

United Capital Eurobond Fund | Monthly Fact Sheet



December-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 December, the Nigerian Eurobonds market remained relatively calm, with trading activity remaining suppressed due to apathy from sellers and the holiday breaks. In addition, the absence of coupon inflows also affected trading activity in the month. However, the sovereign Eurobond market turned bearish during the month as average yields rose by 25bps m/m to close the month at 11.9%.

In January, we expect improved activities in the Eurobonds space primarily driven by currency hedgers and currency speculators in the coullisse of the upcoming presidential elections. In addition, c.\$94.4mn worth of coupon payments will hit the system within the month, further bolstering buying strength in the market.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	169.22m
NAV Per Share (\$)	125.75
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

The United Capital Nigerian Eurobond Fund returned 0.44% for the month of December bringing the Full year 2021 return to 5.73%, lower than the benchmark annualised return of 8.91% within the same period.

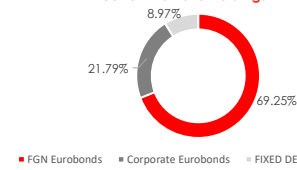
The performance of the Fund was driven largely by dampened sentiments for emerging market ("EM") sovereign and corporate bonds underpinned by recession worries from over tightening in the US and easing of covid measures in China. However, the Eurobond market rallied towards the end of the year on the back of better than expected US labor data boosting hopes that the economy will dodge a recession and giving the US Fed room to slow interest rate hikes in year 2023.

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	20.4%
3-5yr	0.6%
5-10yr	12.7%
>10yr	66.1%

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

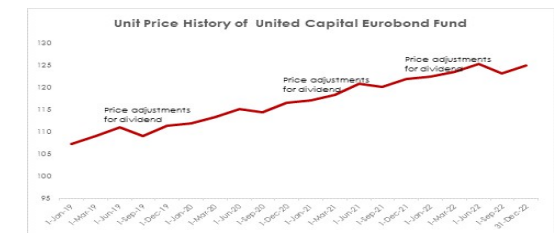
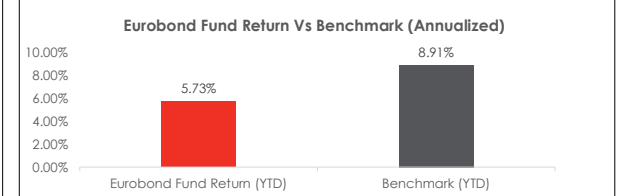
- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

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
 Currency: USD
 Bank: FCMIB
 Correspondent bank: CITIBANK, New York, U.S.A.
 399 Park Avenue, New York, NY10043, U.S.A.
 BIC/SWIFT ID: FCMIBNL33XXX
 Intermediary BIC: CITIUS33XXX



Return history

	2018	2019	2020	2021	2022
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	6.84%	5.73%
Benchmark	4.32%	3.95%	2.17%	4.04%	8.91%

* 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.