue. The FGN average Eurobond yield therefore fell by 19 basis points to 11.86% versus 11.66% in December 2022.

Following its previous comments regarding the review of the Government of Nigeria’s foreign currency unsecured debt ratings, Moody’s Investors Service further downgraded the country’s rating from B3 to Caa1, pushing Nigeria’s rating further into the junk category. This was on the back of Nigeria’s weak fiscal and debt position as well as its institutional challenges. The ratings downgrade may well be a contributory factor to the weak performance of the Nigerian Eurobond market in January.

Meanwhile, the United States headline inflation rate further declined to 6.5% year-on-year in December 2022 from 7.1% in November. This comes after the US Fed raised interest rates by 50 basis points in December and paints a picture of the effectiveness of the rate hikes on US inflation.

Key takeaways for the month in the currencies space: a sustained demand for the US dollar gave the greenback an edge over the British pound and the Euro. As of January 31, the USD/EUR printed at 0.9216 (Dec 30: 0.9380), while the USD/GBP logged 0.8095 (Dec 30: 0.8295) -Yahoo Finance.

The current US interest rate of 4.75% may be hiked further in 2023 until the US inflation rate moderates. This provides some room for investors in US dollar-denominated investments to benefit.

FUND PERFORMANCE

As of the end of January 2023, the AVA GAM Dollar FIF closed at \$96.95 to post a year-to-date return of 1.95%. 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	Jun 2022	Sep 2022	Dec 2022
AVA GAM	8.85%	-9.85%	-7.52%
S&P BMV	-20.06%	-23.15%	-21.56%

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: UTL TRUST MANAGEMENT SERVICES LTD/AVA GAM DOLLAR FUND (USD)
Account number: 1022700288
Bank: United Bank for Africa