

United Capital Global Fixed Income Fund

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

MARKET REVIEW, OUTLOOK AND STRATEGY

Following the easing of global inflationary pressure (H1-2024) in the aftermath of Russia's invasion of Ukraine, major central banks of key advanced economies resolved to ease financial conditions in their respective jurisdictions, in a bid to prop-up their respective economies. The US Federal Reserve ended its most aggressive rate hike streak in H2-2023, switched to a neutral stance in the same half, then tilted to a dovish stance in H2-2024, following signs of a weakening labor market. That said, the Fed in its November meeting cut its benchmark interest rate by 25bps, for the second consecutive meeting (bringing total rate cuts in 2024 to 75bps, factoring in the first 50bps cut in Sept-2024), bring the federal funds rate down to 4.50-4.75%, a level last seen in H1-2023. In similar vein, European Central Bank (ECB) reduced its fixed interest rate in June 2024 for the first time since 2016 (pre-pandemic), implementing a 25bps rate cut. Since then, the ECB has cut interest rate by 75bps (in three rate cut decisions, 25bps a piece). Additionally, key central banks in Europe like the Bank of England (BoE) also lowered its bank rate by 25bps in Nov-2024 to 4.75%, marking its second rate cut in 4 years following the start of its cutting cycle in Aug-2024 (representing a cumulative 50bps cut in 2024 YTD).

The Bloomberg US Treasury Index Yield (which tracks US fixed-rates, and nominal debt issued by the US Treasury) and the Bloomberg GlobalAgg Index Yield (which tracks global investment grade debt from many local currency markets, including treasury, government-related, corporate, and securitised fixed-rate bonds from both developed and emerging market issuers) both trended lower in Nov-2024, with the Bloomberg US Treasuries Index Yield tapering by 5bps (from 4.27% at the close of Oct-2024 to 4.22%) and the GlobalAgg Index Yield down by 11bps (from 3.64% at the close of Oct-2024 to 3.53%).

Looking ahead into the rest of the year, we expect the prevailing dovish stance across major central banks in key advanced economies to continue into 2025, supported by the improved outlook for global inflationary pressure in 2025. The improved outlook for global inflationary pressure in 2025 is underpinned by the expectation of lower oil prices following the anticipated crude supply surplus and mildly steady demand expectations in 2025. Ultimately, we expect the prevailing downtrend of yields in the global fixed income market to persist into 2025, market by improved buy-interests.

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

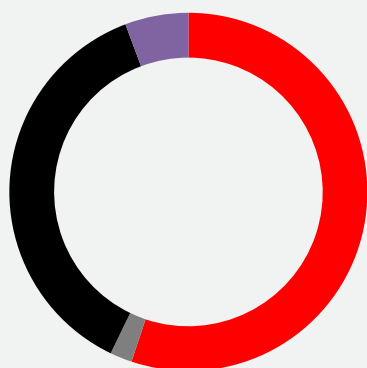
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	75.2Mn
NAV Per Share (\$)	1.1591
Minimum Investment(\$)	50,000
Additional Investment (\$)	1,000
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.00%
Total Expense Ratio*	2.3%
Benchmark	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	46.66%
1-3yr	4.01%
3-5yr	16.84%
5-10yr	19.95%
>10yr	12.54%

Current Portfolio Holdings

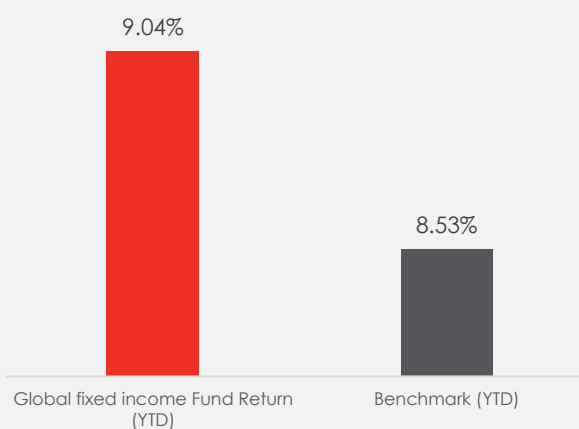


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■ Cash

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%	9.04%
Benchmark	13.07%	9.83%	9.89%	8.43%	8.43%	8.53%

*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 9.04%, compared to 9.00% in the previous month. Conversely, benchmark return declined to 8.53% from previous month's 8.60%.

In its November meeting, the Federal Reserve reduced its benchmark interest rate by 25 basis points (bps), marking the second consecutive cut and bringing the total rate reductions in 2024 to 75 bps, following a 50-bps cut in September. This adjustment lowered the federal funds rate to a range of 4.50–4.75%, a level last seen in the first half of 2023. Similarly, the European Central Bank (ECB) implemented its first rate cut since 2016, reducing its fixed interest rate by 25 bps in June 2024, a move reflecting a pre-pandemic policy approach. In the SSA Eurobond space, especially in the Nigerian market, there was mixed sentiment during the month, with yields rising earlier in the month before declining moderately at the end of the month.

Looking ahead, we anticipate that the dovish stance adopted by major central banks in key advanced economies will persist through the remainder of the year and into 2025. This outlook is underpinned by expectations of a continued improvement in global inflationary pressures in 2025.

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.

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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



Diversify your investments with our Mutual Funds today.

Balanced Fund Equity Fund Fixed Income Fund Money Market Fund

Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund

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