

United Capital Eurobond Fund | Monthly Fact Sheet



March-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 took a bullish turn in March. FGN Eurobonds witnessed some sell-pressure after the Nigerian government accessed the international capital market in an offer that surprised the markets. The Debt Management Office announced the successful issuance of a new Eurobond tranche, raising \$1.25bn at 8.375% for a seven-year tenor instrument. Nigeria revised the offer from 8.5% due to strong investor demand, and the price was tightened to 8.375% per annum. The Eurobond offer was oversubscribed by 2.9x, showing strong investor interest in the Nigerian capital market.

Following the completion of the sovereign Eurobond issuance, secondary market yields moved higher to reflect the auction's outcome. Similarly, the corporate Eurobond market saw significant sell-pressure in the wake of the increased yield for the sovereign issuance with average yields rising by 330bps during the month.

The direction of the Eurobond yields lies heavily on the increased policy normalisation in advanced economies. On the one hand, we expect the current Russia-Ukraine geopolitical tensions to drive rates northwards, albeit slightly. On the other hand, oil prices are likely to remain high, thanks to demand shortages induced by geopolitical tensions and tighter global crude supplies and thus, keep a lid on yields.

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

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	126.46m
NAV Per Share (\$)	123.95
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 0.45% for the month of March bringing the Year to date ("YTD") annualized return to 5.44%, better than the benchmark's annualised return of 4.23% for the same period.

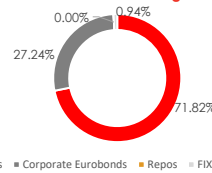
The performance of the Fund was driven largely by mixed demand for emerging market ("EM") sovereign and corporate bonds. Furthermore, global oil prices continue to accelerate in the international market as Brent crude price crossed the \$100/barrel mark during the month, on the back of supply concerns.

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.

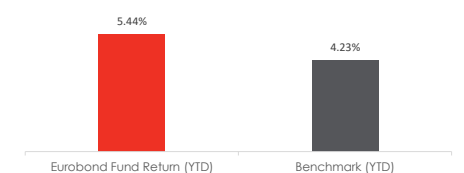
Maturity Profile of Assets

<1 yr	0.2%
1-3yr	2.0%
3-5yr	16.8%
5-10yr	17.5%
>10yr	63.5%

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
- 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 "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: FCB

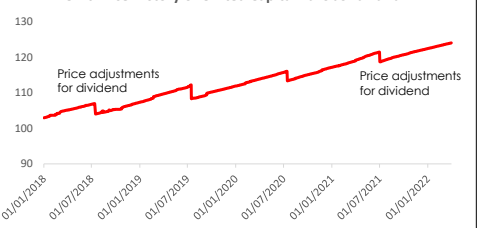
Correspondent Bank: CITIBANK, New York, USA,

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	YTD
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	6.84%	5.44%
Benchmark	4.32%	3.95%	2.17%	4.04%	4.23%

*represents the Fund's Annualized return vs the benchmark's Annualized return

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.