

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | April 2024

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FUND OBJECTIVE

The United Capital Nigerian Eurobond Fund is an open-ended mutual fund that is invested in Dollar denominated Eurobonds, floated by the Federal Government of Nigeria, as well as top-tier corporates. Subscribers can expect to receive competitive short to medium term capital appreciation on their USD holdings invested in the Fund better than they would receive on domiciliary deposits. The minimum investment is \$1,000 and multiples of \$500 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

The global fixed income continue to see mixed reactions from investors, with much expectations tilting towards global rate cuts towards year end. The global bond market recorded moderate gain towards the end of the month due to renewed rate-cut expectations, following strings of stronger than expected data that pushed back the hope of rate cuts in the previous period. However, April saw significant sell-offs of Nigerian Eurobonds driven by the increased volatility of the Naira relative to the US Dollar in the period. Also, global Central Banks' actions influenced sentiments bearishly. Towards the end of the month, attention turned to the US Federal Reserve meeting. Economic data in the US suggested that labour markets remained robust, inflation remained stubborn, and economic activity moderated. These signaled that the US Fed might keep interest rates unchanged, effectively moderating the outlook for SSA Eurobonds in the short-term. Sell-pressure was most pronounced in the 5-year and 6-year Eurobonds whose yields rose 72bps m/m and 68bps m/m, respectively. Overall, the average yield on Nigerian Eurobonds rose 51bps to 9.93% (previously 9.42%).

In May, we expect docile sentiment and moderate price movements in the Nigerian Eurobonds market. However, we expect buy-interest in the 4th week of the month as investors look to reinvest the \$148.57mn in coupon payments that will be settled on the 21st and 28th of the month. Over the long run, we believe that market sentiment will change, and bullish sentiment will prevail in the Nigeria Eurobond market. Therefore, we expect investors to take advantage of this relatively low prices to position for favourable yield curve movement in the future.

Past performance is not a reliable indicator of future performance and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into account your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. Please consult your financial adviser. This information has been compiled from sources considered to be reliable, but is not guaranteed. Any potential investor should consider conducting further enquiries in deciding whether to acquire, or continue to hold units in a fund.

FUND FEATURES

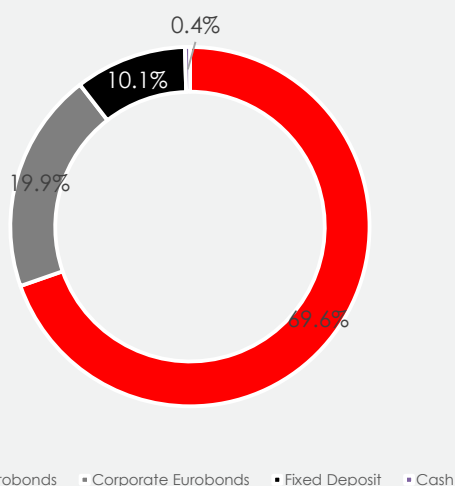
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	152.13m
NAV Per Share (\$)	126.5043
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.50%
Total Expense Ratio*	1.76%
Benchmark	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

* Inclusive of management fee; Returns are net of all fees

MATURITY PROFILE OF ASSETS

<1yr	10.49%
1-3yr	14.67%
3-5yr	3.53%
5-10yr	19.85%
>10yr	51.45%

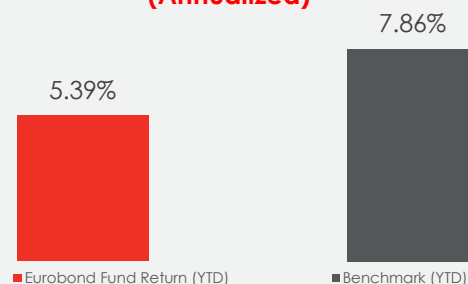
Current Portfolio Holdings



Governance Asset Allocation Ranges:

FGN Eurobonds (20%-80%); Corporate Eurobonds (20%-80%); Money Market placements (0% - 20%)

Eurobond Fund Return Vs Benchmark (Annualized)



RETURN HISTORY

	2019	2020	2021	2022	2023	2024 YTD
UCAP Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.52%	5.39%
Benchmark	3.95%	2.17%	4.04%	8.91%	7.46%	7.86%

*Represents the Fund's Annualized Return vs the Benchmark's Annualized Return

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 5.36% (annualized) for the month of April 2024. The fund's year-to-date annualized return closed at 5.39%, while the fund's benchmark closed at 7.86% for the same period.

During the month, investors sentiment in the Nigerian Eurobond space moderated as average yield rose to 9.93%. Sell-offs in the market were driven by increased volatility of the Naira relative to the US Dollar in the period. US Treasury yields rose again as US inflation data persisted in surpassing expectations, despite softer growth data. However, market participants are expecting rate series of rate cuts before year end.

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We will continue to maintain the required allocation ranges in line with the Trust Deed, and tactically pick higher yielding maturities in the sovereign bond space to enhance the performance of the Fund.

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WHY CHOOSE THE FUND?

- Much better returns than the average domiciliary deposit
- A good hedge against depreciation of the Naira
- Seamless Entry and Exit
- Professional management with robust risk framework
- Long term capital preservation and growth

INVESTMENT RISK

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

HOW TO PARTICIPATE

1. Log in to our online platform www.investnow.ng
2. Click on "Eurobond Fund"
3. Click on "Open an account" and complete the online form
4. Fund the Custody Account detailed here

UNITED CAPITAL NIGERIAN EUROBOND FUND

Account No: 0406315251

Account Name: MAINSTREET TRUSTESS/UNITED CAPITAL NIGERIAN EUROBOND FUND

Currency: USD

Bank: FCMB

Correspondent Bank: CITIBANK, New York, USA,
399 Park Avenue, New York, NY10043, U.S.A.

BIC/SWIFT ID:FCMBNGLAXXX

Intermediary BIC : CITIUS33XXX



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