

United Capital Eurobond Fund | Monthly Fact Sheet



June-23

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 June, the Nigerian Eurobonds market closed on a bearish note as investors' bias against SSA Eurobonds trickled into the Nigerian Eurobonds market.

The pressure for higher rates resumed in tandem with sentiments in Sub-Saharan African (SSA) region as we observed selloffs across the curve.

In addition, concerns about the nation's debt sustainability following the depreciation of the Naira and its projected increase in foreign debts and servicing costs.

Notably, the Federal Government announced the unification of the foreign exchange rates, deregulating the market. Based on the foregoing, investors' sentiment was broadly bearish as the average yield on Nigerian Eurobonds climbed by 119bps to print at 12.83% (previously 11.64%).

Looking ahead, we expect the Nigerian Eurobonds market to witness bullish sentiments across the curve. This is hinged on the expectation of inflows totalling \$594.4mn during the month (\$94.4mn coupon payments and \$500.0mn maturity). We expect this to drive renewed buy-interests in the market as investors look to reinvest their funds in the market.

Contact Us:

Emmanuel Akehomen | +234-703-180-3064

emmanuel.akehomen@unitedcapitalplcgroup.com

Asset Management | +234-1-631-7876

mutualfunds@unitedcapitalplcgroup.com

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	149.97m
NAV Per Share (\$)	121.01
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 Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 0.40% for the month of June. However, the year to date return of the fund is 5.87%, lower than the benchmark annualised return of 8.43% within the same period.

In June, the Nigerian Eurobonds market closed on a bearish note as investors' bias against SSA Eurobonds trickled into the Nigerian Eurobonds market. The pressure for higher rates resumed in tandem with sentiments in Sub-Saharan African (SSA) region as we observed selloffs across the curve. In addition, concerns about the nation's debt sustainability following the depreciation of the Naira and its projected increase in foreign debts and servicing costs. Notably, the Federal Government announced the unification of the foreign exchange rates, deregulating the market. Based on the foregoing, investors' sentiment was broadly bearish as the average yield on Nigerian Eurobonds climbed by 119bps to print at 12.83% (previously 11.64%).

In the course of the month, the Fund issued an annual dividend payment of \$7.9486 per unit to unitholders, representing the dividend distribution for the full financial year of 2022.

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.



* 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

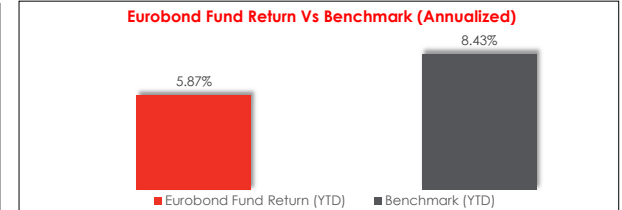
Bank: FCBMB

Correspondent Bank: CITIBANK, New York, USA,

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

BIC/SWIFT ID:FCMBNGLAXXX

Intermediary BIC: CITIUS33XXX



Return history

	2019	2020	2021	2022	YTD
United Capital Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.87%
Benchmark	3.95%	2.17%	4.04%	8.91%	8.43%

* 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.