

# United Capital Global Fixed Income Fund

Mutual Funds Factsheet | June 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

Global bond markets rallied into month-end, led by a sharp drop in US Treasury yields amid dovish Fed commentary and softer macro data. The 2-year yield fell 0.16% points, driving a modest yield curve steepening, as investors began pricing in up to three rate cuts by year-end. Fed officials, including Governor Waller and Michelle Bowman, signaled growing support for a near-term cut, even as May's core PCE slightly overshot consensus at 2.7% y/y (vs 2.6% y/y consensus). Weak GDP revisions and easing oil prices added to the momentum. In Japan, 10-year JGBs held at 1.4% as the BoJ reiterated its cautious tightening path despite above-target inflation, currently at 3.5% y/y. Meanwhile, China's PBOC maintained a moderately loose stance, citing weak domestic demand and persistent deflationary pressures.

Global Central Banks maintained a cautious, data-dependent stance in June, with the Fed holding rates steady at 4.25 – 4.5% while signaling growing internal divergence in opinion. Chair Powell reiterated that policy is "in a good place," citing stronger growth and lingering tariff uncertainty as reasons for patience, even as inflation expectations edged higher. Meanwhile, the Bank of England also held rates at 4.25%, but with three dissenters voting for a cut amid weakening UK growth and moderating wage pressures. The MPC emphasized the need for a measured exit from restrictive policy. Across major economies, Central Banks appear broadly aligned in prioritizing stability as geopolitical and inflation risks remain elevated.

**Looking ahead, volatility is likely to remain elevated, with yields trading in a wider band as markets navigate mixed economic signals and tariff-related uncertainty. While economic fundamentals remain relatively solid, downside risks, particularly from slowing global demand and geopolitical tension, remain material. Nonetheless, fixed income continues to offer compelling value, with many investors viewing current yield levels as among the most attractive entry points in over a decade.**

## FUND FEATURES

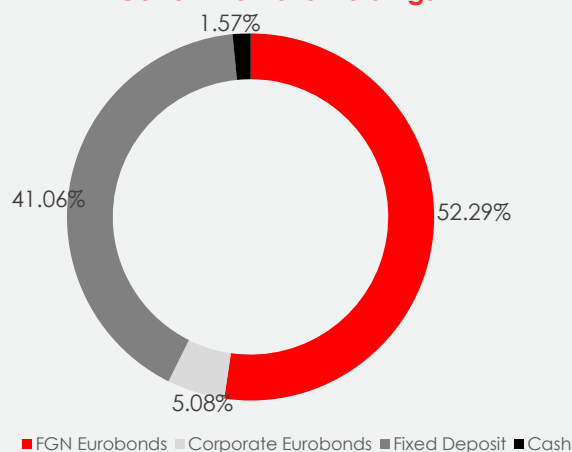
| Fund Manager               | United Capital Asset Management Ltd |
|----------------------------|-------------------------------------|
| Base Currency/Start Year   | USD/2023                            |
| Fund Size (\$)             | 119Mn                               |
| NAV Per Share (\$)         | 1.1967                              |
| 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   | 45.58% |
| 1-3yr  | 1.96%  |
| 3-5yr  | 14.04% |
| 5-10yr | 19.98% |
| >10yr  | 15.45% |

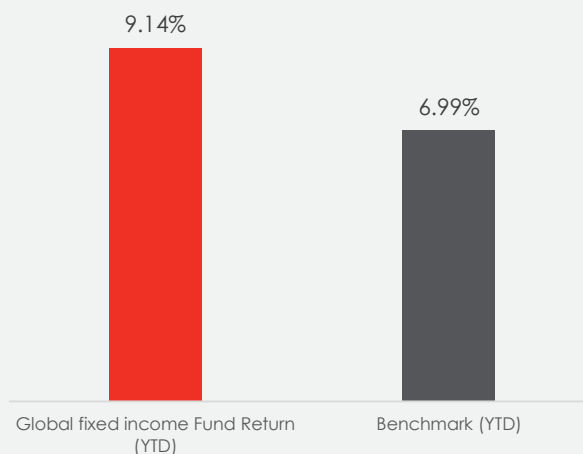
## Current Portfolio Holdings



## 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

|                               | FY 2023 | FY 2024 | 2025 YTD |
|-------------------------------|---------|---------|----------|
| UCAP Global Fixed Income Fund | 8.64%   | 9.20%   | 9.14%    |
| Benchmark                     | 8.43%   | 8.62%   | 6.99%    |

\*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 9.14%, compared to the benchmark return of 6.99%.

Market volatility moderated in the global fixed income space, as market witnessed improved interest on emerging markets and Sub-Sahara Africa Eurobonds. Likewise, global bonds rallied, as yields on US treasuries nosedived. Despite the rising interest in the fixed income space, market participants continue to play cautiously in the market, owing to unpredictable geopolitical tensions and declining forecast for economic growth. Global Central Banks maintained a cautious, data-dependent stance in June, with the Fed holding rates steady at 4.25 – 4.5% while signaling growing internal divergence in opinion. The Bank of England also held rates at 4.25%, but with three dissenters voting for a cut amid weakening UK growth and moderating wage pressures.

Looking ahead, we expect the direction of geopolitical policies to drive market movement, affecting both developed and emerging markets. In July, we expect in surge in Eurobonds prices in Sub-Sahara Africa, especially Nigeria to taper.

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](http://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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