

# United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | November 2023

**Contact Us:**

Emmanuel Akehomen | +234-703-180-3064 | [emmanuel.akehomen@unitedcapitalnigeria.com](mailto:emmanuel.akehomen@unitedcapitalnigeria.com)  
 Asset Management | +234-1-631-7876 | [assetmanagement@unitedcapitalnigeria.com](mailto:assetmanagement@unitedcapitalnigeria.com)



## FUND OBJECTIVE

The United Capital Nigerian Eurobond Fund is an open-ended mutual fund that is invested in Dollar denominated Eurobonds, floated by the Federal Government of Nigeria, as well as top-tier corporates. Subscribers can expect to receive competitive short to medium term capital appreciation on their USD holdings invested in the Fund better than they would receive on domiciliary deposits. The minimum investment is \$1,000 and multiples of \$500 thereafter.

## MARKET REVIEW, OUTLOOK AND STRATEGY

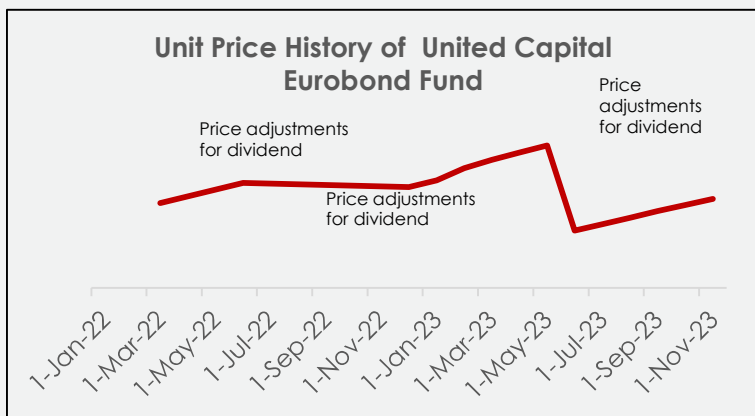
In November, the Eurobond markets saw mixed sentiments from investors. The myriad of indicators that interest rates may have peaked in the United States and Europe spurred bullish sentiments across SSA and Emerging markets Eurobonds. Although the debt sustainability concerns remain unattended to at current highs, Nigeria managed to maintain crude oil production output (excl. condensates) above 1.3mbpd for the second consecutive month.

According to data published by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigeria's crude oil production output (excl. condensates) in October 2023 climbed by 0.3% m/m to print at 1.351mbpd from 1.347mbpd in September 2023. Higher oil prices (Brent) in September and October, both recording an average \$92.59/bbl and \$88.77/bbl respectively, unequivocally means a corresponding increase in the Federal Government's (FGs) oil receipts within these periods. FX volatility concerns remained at large, with the Naira exchanging for N1099.05/\$ as of Friday 8 December 2023 at the Nigerian Autonomous Foreign Exchange Market (NAFEM).

Overall, the positive sentiments from the improved oil receipts and the indications from key central banks in advanced economies regarding monetary policy, outweighed the negative sentiments from the legacy inhibitions as discussed already. Hence, average yields in the secondary market for Eurobonds declined by a significant 83bps m/m to print at 10.57% at the close of the month (previously 11.40%).

**In December, we expect the prevailing sentiments to remain dominant in the Eurobonds market. Positive sentiments on the back of the dominant neutral monetary policy indications by key central banks in advanced economies will most probably outweigh the sentiments from the infamous debt sustainability issue in the SSA region.**

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.



### MATURITY PROFILE OF ASSETS

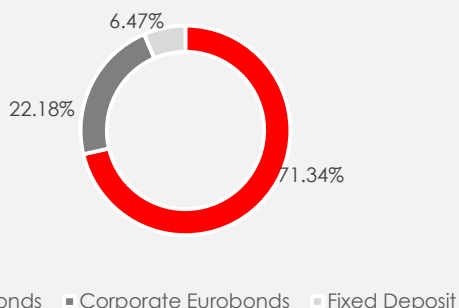
<1yr	0.2%
1-3yr	25.0%
3-5yr	1.0%
5-10yr	10.8%
>10yr	63.0%

### FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	145.2m
NAV Per Share (\$)	123.77
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

\* Inclusive of management fee; Returns are net of all fees

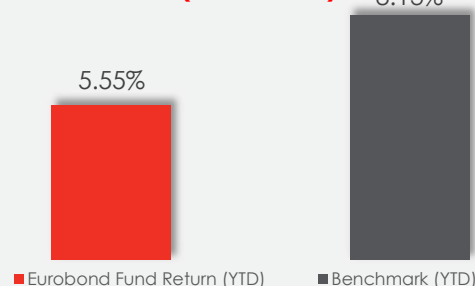
### Current Portfolio Holdings



### Governance Asset Allocation Ranges:

FGN Eurobonds (20%-80%); Corporate Eurobonds (20%-80%); Money Market placements (0% - 20%)

### Eurobond Fund Return Vs Benchmark (Annualized)



### RETURN HISTORY

	2019	2020	2021	2022	YTD
United Capital Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.55%
Benchmark	3.95%	2.17%	4.04%	8.91%	8.13%

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

### PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 0.44% for the month of November. However, the year-to-date return of the fund is 5.55%, lower than the benchmark annualized return of 8.13% within the same period.

In November, the Eurobond markets saw mixed sentiments from investors. The myriad of indicators that interest rates may have peaked in the United States and Europe spurred bullish sentiments across SSA and Emerging markets Eurobonds.

We are expecting the mixed sentiments to continue to play out till year end due to rebalancing and strategic positions for the coming year. We intend to keep investing in short-term bonds with favourable yields and high coupon rates to boost fund performance.

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?

- Much better returns than the average domiciliary deposit
- 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 "Eurobond Fund"
3. Click on "Open an account" and complete the online form
4. Fund the Custody Account detailed here

#### UNITED CAPITAL NIGERIAN EUROBOND FUND

**Account No:** 0406315251

**Account Name:** MAINSTREET TRUSTESS/UNITED CAPITAL NIGERIAN EUROBOND FUND

**Currency:** USD

**Bank:** FCMB

**Correspondent Bank:** CITIBANK, New York, USA,  
399 Park Avenue, New York, NY10043, U.S.A.

**BIC/SWIFT ID:**FCMBNGLAXXX

**Intermediary BIC :** CITIUS33XXX



**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](#)