

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | December 2023

Contact Us:
Emmanuel Akehomen | +234-703-180-3064 | emmanuel.akehomen@unitedcapitalgroup.com
Asset Management | +234-1-631-7876 | mutualfunds@unitedcapitalgroup.com



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 December 2023, US Treasuries continued to rally, with the Treasury's final auction of the year witnessing strong buy-interests. US prices fell in November 2023 for the first time in more than 3-1/2 years, pushing the annual increase in inflation further below 3.0%, and boosting financial market expectations of an interest rate cut from the Federal Reserve in March 2023. During its final meeting for the year 2023, the Fed opted to maintain interest rates at their current level. Fed Chair, Jerome Powell disclosed that the historic tightening of monetary policy is likely concluded. This decision is attributed to the faster-than-expected decline in inflation. Powell also indicated that discussions about potential cuts in borrowing costs are now "coming into view." Similarly in Europe, the Bank of England stuck to its gun, keeping rates at a 15-year high of 5.25%, in its last meeting in December 2023.

The Bloomberg US Treasury Index Yield (which tracks US fixed-rates, and nominal debt issued by the US Treasury) and the Bloomberg Global Agg Index Yield (which tracks global investment grade debt from many local currency markets, including treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging market issuers) both saw a downward nudge in December 2023, with the Bloomberg US Treasuries Index Yield declining by 47bps (from 4.55% at the close of Nov-2023 to 4.08%) and the Global Agg Index Yield by 42bps (from 3.93% at the close of Nov-2023 to 3.51%).

Considering the prevailing neutral posture on monetary policy tightening across major central banks, and expectations of possible rate cuts by the Fed in H2-2023, we expect a sustained wave of buy interests in the global fixed income market, with SSA fixed income market standing in the spotlight for high yield shoppers. At its next meeting, we expect the Fed to hold the benchmark federal funds rate at the current range of 5.25% - 5.50%.

FUND FEATURES

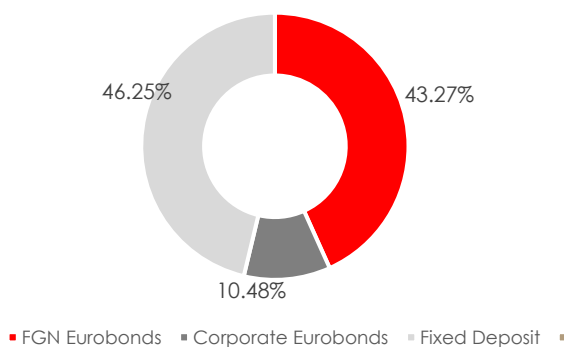
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	23.2Mn
NAV Per Share (\$)	1.0855
Minimum Investment(\$)	50,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.0%
Total Expense Ratio*	2.3%
Benchmark	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	19.3%
1-3yr	22.7%
3-5yr	3.00%
5-10yr	25.0%
>10yr	30.0%

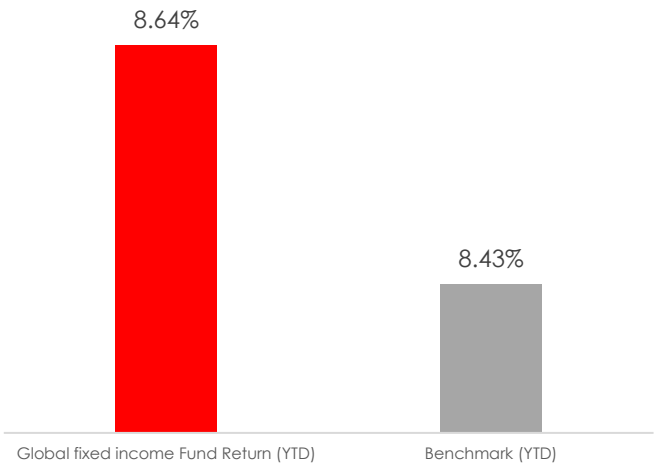
Current Portfolio Holdings



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
United Capital Global Fixed Income Fund	6.17%	11.29%	7.93%	9.10%	8.64%
Benchmark	13.07%	9.83%	9.89%	8.43%	8.43%

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

PERFORMANCE REVIEW

The United Capital Global fixed income Fund returned 0.81% for the month of December 2023. However, the full year return of the fund is 8.64%, which was higher than the benchmark annualized return of 8.43% within the same period.

Globally, Inflation continues to decline, leading investors to believe that the current cycle of interest rate hikes is at its plateau. As such, we observed renewed buy interest in fixed-income securities in advanced economies, resulting in bargain hunting across emerging market papers.

We expect a cooling of the US and other overheated economies as key supporting factors weaken: US savings and the savings rate are on the decline, with consumption in 2023 propped up by pandemic-era savings and consumers, particularly high-income earners, likely deplete their spending reserves in the coming quarters. We would invest in short term bonds to take advantage of the new issuances and market movement.

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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