

# United Capital Eurobond Fund | Monthly Fact Sheet



April-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

Inflation in the US had accelerated to 8.5% in March, up from 7.9% in February and marked a forty year high. A jump in petrol and food prices, in the wake of the Ukrainian conflict underpinned the latest inflation reading. Although the Federal Reserve had raised rates in March - the first since 2018 - it had indicated that multiple hikes were still on the way as it seeks to tamp down rising inflation.

Consequently, in the secondary Eurobond market, average yields rose by 188bps m/m as investors fled emerging markets.

In a similar vein, the corporate Eurobond market was met with significant sell pressure and as a result, average yields rose by 102bps in April.

**We expect the current hawkish stance of the Fed to continue to drive the yield environment in the Eurobond market. As a result, we expect the current bearish sentiments in the Eurobond space to persist in the coming months.**

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	131.04m
NAV Per Share (\$)	124.46
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

In April, the United Capital Nigerian Eurobond Fund returned 0.42% and year-to-date annualized return stood at 5.42%. The Fund's performance exceeded benchmark's annualised return of 4.47% for the same period.

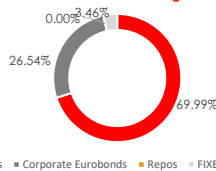
The performance of the Fund during the period was underpinned by mixed sentiments in the emerging market ("EM") sovereign and corporate bonds' space. Crude oil, a major source of FX to many some sovereign and corporate issuers maintained its uptrend, with Brent closing the month near the \$110/barrel mark.

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.

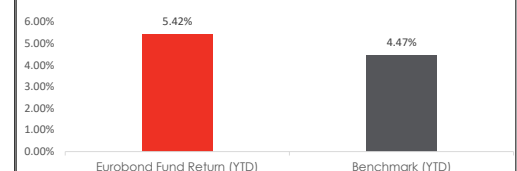
### Maturity Profile of Assets

<1 yr	0.2%
1-3yr	2.1%
3-5yr	17.3%
5-10yr	13.3%
>10yr	67.1%

### 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

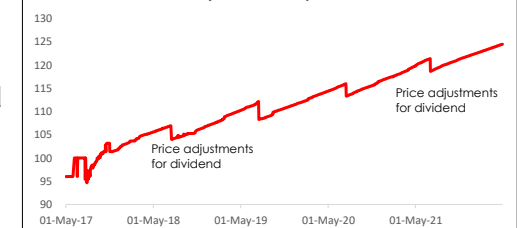
- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

### How to participate

1. Log in to our online platform [www.investnow.ng](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: FCBM  
 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 for United Capital Eurobond Fund



### Return history

	2018	2019	2020	2021	YTD
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	6.84%	5.42%
Benchmark	4.32%	3.95%	2.17%	4.60%	4.47%

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

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

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.