

United Capital Eurobond Fund | Monthly Fact Sheet



July-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

In July, the Nigerian Eurobond market closed on a bearish note, following increased monetary policy normalisation globally. The US Fed continued its aggressive monetary stance, hiking the rate further by 75bps. The Bank of England (BoE) also hiked rates further by 50bps at the start of August as inflationary pressures persisted. Consequently, this led to continued sell pressures in the secondary Eurobond market.

Increased monetary policy globally led the Mpc to hike the benchmark interest rate by 100bps to 14.0% in response to rate hikes in developed economies. Thus, average yields on Nigerian Sovereign Eurobonds fell by 19bps m/m to print at 13.20% (previously 12.98%).

In August, we expect continued mild bearish sentiment to persist for Nigeria's Sovereign Eurobonds, as we expect selloffs will be largely moderated by domestic managers' appetite for dollar-domiciled instruments.

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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.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	175.24m
NAV Per Share (\$)	122.18
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 July, the United Capital Nigerian Eurobond Fund returned 0.42% and year-to-date annualized return stood at 5.55%. The Fund's Annualized benchmark return was 9.23% for the same period.

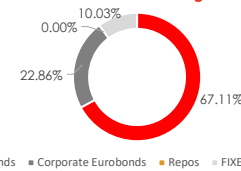
The performance of the Fund during the period was underpinned by mixed sentiments in the emerging market ("EM") sovereign and corporate bonds' space as yields suffered the effect of renewed demand seen on U.S. Treasuries on the back of rising yields attributed to the rate hike. Crude oil, a major source of FX to many some sovereign and corporate issuers maintained its uptrend, with Brent closing the month at \$121/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	17.8%
3-5yr	2.0%
5-10yr	12.7%
>10yr	67.3%

Current Portfolio Holdings



* 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: FCMIB

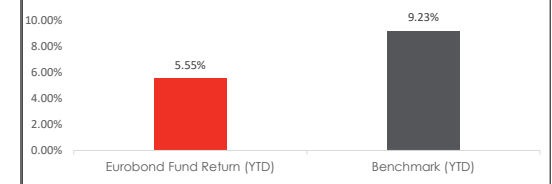
Correspondent Bank: CITIBANK, New York, USA.

399 Park Avenue, New York, NY 10043, U.S.A.

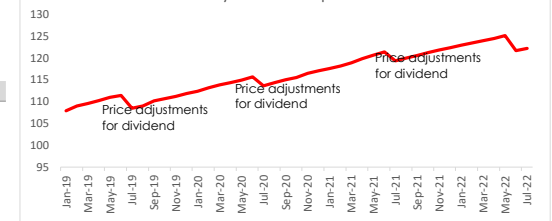
BIC/SWIFT ID:FCMBNGLAXXX

Intermediary BIC: CITIUS33XXX

Eurobond Fund Return Vs Benchmark (Annualized)



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%	5.55%
Benchmark	4.32%	3.95%	2.17%	4.04%	9.23%

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