

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | February 2025

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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 country 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 \$1,000 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

In February, U.S. Treasury markets experienced notable volatility, with several key developments shaping the performance of fixed income assets. Early in the month, the Treasury's refunding announcement provided some relief to rates markets. There had been concerns about a potential increase in longer-dated issuance, following Treasury Secretary Bessent's prior comments, but the decision to maintain nominal coupon auction sizes for the coming quarters alleviated these worries. This allowed the 10-year yield to continue its general downward trend, shedding around 40 basis points before reversing course after the February payrolls data, which led to a 5-6 bps uptick across the curve.

Throughout the month, Treasury yields oscillated, with a slight rise leading into the mid-February period before falling 8bps in response to PMI data and COVID-related headlines. The Fed's stance remained largely dovish, with the FOMC continuing to signal a pause in rate hikes. A key takeaway from the FOMC Minutes suggested the possibility of slowing or pausing quantitative tightening, especially considering debt ceiling dynamics. By the month-end, market expectations shifted, with the 10-year yield down about 60bps from its mid-January highs, currently testing its 200-day moving average. As a result, Treasuries were providing a negative correlation to equities, offering some offset to broader market weakness, while expectations for rate cuts by year-end grew stronger.

We maintain our view that interest rates have peaked in fixed income markets, and attention has pivoted towards the pace and size of rate cuts in developed economies in response to softer growth and easing inflation. We expect emerging markets to lead performance, boosted by a weaker dollar. Investors are gravitating toward high yield bonds to drive additional yield and total return. With more Central Bank rate cuts underway, starting with the ECB, investors will also consider extending duration to further enhance yield and total return potential.

FUND FEATURES

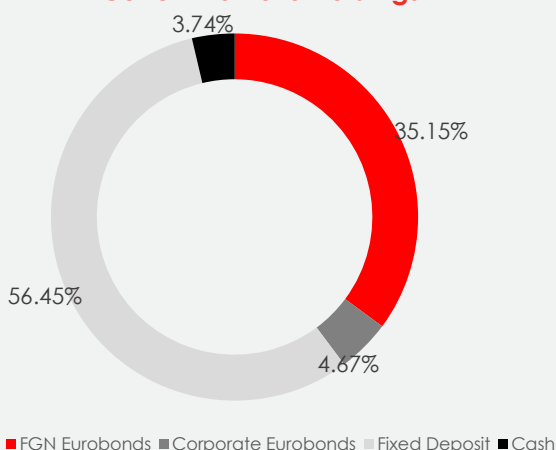
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	136.5Mn
NAV Per Share (\$)	1.1841
Minimum Investment(\$)	50,000
Additional Investment (\$)	1,000
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.00%
Total Expense Ratio*	2.3%
Benchmark	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	63.51%
1-3yr	2.35%
3-5yr	13.82%
5-10yr	12.08%
>10yr	8.25%

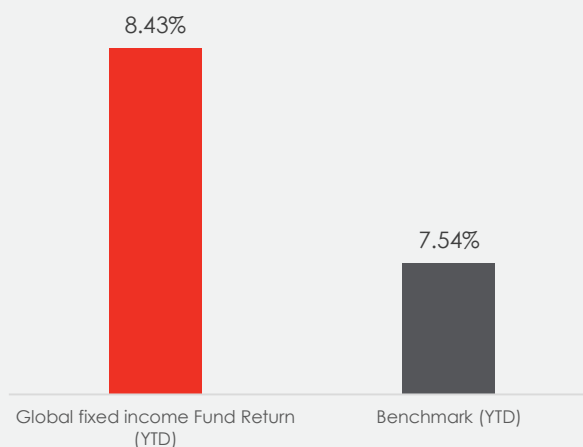
Current Portfolio Holdings



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	FY 2024	2025 YTD
UCAP Global Fixed Income Fund	6.17%	11.29%	7.93%	9.10%	8.64%	9.20%	8.43%
Benchmark	13.07%	9.83%	9.89%	8.43%	8.43%	8.62%	7.54%

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

PERFORMANCE REVIEW

The United Capital Global Fixed Income Fund returned a year-to-date annualized return of 8.43%, compared to the benchmark return of 7.54%.

The global Eurobond space opened the month with a mixed sentiment, with a moderate rise in yield towards the middle of the month. However, the market witnessed significant yield decline across the curve towards the end of the month. Meanwhile, the Fed's stance remained largely dovish, with the FOMC continuing to signal a pause in rate hikes.

By month-end, the 10-year yield dropped approximately 60bps from its mid-January highs, now testing its 200-day moving average. Consequently, Treasuries exhibited a negative correlation to equities, helping offset broader market weakness, while expectations for rate cuts by year-end strengthened.

Looking ahead, we expect the uncertainty in the Eurobond space to continue, leading to higher volatility in the coming month. We anticipate a moderate rise in yield for the month of March, as uncertainty persists.

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 fund return.

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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