

# United Capital Eurobond Fund | Monthly Fact Sheet



November-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 November, the Nigerian Eurobonds market was mostly met with bullish sentiments from investors, despite the hawkish stance across major central banks of advanced economies in the period under review, particularly the Fed.

We note that the bulk of the observed bullish sentiments came from local investors in the aftermath of the CBN's announcement to redesign the Naira, as they sought to take swift dollar-denominated positions to avoid getting caught in the web of the new policy from the CBN.

Also, we note that toward the end of the month, coupon payments to the tune of \$148.6mn hit the system, further bolstering investors' bullish sentiments toward the market as they reinvested their funds back into the market. As a result, average yields in the secondary market for Eurobonds declined significantly, down by 2.7ppts m/m to close the month at 11.7%.

In December, we expect bearish sentiments to return to the market, as bullish sentiments on the back of the CBN's policy to redesign the Naira gradually fades into the background. Also, another upside for our expectation is the zero expected coupon payments for the period.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	166.43m
NAV Per Share (\$)	124.79
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 November, the United Capital Nigerian Eurobond Fund returned 0.45% and year-to-date annualized return stood at 5.78%. The Fund's Annualized benchmark' return was 9.37% for the same period.

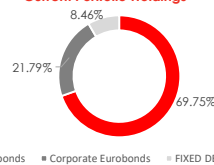
The performance of the Fund during the period was underpinned by bullish sentiments in the emerging market ("EM") sovereign and corporate bonds' space as US inflation data for the month printed lower than expected indicating a slow-down in inflation pressure.

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	18.8%
3-5yr	0.9%
5-10yr	12.4%
>10yr	67.7%

### 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

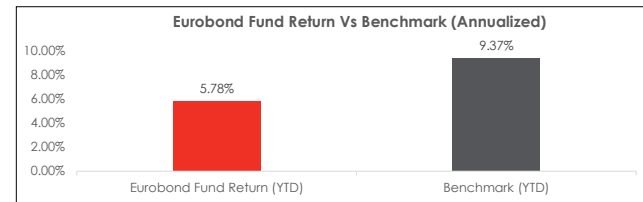
- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

### How to participate

1. Log in to our online platform [www.investnow.ng](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 TRUSTEE/UNITED CAPITAL NIGERIAN EUROBOND FUND  
 Currency: USD  
 Bank: FCMB  
 Correspondent Bank: CITIBANK, New York, U.S.A.  
 399 Park Avenue, New York, NY 10043, U.S.A.  
 BIC/SWIFT ID:FCIMNGLXXX  
 Intermediary BIC: CITIUS33XXX



### Return history

	2018	2019	2020	2021	YTD
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	6.84%	5.78%
Benchmark	4.32%	3.95%	2.17%	4.04%	9.37%

\* 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.