

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | April 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

In the US, economic data showed mixed signals and uncertainties regarding the direction of the economy, as policy makers watches closes to ensure appropriate decision making. The US labour market witnessed a noticeable level of resilient over the past few months as economic outlook improved, making the US Fed to hold on expected rate cuts earlier in the year. Market expectations have moved into alignment with previous Fed projections but given the backdrop the case for rate cuts is getting harder to make. US Treasury yields rose as US inflation data persisted in surpassing expectations, despite softer growth data. US 10-year yields closed higher at 4.69%, while 2-year yields rose 38bps m/m to 5.00%. Both benchmarks touched year-to-date highs. Total returns for the global emerging markets index fell by 1.79% m/m. Overall, total returns were negative for US Treasuries and emerging markets.

Expectations are that the Fed will continue to monitor macro economic data closely in anticipation of rate cuts later in the year. The global bond market recorded moderate gain towards the end of the month due to renewed rate-cut expectations, following strings of stronger than expected data that pushed back the hope of rate cuts in the previous period. The tentative sign that the US economy is cooling reflected in the market towards the end of the month.

This month, investors will be looking for signs that the US economy is at an inflection point. Investors will also be looking to see if rising prices are impacting demand. We maintain our view that policy rates have peaked in this current cycle as attention pivot towards rate cuts in response to softer growth and easing inflation. We expect the Fed to hold off on easing policy temporarily before delivering rate cuts later in the year. In financial markets, we expect yields to decline slightly over the course of the year.

The major challenge to market expectation is unexpected rise in inflation that could lead to lower asset prices. Another risk is that policymakers unsuccessfully juggle fighting inflation with supporting economies still struggling to gain traction.

FUND FEATURES

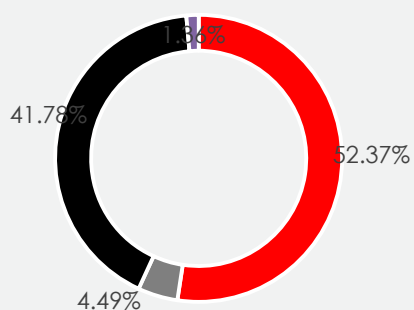
| Fund Manager | United Capital Asset Management Ltd |
|----------------------------|-------------------------------------|
| Base Currency/Start Year | USD/2023 |
| Fund Size (\$) | 32.24Mn |
| NAV Per Share (\$) | 1.1120 |
| Minimum Investment(\$) | 50,000 |
| Additional Investment (\$) | 500 |
| Structure | Open Ended |
| Minimum Holding Period | 180 days |
| Management Fee | 2.00% |
| Total Expense Ratio* | 2.25% |
| 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 | 43.14% |
| 1-3yr | 13.77% |
| 3-5yr | 23.04% |
| 5-10yr | 6.98% |
| >10yr | 13.06% |

Current Portfolio Holdings

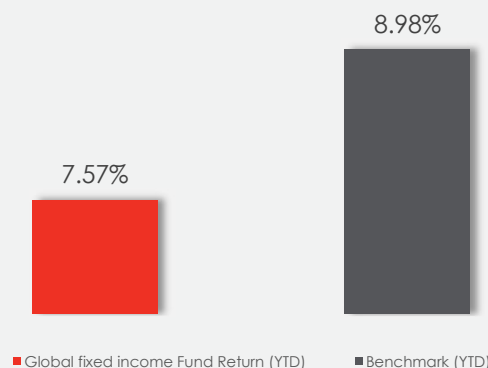


• FGN Eurobonds • Corporate Eurobonds • Fixed Deposit • Cash

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% | 7.57% |
| Benchmark | 13.07% | 9.83% | 9.89% | 8.43% | 8.43% | 8.98% |

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

PERFORMANCE REVIEW

The United Capital Global Fixed Income Fund returned an annualized return of 6.82% in the month of April 2024, compared to 7.05% in the previous month. Meanwhile, the year-to-date annualized return of the fund closed at 7.57%, while Benchmark return stood at 8.98%.

The global market witnessed renewed expectation of rate cuts by the US Fed towards the end of the year due to tentative sign that the US economy is cooling. US Treasury yields rose as US inflation data persisted in surpassing expectations, despite softer growth data. US 10-year yields closed higher at 4.69%, while 2-year yields rose 38bps m/m to 5.00%. Both benchmarks touched year-to-date highs.

With the hope of global rate cuts, the SSA Eurobond yields inched downwards. We expect SSA yields to moderately trend downwards towards the end of the year due to improved investor sentiment in the region as global bond yields decline. This month, investors will be looking for signs that the US economy is at an inflection point. Investors will also be looking to see if rising prices are impacting demand.

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.

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.

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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Balanced Fund Equity Fund Fixed Income Fund Money Market Fund

Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund