



## OVERVIEW

The AVA Global Asset Managers Limited Fixed Income Fund (“AVA GAM Fixed Income Naira 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.

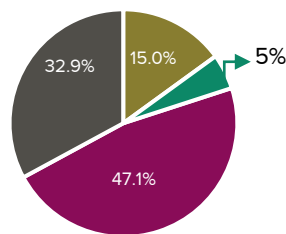
AVA GAM Fixed Income Naira Fund provides investors with the opportunity to invest in a range of high-quality fixed-income instruments which include bonds (such as FGN Naira Bonds, Sub-national bonds and Corporate bonds) and other money market securities. The Fund seeks to attract investors with a low-risk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

## FUND SUMMARY

<b>Date of Launch</b>	April 6 2021
<b>Fund Manager</b>	AVA Global Asset Managers Limited
<b>The Offer</b>	1,000,000 units of ₦1,000 each
<b>Fund Size</b>	₦1,000,000,000
<b>Units of Sale</b>	Minimum of 10 units and multiples of 10 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 (February 2024)



■ FGN Bonds ■ Corporate Bonds ■ Fixed Deposits ■ Cash Balance

In line with the provisions of the Trust Deed, investments in Federal and State bonds remain within the 20%-80% band, and other instruments (money market) less than 15%.

## 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 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% – 15%
Cash	1% – 5%

## MARKET OVERVIEW

The Nigerian fixed income market observed a negative trend as price losses dominated the individual markets due to the persistent disposal of the sovereign instruments by investors and fund managers.

The month witnessed weak investor confidence possibly due to the continuous rise in the inflation rate as reported by the National Bureau of Statistics (NBS) in January at 29.90%. The steady rise in inflation rate may have brought concerns to investors who held to the sell-side position of the fixed instruments.

As a result, the FGN Bond market recorded a poor performance as investors' appetite was sour which was visible across most of the bonds issued. The month witnessed sell-offs exceeding demand for four consecutive weeks. Hence, the average FGN Bond yield increased by 17.23% relative to 14.58 % the prior month.

Also, the Debt Management Office (DMO) through its February auction offered FGN bonds worth ₦2.5billion evenly split across the newly issued 2031s and 2034s tenors. The subscription from investors was commendable recording a rate of 86.56% and 65.66 respectively. The allotment rate was 59.79% of the total amount offered.

Similarly, the Nigerian T-bill market had a bearish outing as the month recorded price losses for the entire four weeks. Thus, the average yield significantly rose to 17.12% versus 9.25% in the month of January.

Whilst, in the foreign exchange market, the naira depreciated against the US dollar at the end of February, closing at ₦1595.11/\$ relative to ₦1455.59 /\$ in January. Similarly, the country's foreign reserve rose to \$33.71bn from \$33.35bn possibly due to elevated crude oil prices, increase in oil production and reforms by the apex bank.

## FUND PERFORMANCE

The AVA GAM Naira FIF closed February 2024 with its Net Asset Value at ₦1,123.23 and a year-to-date return of 14.66%. Below is a monthly comparison of the AVA GAM Naira FIF to an applicable benchmark – the S&P/FMDQ Nigeria Sovereign Bond Index.

YTD return	December 2023	January 2024	February 2024
AVA GAM	14.38%	14.36%	14.66%
S&P/FMDQ NSBI	8.87%	-0.42%	-7.70%

## 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 the details below:  
Account name: STL Trustees Limited/AVA GAM Fixed Income Fund  
Account number: 0036574174  
Bank: Stanbic IBTC Bank Plc

AVA Global Asset Managers Limited (RC 1210383)

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