

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | February 2024

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FUND OBJECTIVE

The United Capital Global Fixed Income Fund is an actively managed open-ended specialized fund whose main objective is to achieve consistent income streams through investment in select dollar-denominated global Fixed income securities issued by non-Nigerian issuers, sovereign as well as top-tier corporate Eurobonds. The fund is targeted at investors looking to diversify their portfolios from county specific investment risks.

The Fund will also provide portfolio managers access to diversify their portfolio and income streams whilst providing long-term capital appreciation. The minimum investment is \$50,000 and multiples of \$1000 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

The US Fed opted to HOLD its benchmark interest steady at the 5.25% to 5.5% range, in its January meeting. However, hotter than expected economic data in the US, left room for the Fed to tarry a bit longer before embracing rate cuts paradigm. For context, Inflation in the US rose more than expected in January to record at 3.1% y/y, 20bps faster than consensus estimate of 2.9% y/y. The headline personal consumption expenditure (PCE) price index, which included the volatile food and energy categories increased in January by 0.3% m/m and 2.4% y/y, compared to 0.1% m/m and 2.6% m/m in December 2023, respectively. January's price rises reflected an ongoing shift to services over goods as the economy normalizes from the Covid pandemic disruptions. Both the headline and core measures remain ahead of the Fed's goal for 2.0% annual inflation. Similarly in Europe, the Bank of England kept rates at a 15-year high of 5.25%, in its last meeting in January 2024. According to economic data, the United Kingdom slipped into a recession in Q4-2023, as the country's GDP contracted by 0.1% and 0.3% in Q3- and Q4-2023 respectively.

The Bloomberg US Treasury Index Yield and the Bloomberg GlobalAgg Index Yield both saw an upward nudge in February 2024, with the Bloomberg US Treasuries Index Yield climbing by 34bps (from 4.12% at the close of Jan-2024 to 4.46%) and the GlobalAgg Index Yield by 21bps (from 3.59% at the close of Jan-2024 to 3.80%). In the same vein, the Bloomberg Pan-European Aggregate Index nudged higher by 27bps in February (from 3.15% at the close of Jan-2024 to 3.42%). Overall, the index yield analysis reveals renewed bearish investors interests toward the global fixed income market, vis-à-vis the relatively vague economic data releases within the period.

Considering the prevailing neutral posture on monetary policy tightening across major central banks, and expectations of possible rate cuts by the Fed later in the year, we expect a mixed sentiments in the global fixed income market, with SSA fixed income market standing in the spotlight for high yield shoppers. Subsequently, at its next meeting, we expect the Fed to hold the benchmark federal funds rate at the current range of 5.25% - 5.50%.

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

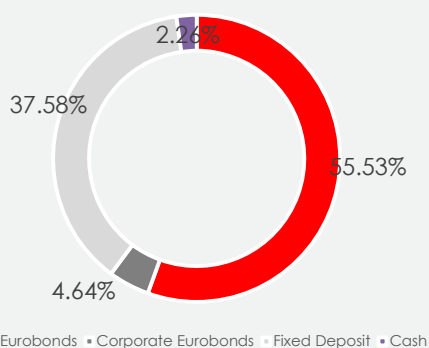
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	30.1Mn
NAV Per Share (\$)	1.0998
Minimum Investment(\$)	50,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.0%
Total Expense Ratio*	2.3%
Benchmark	3-yr FGN sovereign Eurobond
Risk Profile	Medium
Investment Style	Income Oriented

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

MATURITY PROFILE OF ASSETS

<1yr	33.5%
1-3yr	12.3%
3-5yr	4.2%
5-10yr	38.4%
>10yr	11.6%

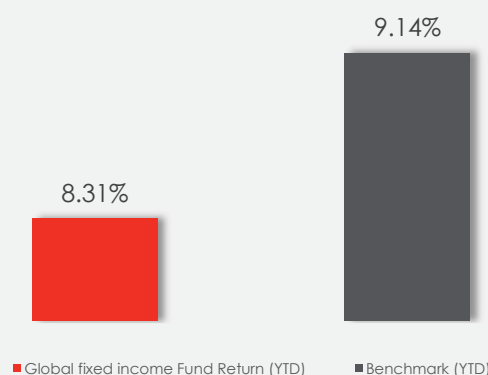
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Nigerian Eurobonds- FGN Sovereign and Corporates (50%-70%); Money Market Instruments (30% - 50%) Global Fixed Income securities(0%-20%), Alternative Investment Assets denominated in USD (0%-20%)

Global Fixed Income Fund Return Vs Benchmark (Annualized)



RETURN HISTORY

	Q1	Q2	Q3	Q4	FY 2023	2024 YTD
UCAP Global Fixed Income Fund	6.17%	11.29%	7.93%	9.10%	8.64%	8.31%
Benchmark	13.07%	9.83%	9.89%	8.43%	8.43%	9.14%

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

PERFORMANCE REVIEW

The United Capital Global fixed income Fund returned 0.53% for the month of February 2024. However, the annualized return of the fund closed at 8.31%, lower than current benchmark return of 9.14% which was driven by recent yield uptick in the Nigerian Eurobond market.

Bank of England kept rates at a 15-year high of 5.25%, in its last meeting in January 2024, while the US FED held its benchmark interest steady at the 5.25% to 5.5% range, as investors anticipate US FED rate cut later in the year. On this note, activity level is expected to gradually increase in the SSA region, as investors take shift towards high yielding Eurobonds. The increased activity level is expected to lead to decline in yields.

Global fixed-income investors will be looking to position their portfolios for the future market environment. We anticipate the broad-based positive sentiment towards SSA Eurobonds to continue to play a key role in the performance of Nigerian Eurobonds. In view of this, we will strategically position the fund to take advantage of rising Eurobond prices in the market.

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?

- Delivers significantly higher returns than regular domiciliary bank deposits
- 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 "Global fixed income Fund"
3. Click on "Open an account" and complete the online form
4. Fund the Custody Account detailed here:

UNITED CAPITAL GLOBAL FIXED INCOME FUND

Account Name: EAC Trustees/ United Capital Global Fixed Income Fund

Account No: 0045814566

Currency: USD

Bank: STANBIC IBTC

Correspondence : Citibank N.A 111 Wall Street, New York N/A

Swift Code : CITIUS33XXX ABA 021000089



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