

United Capital Global Fixed Income Fund

Mutual Funds Factsheet | October 2023

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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

Last month, investors' sentiments were mixed in the global market. This was due to some economic releases. For instance, in October, the report on the US' core Personal Consumption Expenditure (PCE) price index (the Federal Reserve's preferred gauge to measure inflation) was released. The report shows that the US' PCE rose by 3.7% y/y in Sep-2023 from the previous month's estimate of 3.8% y/y. However, monthly, core PCE prices advanced by 0.3% from 0.1% m/m in Aug-2023. Additionally, more reports show that the US economy expanded by 4.9% y/y in Q3-2023, compared to the 2.1% y/y growth in Q2-2023, indicating the resilience of the US economy despite recession woes. The increase in economic activities was supported by higher consumer spending due to higher wages from a tight labor market. This signals that inflationary pressures remain high with solid economic growth, and the Federal Reserve (Fed) may not be cutting rates anytime soon, as this provides more room for them to remain hawkish and keep interest rates elevated.

In Europe, the European Central Bank (ECB) maintained its deposit rate at 4.5%, marking a significant shift from its 15-month streak of rate hikes and reflecting a more cautious "wait-and-see" stance. The decision was influenced by the gradual easing of price pressures and concerns about an impending recession in the region. The central bank reiterated its determination to ensure that inflation returns to its 2.0% target over the medium term, stating that it will maintain interest rates at high levels for a sufficiently extended period until it achieves its objective of 2.0% inflation rate.

Consequently, we witnessed the price of the Bloomberg Global-Aggregate Total Return Index (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) declined by 1.2% m/m due to negative price movements and depreciations of currencies. Meanwhile, the total returns on the Bloomberg Pan-European Aggregate Index climbed slightly by 0.2% following price appreciations in European investment-grade securities.

Looking ahead, we expect the Fed to hold the benchmark federal funds rate at the current range of 5.25% - 5.50% at its next meeting (12 to 13 December 2023). This aligns with the CME Fed Watch Tool, which projects a 99.6% probability of a "HOLD" decision. This is on the back of rising bond yields and geopolitical risks in the region. For Europe, we expect the consistent release of weak economic data to present a possible consideration for the Bank of England (BoE) to halt monetary policy tightening in line with other global central banks.

FUND FEATURES

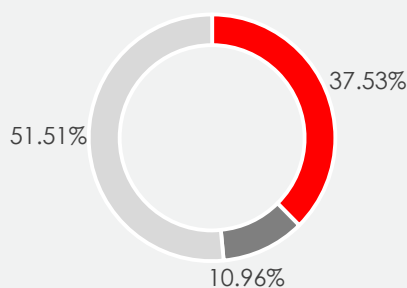
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	23.7Mn
NAV Per Share (\$)	1.0682
Minimum Investment(\$)	50,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.0%
Total Expense Ratio*	2.3%
Benchmark	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	33.04%
1-3yr	6.51%
3-5yr	12.70%
5-10yr	47.74%
>10yr	0.00%

Current Portfolio Holdings

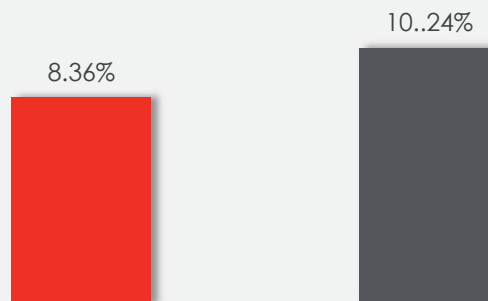


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■

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)



■ Global fixed income Fund Return (YTD) ■ Benchmark (YTD)

RETURN HISTORY

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
United Capital Global Fixed Income Fund	7.12%	5.85%	6.17%	8.43%	8.32%	8.77%	8.74%	8.52%	8.49%	8.36%
Benchmark	9.67%	11.73%	13.07%	12.00%	11.54%	9.83%	9.25%	10.00%	9.89%	10.36%

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

PERFORMANCE REVIEW

The United Capital Global fixed income Fund returned 0.62% for the month of September. However, the year-to-date return of the fund is 8.36%, lower than the benchmark annualized return of 10.24% within the same period.

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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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Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund