



INVESTMENT ONE FUNDS MANAGEMENT – VANTAGE GUARANTEED INCOME FUND Quarterly Fact Sheet March, 2021

**Fund Overview**

The Vantage Guaranteed Income Fund (formerly Kakawa Guaranteed Income Fund) is designed to provide a pre-stated return on investment. It is a principal-guaranteed Fund and delivers a return equivalent to the Standing Deposit Facility rate (SDF). In addition to the guaranteed return, unit holders are also entitled to an additional interest pay-out equivalent to 35% of the fund's excess return above the SDF.

Investment One Funds Management, a wholly owned subsidiary of Investment One Financial Services Limited, acquired the management rights to the Fund in January 2013.

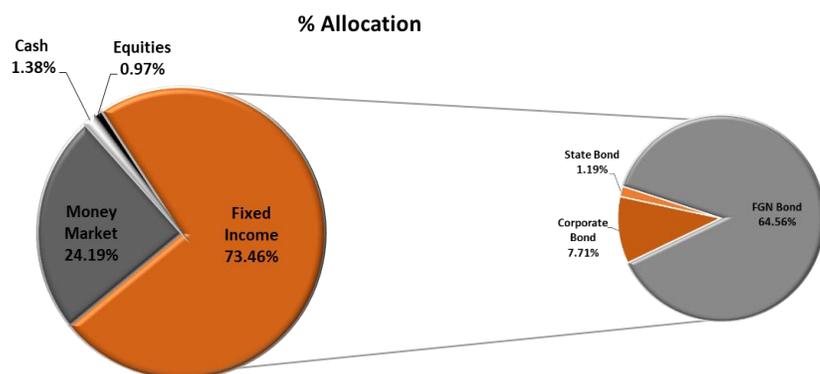
**Fund Manager's Remark**

The Fund's Asset under Management (AuM) dropped by 6.69% to N13.53 billion in Q1'2021 from N14.50 billion recorded at the end of Q4'2020. The asset diminution was majorly attributed to continuous decline in bond prices as yields trend upward in the fixed income space. In total, the net inflow for the period under review was N456mn.

The Fund will continue to take advantage of the high yields in the fixed income market.

**Fund Composition and Performance**

Date	Guaranteed Return (p.a.)	Additional Yield (Paid at FYE)
Jul - Dec, 2017	9.00%	4.72%
Jan - Jun, 2018	9.00%	3.12%
Jul - Dec, 2018		3.29%
Jan - Jun, 2019	8.50%	3.43%
Jul - Dec, 2019		3.15%
Jan - Jun, 2020	8.50%	0.84%
Jul - Dec, 2020	7.50%	0.54%



**Macro-Economic Review**

- During the quarter, sentiment in global economy was boosted by the signing of the US\$1.9trillion stimulus bill into law in the US and increase in China's factory and retail sector activity in the first two months of the year which beat expectations as the economy consolidated its brisk recovery from the coronavirus paralysis of early 2020.
- In the local economy, the National Bureau of Statistics released the Q4 2020 GDP numbers which showed that the nation's economy exited recession in the last quarter of 2020. Contrary to our expectation, the country recorded an expansion in output as GDP rose by 0.11% in Q4 2020 compared to a decline of 3.62%y/y recorded in Q3 2020 and a growth of 2.55% in Q4 2019. We highlight that the growth in Q4 2020 was driven by stronger than expected recovery in Non-oil sector (94% of the GDP) which grew by 1.69% in Q4 2020 as Oil sector (6% of the GDP) shrank by 19.76%.
- At the end of the last meeting of the Monetary Policy Committee in the quarter, the Committee maintained the benchmark interest rate at 11.50%. In the same vein, the Committee kept the asymmetric corridor at +100/-700 bps around the MPR, CRR at 27.50% and Liquidity ratio at 30.0%.
- In the fixed income space, yields in the secondary market moved northwards after downtrend we saw in the most part of 2020 as investors reacted to the increase in stop rates at NTB and Bond auctions. In line with the borrowing plan of the Federal Government in the face of rising inflation we expected rates to increase in order to attract investors' interest to the primary market. As such, the yield on the 1yr Treasury bill rose by 592bps q/q to 6.64%. In the same vein, the yields on the 5yr, 7yr and 10yr rose by 461bps, 399bps and 346bps to close at 10.05%, 10.49% and 10.72% respectively
- The pressure on Consumer prices remained high in the first quarter of the year as the effects of the weak food supply due to elevated insecurity in the country and energy cost caused general prices to increase faster. As such, headline inflation rose to 17.33% y/y in February 2021 from 15.75% in December 2020.
- While the naira closed at around N410/USD in December 2020 at the IEFX window, the nation's currency gained at the beginning of the year as it appeared that the sharp depreciation on the last trading day of the year was temporary. Overall, naira closed at N486.00 and N408.67 against N470.00 and N410.25 in Q4 2020 at parallel and IEFX market respectively.
- **Q2 2021 Outlook:** With the recent increase in yields in the fixed income market we expect return to improve. Also, earnings may slightly support investors interest in the equities market.

**Fund Manager**

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**Fund Features**

Launch Date	2007
Net Assets	₦13.53 billion
Domiciliary	Nigeria
Currency	NG Naira
Objective	Interest Income Capital Appreciation
Financial Year End	December
Minimum Initial Investment	50,000 Units
Income Distribution	Bi-Annual
Guaranteed Return	4.50% p.a.
Additional Yield	35% of Excess Return above SDF
Management Fee	50% of Excess Return above SDF
Revenue Reserve	15% of Excess Return above SDF
Risk Tolerance	Moderate
Permissible Asset Class	Fixed Income (75% - 100%) Equities (0% - 25%)
Composite Benchmark	Standing Deposit Facility (SDF)
Fund Price (31-Dec-20)	₦1.00
Custodian	Citibank Nigeria Ltd
Trustee	FBNQuest Trustees Limited

**Who Should Invest?**

- Individuals in Nigeria (including Children) and the diaspora
- Pension Fund Administrators
- Insurance firms
- Endowment Funds
- Religious Organization
- Cooperatives, Trusts and Wealth Manager

Important Information: Kindly note that the information contained in this document may vary from time to time and may be subject to changes, including but not limited to changes in market conditions. Investments are prone to risks and consequently fund value may go up as well as down and past performance is not an indicator nor a guarantee of future performance. We strongly advise that you consult your stockbroker, solicitor, banker or an independent investment adviser in making investment decisions. Carefully consider the funds' investment objectives, risks, charges and expenses. This and other information can be found in the funds' fact sheet. You are advised to read and understand the contents of this fact sheet. This information is not an offer to sell or a solicitation of an offer to buy units of any Fund to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.