

United Capital Eurobond Fund | Monthly Fact Sheet



August-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 August, the Nigerian Eurobond closed on a bearish note. Average yields on FGN Eurobonds climbed 10bps m/m to print at 12.6% due to continued sell-offs by foreign investors who are exiting regions with mismatched risk premia as sovereigns in developed markets maintain hawkish monetary policies and global interest rates continue inching north. Coupon inflows for the month amounted to c. \$151.8mn.

Going forward, the Eurobond market's performance will largely depend on the outcome of the FOMC meeting on the 20th-21st. The Fed chair iterated the need to take rates into the restrictive territory and hold them at higher levels for some time until the Fed is confident inflation is returning to the Federal Open Market Committee's 2.0% goal; this could lead to potential sell-offs in sovereign Eurobond instruments. However, we expect yields to be oscillated by increased buy interest from local asset managers seeking to hedge against foreign exchange risk.

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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 (\$)	182.57m
NAV Per Share (\$)	122.98
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	Composite of 3-yr FGN sovereign bond and 3mth US T-Bill
Risk Profile	Low
Investment Style	Income Oriented

PERFORMANCE REVIEW

In August, the United Capital Nigerian Eurobond Fund returned 0.64% and year-to-date annualized return stood at 5.76%. The Fund's 'Annualized benchmark' return was 8.59% for the same period.

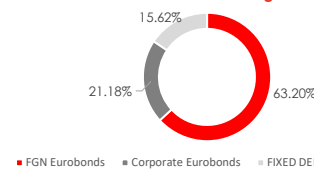
The performance of the Fund during the period was underpinned by mixed sentiments in the emerging market ("EM") sovereign and corporate bonds' space as yields suffered the effect of renewed demand seen on U.S. Treasuries on the back of rising yields attributed to expectation of a further rate hike in order to tackle inflation. Crude oil, a major source of FX to many some sovereign and corporate issuers slumped below the \$100 market as a result of demand concerns, with Brent closing the month at \$96/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	18.6%
3-5yr	2.0%
5-10yr	12.5%
>10yr	66.7%

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

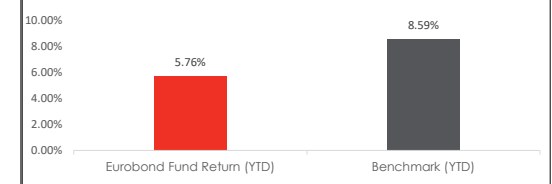
Correspondent Bank: CITIBANK, New York, USA,

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

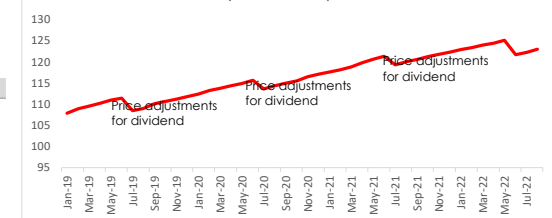
BIC/SWIFT ID: FCMIBGLAXXX

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%	5.76%
Benchmark	4.32%	3.95%	2.17%	4.04%	8.59%

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