



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.

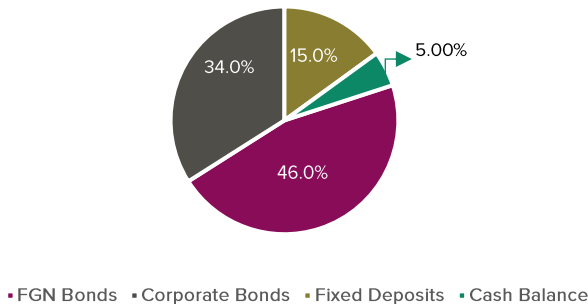
AVA GAM Fixed Income Naira Fund provides investors with the opportunity to invest in a range of high-quality fixed-income instruments which include bonds (such as FGN Naira Bonds, Sub-national bonds and Corporate bonds) and other money market securities. The Fund seeks to attract investors with a low-risk 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 (September 2024)



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 the first week of September, the FGN Bond market experienced a bullish run with falling yields, closing at 18.44%. Over the last three weeks, the market fluctuated between bullish and bearish positions, with yields eventually rising to 18.47% by the end of week four due to price losses and investor pessimism. The CBN’s Monetary Policy Committee raised the MPR to 27.25%, hiked the Cash Reserve Ratio, and kept the Liquidity Ratio at 30% to tighten policy and mitigate economic risks in September 2024.

In September, the Debt Management Office (DMO) conducted its monthly auction for FGN Bonds, offering ₦150 billion across three tenors. The auction attracted significant investor interest, leading to subscription rates of 11.87%, 28.93%, and 177.55%. Ultimately, the DMO allotted 176.35% of the total amount initially offered.

Nigeria’s headline inflation rate slowed down for the second month to 32.2% in August 2024, the softest in six months, down from 33.4% in July. In September, the Nigerian T-bills market saw mixed performances, with bullish trends in the first week leading to a decline in yields to 21.45%. However, subsequent weeks were marked by sell-offs and investor pessimism, driving yields up to 21.94% by the month’s end despite occasional gains and oversubscription in primary auctions.

Between the end of August and September, Nigeria’s exchange rate saw a slight depreciation, closing at ₦1,601.03/\$1 on September 30th compared to ₦1,596.14/\$1 at the end of August. This indicates a marginal weakening of the naira by approximately 0.31% over the month. Meanwhile, foreign reserves grew by 5.6% during the month, rising from \$36.30 billion to \$38.35 billion, driven by strategic CBN reforms and higher global oil prices, marking a recovery from the \$32.69 billion low in May.

FUND PERFORMANCE

The AVA GAM Naira FIF closed September 2024 with its Net Asset Value at ₦1,090.65 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	July 2024	August 2024	September 2024
AVA GAM	15.77%	15.83%	15.31%
S&P/FMDQ NSBI	-6.08%	-1.78%	1.92%

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