

United Capital Global Fixed Income Fund | Monthly Fact Sheet



May-23

FUND OBJECTIVE

The United Capital Global Fixed Income Fund is an actively managed open-ended specialized fund whose main objective is to achieve consistent income streams through investment in select dollar-denominated global fixed income securities issued by non-Nigerian issuers, sovereign as well as top-tier corporate Eurobonds. The fund is targeted at investors looking to diversify their portfolios from country specific investment risks. The Fund will also provide portfolio managers access to diversify their portfolio and income streams, whilst providing long-term capital appreciation. The minimum investment is \$50,000 and multiples of \$1000 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

The global fixed income markets were bearish as investors saw losses in total returns month-on-month. The Bloomberg GlobalAgg Index, a multi-currency benchmark which tracks global investment grade debt from many local currency markets, including treasury, government-related, corporate, and securitised fixed-rate bonds, had a negative return with a -0.44% return m/m and -0.22% return YTD. In the U.S., hawkish commentary by U.S. federal reserve officials boosted yields. This was as the Dallas Fed President signalled support for additional rate hikes as soon as June, while Fed Chair, Jerome Powell pushed back against market pricing for rate cuts later this year. U.S. Treasury yields increased across maturities. In other regions, the Bloomberg Asian-Pac Global aggregate index had a -0.22% m/m return.

For most of the month of May, the Nigerian Eurobonds market was bearish, the secondary market saw sell pressure from investors resulting in an uptick in average yields. The bearish sentiments were driven by a combination of factors including additional concerns about the Nigeria's debt sustainability following the senate's approval for the securitisation of the N22.7 trillion loans the Central Bank of Nigeria (CBN) extended to the Federal Government under its "Ways and Means Provision". Furthermore, the recent slowdown in oil production and the decline in global crude oil prices & a pessimistic oil market outlook left the Eurobonds market jilted by investors. Hence, Brent crude futures prices declined by 9.6% m/m to close at \$72.14/bbl.

This month the direction of yields would remain hinged on the direction of monetary authorities. We expect that the U.S. Fed's 'Higher for longer' theme will remain as it battles inflation. This is likely to cause additional market volatility. In this environment of attractive prices and yields, we expect investors to selectively take on risk through credit selection as they search for bonds with solid fundamentals and favourable income. Also, emerging market debt is poised for a rebound, particularly in Asia. The key risk to our expectations is if inflation fails to moderate, this will weigh on asset prices and may cause policymakers to tighten too rapidly, undermining global economic expansion.

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	11.5Mn
NAV Per Share (\$)	1.0327
Minimum Investment(\$)	50,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	2.0%
Total Expense Ratio*	2.3%
Benchmark	3-yr FGN sovereign Eurobond
Risk Profile	Medium
Investment Style	Income Oriented

PERFORMANCE REVIEW

The United Capital Global fixed income Fund returned 0.69% for the month of May. However, the year to date return of the fund is 8.32%, lower than the benchmark annualised return of 11.54% within the same period.

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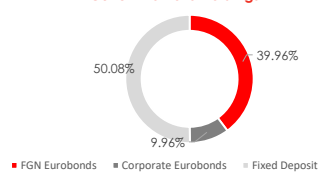
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We will continue to maintain the required allocation ranges in line with the Trust Deed, and tactically pick higher yielding maturities in the sovereign bond space to enhance the performance of the fund.

Maturity Profile of Assets

<1 yr	18.5%
1-3yr	20.2%
3-5yr	1.7%
5-10yr	59.7%
>10yr	0.0%

Current Portfolio Holdings



* Inclusive of management fee: Returns are net of all fees

Governance Asset Allocation Ranges:

FGN Eurobonds (50%-70%); Corporate Eurobonds (50%-70%); Money Market placements (30% - 50%)
 Global Fixed Income securities(0%-20%), Alternative Investment Assets denominated in USD (0%-20%)

Why choose the Fund?

- Delivers significantly higher returns than regular domiciliary bank deposits
- A good hedge against depreciation of the Naira
- Seamless Entry and Exit
- Professional management with robust risk framework
- Long term capital preservation and growth

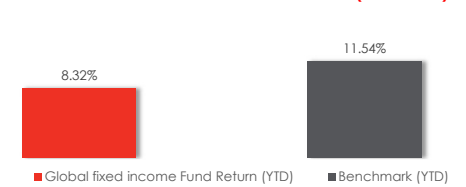
How to participate

1. Log in to our online platform www.investnow.ng
2. Click on "Global fixed income Fund"
3. Click on "Open an account" and complete the online form
4. Fund the Custody Account detailed here [→](#)

UNITED CAPITAL GLOBAL FIXED INCOME FUND

Account Name: EAC Trustees/ United Capital Global Fixed Income Fund
 Account No: 0045814566
 Currency: USD
 Bank: STANBIC IBTC
 Correspondence : Citibank N.A 111 Wall Street, New York N/A
 Swift Code : CITIUS33XXX ABA 021000089

Global Fixed Income Fund Return Vs Benchmark (Annualized)



Investment Risk

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

Return history

	Jan-23	Feb-23	Mar-23	Apr-23	May-23
United Capital Global Fixed Income fund	7.12%	5.85%	6.17%	8.43%	8.32%
Benchmark	9.67%	11.73%	13.07%	12.00%	11.54%

*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.