



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.

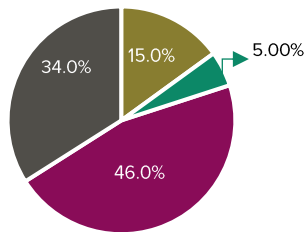
AVA GAM Fixed Income Naira Fund provides investors with the opportunity to invest in a range of high-quality fixed-income instruments which include bonds (such as FGN Naira Bonds, Sub-national bonds and Corporate bonds) and other money market securities. The Fund seeks to attract investors with a low-risk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

FUND SUMMARY

Date of Launch	April 6 2021
Fund Manager	AVA Global Asset Managers 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 (August 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:

In August, the FGN Bonds market experienced fluctuations, starting with a bearish trend due to investor sell-offs, which caused yields to rise slightly before declining toward the end of the week. Despite initial losses, increased demand led to a consecutive week of gains, with yields dropping from 19.84% to 19.31%. The market continued its bullish trend through the last week of August, driven by investor optimism, resulting in a further decline in yields to 18.66%.

In August, the Debt Management Office (DMO) conducted its monthly auction for FGN Bonds, offering ₦190 billion across three tenors. The auction attracted significant investor interest, leading to subscription rates of 26.21%, 60.27%, and an impressive 628.42%. Ultimately, the DMO allotted 197.23% of the total amount initially offered.

Nigeria's inflation rate eased to 33.4% in July 2024, down slightly from 34.19% recorded in June. Renewed investor confidence in the Nigerian T-bills market led to oversubscription in the 91-day and 364-day bills, while the 182-day bill underperformed, with yields fluctuating from a drop to 25.98% before settling at 21.45% due to strong demand and favorable market conditions.

The Nigerian currency appreciated by approximately 0.78% in August 2024, as the exchange rate moved from ₦1,608.74/\$1 at the start of the month to ₦1,596.14/\$1 by the end and the average daily forex turnover has seen a sharp decline, falling to \$143.97 million in August 2024. This marks the lowest point since January 2024, when turnover was \$97.36 million. Meanwhile, the country's foreign exchange reserves decreases to \$36.30 billion, which suggests growing pressures on the reserves, possibly due to increased demand for foreign exchange in the economy and a slowdown in foreign inflows.

FUND PERFORMANCE

The AVA GAM Naira FIF closed August 2024 with its Net Asset Value at ₦1,079.53 and a year-to-date return of 15.83%. 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	June 2024	July 2024	August 2024
AVA GAM	15.24%	15.77%	15.83%
S&P/FMDQ NSBI	-3.91%	-6.08%	-1.78%

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