



**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.

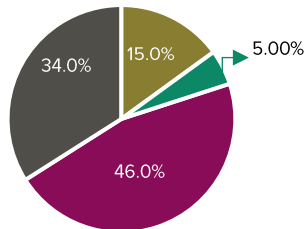
AVA GAM Fixed Income Naira Fund provides investors with the opportunity to invest in a range of high-quality fixed-income instruments which include bonds (such as FGN Naira Bonds, Sub-national bonds and Corporate bonds) and other money market securities. The Fund seeks to attract investors with a low-risk 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 (October 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 the first three weeks of October, the FGN Bond market followed a bearish trajectory, with continuous price declines and investor sell-offs pushing yields higher, rising from 18.47% to 18.79%. However, Week 4 marked a shift to a bullish trend as demand increased, especially for mid-tenor bonds, resulting in a slight yield decrease to 18.77%.

In October, the Debt Management Office (DMO) held its monthly auction for FGN Bonds, offering ₦180 billion across two tenors. The auction drew strong interest from investors, achieving subscription rates of 94.23% and 70.78%, and ultimately leading to an allotment of 161.02% of the initially offered amount.

Nigeria’s inflation rate reached 32.7% in September 2024, primarily driven by the naira’s depreciation and rising transportation costs following fuel price hikes. In October, the T-bills market saw a predominantly bearish trend, with yields increasing each week from 21.94% to 24.20%, largely due to investor sell-offs and weak market confidence amid inflationary pressures. Although there were occasional bullish sessions and oversubscriptions in certain auctions, secondary market performance was limited by fluctuating demand and periodic sell-offs, especially on the longer end of the curve.

The naira’s exchange rate saw a slight improvement in October, strengthening from ₦1,668.99 on September 30 to ₦1,642.29 on October 31, reflecting a mild 1.59% appreciation over the month. Foreign reserves also increased by 3.27% during October, growing from \$38.52 billion to \$39.78 billion, driven by enhanced investor confidence and the positive influence of foreign portfolio investment (FPI) on the economy.

**FUND PERFORMANCE**

The AVA GAM Naira FIF closed October 2024 with its Net Asset Value at ₦1,081.16 and a year-to-date return of 15.31%. 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	August 2024	September 2024	October 2024
AVA GAM	15.83%	15.31%	15.62%
S&P/FMDQ NSBI	-1.78%	1.92%	1.62%

**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