

# FIXED INCOME NAIRA FUND MONTHLY FACTSHEET



February 2025

## 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.

## 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.

## 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

## 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.

## MARKET OVERVIEW

The FGN Bonds market experienced a steady decline in yields throughout February, reflecting sustained investor optimism and improved liquidity conditions. Average yields started at 20.09% on January 31, 2025, and gradually declined to 19.08% by February 21, 2025, before closing the month at 18.20% on February 28, 2025.

The DMO bond auction saw strong investor demand, with total subscriptions of ₦465.14 billion for the 19.30% FGN APR 2029 bond and ₦1,167.09 billion for the 18.50% FGN FEB 2031 bond. Allotment rates stood at 65.67% and 51.86%, respectively, reflecting sustained market interest in FGN bonds amid favorable yield conditions.

Nigeria's inflation rate dropped to 24.48% in January 2025 from 34.80% in December due to the rebasing of the CPI index, though the decline reflects a methodological change rather than a decrease in price levels. The Nigerian Treasury Bills (NTB) market experienced a steady decline in yields over the first three weeks of February, driven by strong investor demand, with the average NTB yield dropping from 23.36% in Week 1 to 20.23% in Week 3. However, Week 4 saw a moderate rebound in yields due to tight liquidity conditions, with the 364-day bill rising slightly to 21.51%, signalling cautious investor sentiment.

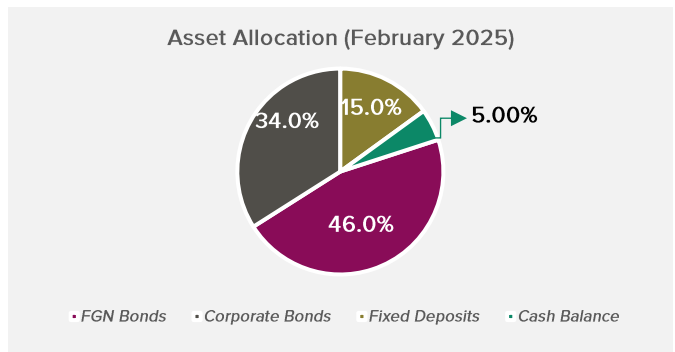
In February 2025, the Naira appreciated 8.5% in the parallel market to ₦1,490/\$ but declined 1.7% in the official market to ₦1,500/\$, while foreign reserves fell 3.2% to \$38.46bn. Analysts linked the reserve decline to CBN's FX interventions, including clearing part of the \$7bn backlog, and expect the Naira to remain stable in March with continued USD supply to BDCs and DMBs. Nigeria's foreign exchange reserves declined by \$1.31bn in February 2025, dropping from \$39.72bn to \$38.42bn, a 3.3% decrease. This decline reflects sustained external pressures despite the recent appreciation of the naira.

## FUND PERFORMANCE

The AVA GAM Naira FIF closed February 2025 with its Net Asset Value at ₦1,130.99 and a year-to-date return of 1.59%. Below is a monthly comparison of the AVA GAM Fixed Income Naira Fund to an applicable benchmark – the S&P/FMDQ Nigeria Sovereign Bond Index.

YTD return	December 2024	January 2025	February 2025
<b>AVA GAM</b>	15.46%	1.59%	1.59%
<b>S&amp;P/FMDQ NSBI</b>	4.13%	-2.01%	5.78%

## CURRENT ALLOCATION



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%.

## ASSET CLASSES

SECURITY	ALLOCATION RANGE
FGN Bonds	20% – 80%
State and Corporate Bonds	20% – 80%
Other instruments	0% – 15%
Cash	1% – 5%

## HOW TO PARTICIPATE

- Step 1:** Log on to [invest.avacapitalgroup.com](https://invest.avacapitalgroup.com) or AVA mobile app available on the Apple app store or Google Play store.
- Step 2:** Click on AVA GAM Fixed Income Fund
- Step 3:** Click on Open Account and complete the online form
- Step 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

Invest and monitor your portfolio on the go!

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\*Please note that historical performance does not guaranty future returns. Also, investors' returns may differ based on the duration of their investments.

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