

## FGN BOND FAQs

### **What is a Bond?**

A bond is a type of fixed-income investment issued by a national government, such as the Federal Government of Nigeria. It typically comes with a commitment to provide a steady interest rate (coupon), disbursed twice a year (biannually), and a pledge to reimburse the principal amount at the time of maturity.

### **What is the minimum investment?**

The minimum investment amount is N 1,000,000. The investment is divided into units, each priced at N 1,000, but quoted in increments of N 100. For instance, if a unit is priced at N 900, it will be quoted as N 90, indicating that it is trading at a discount. Conversely, if a unit is priced at N 1,100, it will be quoted as N 110, indicating that it is trading at a premium.

### **What are the benefits?**

- Portfolio Diversification.
- Hedging against speculation and economic shocks.
- Guaranteed Income on investment.
- Initial investment is secured if you hold till maturity.
- It is tradable should you wish to sell at any point in time.
- Interest earned is tax free
- Your investment is secure as it is in the position of a reputable custodian independent of Gresham Asset Management.

### **What are the fees?**

- A One-off transaction fee of 0.50% on the face value
- Annual custody fee of 0.20% p.a through the tenor of the investment