

United Capital Nigerian Eurobond Fund | Monthly Fact Sheet

January-22



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

The Nigerian Eurobond market started 2022 on a bullish note, extending the bullish momentum from Dec-2021 into Jan-2022. FGN Eurobonds started the month on a weak note as expectations of policy normalisation by advanced economies led to selloffs across emerging market USD debt instruments. However, stronger oil prices and a recovery in Nigeria's crude production in January reinvigorated investors' appetite as they picked up Eurobonds at lower price, thus supporting a bullish close to the end of the month.

As a result, we saw average yield on FGN Eurobonds climb 11bps m/m to print at 6.6% in Jan-2022, from 6.7% in Dec-2021.

Looking ahead, we believe that the direction for the Eurobond market remains largely tied with developments on policy normalisation in advanced economies. The US Fed has indicated plans to hike interest rates three or four times in 2022 which could spook extended sell pressures on Nigerian Eurobonds. That said, sustained positive developments in the crude oil market could remain a cushion on the negative impact of policy normalisation.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	134.57m
NAV Per Share (\$)	122.91
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	Composite of 3-yr FGN sovereign bond and 3mth US T-Bill
Risk Profile	Low
Investment Style	Income Oriented

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 0.47% for the month of January bringing the Year to date ("YTD") annualized return to 5.48%, better than the benchmark annualised return of 4.00% within the same period.

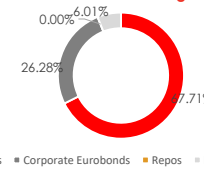
The performance of the Fund was driven largely by mixed demand for emerging market ("EM") sovereign and corporate bonds. Similarly, global oil prices continue to show a positive outlook in the international market as Brent crude prices touched the \$90/barrel mark during the month, on the back of supply concerns.

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.

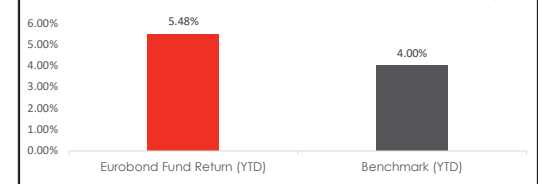
Maturity Profile of Assets

<1 yr	0.2%
1-3yr	2.4%
3-5yr	17.3%
5-10yr	10.9%
>10yr	69.2%

Current Portfolio Holdings



Eurobond Fund Return Vs Benchmark (Annualized)



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

Governance Asset Allocation Ranges:

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

Why choose the Fund?

- Much better returns than the average domiciliary deposit
- A good hedge against depreciation of the Naira
- Seamless Entry and Exit
- Long term capital preservation and growth

Investment Risk

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

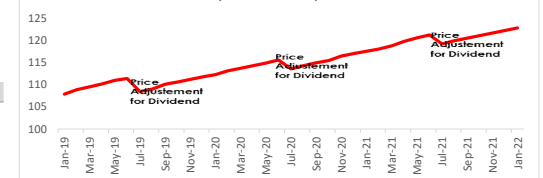
How to participate

1. Log in to our online platform www.investnow.ng
2. Click on "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, NY 10043, U.S.A.
 BIC/SWIFT ID:FCMBNGLAXXX
 Intermediary BIC : CITIUS33XXX

Unit Price History of United Capital Eurobond Fund



Return history

	2018	2019	2020	2021	Jan-22
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	5.48%	5.48%
Benchmark	4.32%	3.95%	2.17%	3.37%	4.00%

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

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The United Capital Nigerian Eurobond Fund is regulated by the Securities and Exchange Commission

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