

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | January 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 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 \$1,000 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

In the first half of the month, US treasury yields declined by over 10bps across the curve. Fiscal concerns remained a key issue, highlighted by the Congressional Budget Office's (CBO) updated budget outlook, which pointed to growing deficits driven largely by mandatory spending (e.g., Social Security and Medicare) and rising net interest costs, which now exceed defense spending. In the following 10 days, i.e. 20th – 30th Jan, US treasury yields initially fell due to a lack of tariff actions but later increased. In the final days of the month, economic data reinforced the Fed's decision to hold rates steady, as yields remained relatively stable. A key technical level emerged at 4.50% for the 10-year Treasury, with further moves dependent on future economic data.

The US Federal Reserve, after cutting rates by 100 basis points over the previous meetings, decided to leave rates unchanged, signalling a balanced economic outlook. Chair Powell's comments suggested that policy was in a good place, with no rush for further cuts, though data on inflation and labour markets would guide future decisions.

Outside of the Fed, there were multiple central bank rate decisions. Sweden's Riksbank cut by 25bps to 2.50% but signalled it will be on hold going forward. The Bank of Canada (BOC) cut rates by 25bps to 3.25% as expected. The BOC lowered its GDP forecast while its inflation forecast ticked slightly higher. Its Governor, Tiff Macklem, highlighted that tariffs add a layer of uncertainty and have impacted consumer confidence. The BOC became the first major central bank to end its QT program. Speaking of firsts for Central Banks, the head of the Czech National Bank said he wants to put billions of reserves into Bitcoin. The European Central Bank (ECB) cut its interest rates by 25bps to 2.75%, keeping intact expectations of further interest rate cuts from the ECB.

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 gravitate toward high-yield bonds to drive additional yield and total return. With more Central Bank rate cuts underway, investors will also consider extending the duration to further enhance yield and total return potential.

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

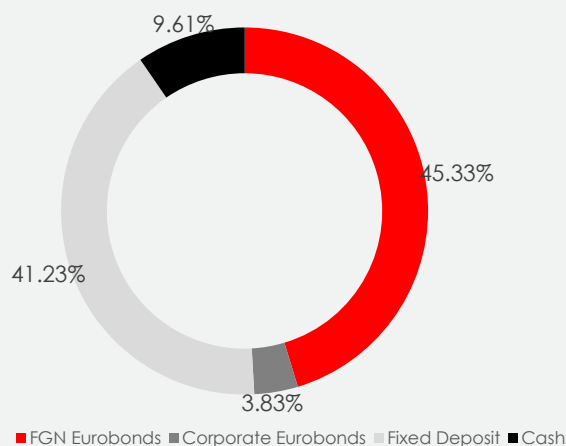
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	132.3Mn
NAV Per Share (\$)	1.1780
Minimum Investment(\$)	50,000
Additional Investment (\$)	1,000
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.00%
Total Expense Ratio*	2.3%
Benchmark	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	55.81%
1-3yr	2.29%
3-5yr	13.54%
5-10yr	17.22%
>10yr	11.15%

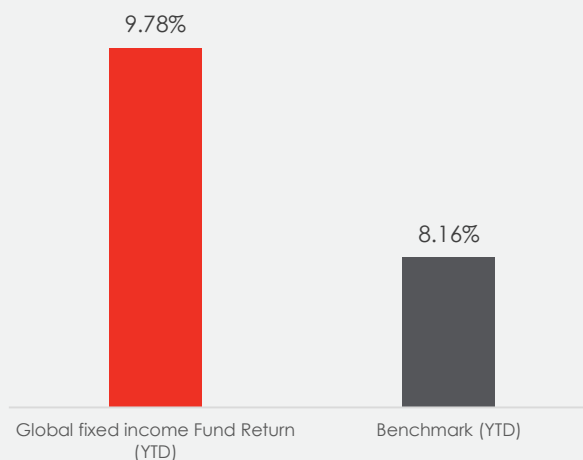
Current Portfolio Holdings



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%	9.78%
Benchmark	13.07%	9.83%	9.89%	8.43%	8.43%	8.62%	8.16%

*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 9.78%, compared to the benchmark return of 8.16%.

The global fixed income market in January experienced a mixed sentiment with major central banks cutting down rates. In developed markets (especially the US), yields initially showed modest declines but became stable towards the end of the month. The U.S. Federal Reserve initially cutting rate by 100bps and maintaining rates in later meetings signaled a balanced U.S. Economy and this majorly drove stability towards the end of the month.

In Europe, bond yields were mixed as the European Central Banks signaled a cautious approach to rate cuts. With an expected rate cut riding on a weaker dollar, we expect an increase in high yield bond instruments.

Looking ahead, We expect the market to remain influenced by central bank decisions, with the expected impact of rate cuts across several major global economies. We anticipate a mixed yield environment with more focus on long tenor instruments in a bid to enhance total yield and returns

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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 Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund