

United Capital Global Fixed Income Fund | Monthly Fact Sheet



June-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 county 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 \$1,000 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

The global fixed-income markets were bearish as investors recorded m/m losses in their total returns in June. The Bloomberg GlobalAgg Index (a multi-currency benchmark which tracks global investment grade debt instruments from several local currency markets, including treasury, government-related, corporate, and securitised fixed-rate bonds) recorded a marginal negative return of 1bps m/m. In the U.S., the Federal Reserve decided to HOLD its benchmark interest rate constant at 5.25% as economic data release points to a slowing down in inflationary pressures.

In Europe, the Bank of England (BoE) hiked its interest rate by 50bps (higher than market expectations) to 5.0% from 4.5%. Similarly, the European Central Bank (ECB) increased its rate by 25bps to 4.00% from 3.75%. Due to the interest rate hikes and related economic indicators, the fixed-income market remained depressed. Thus, the Bloomberg Euro Aggregate Index lost 0.3% m/m in terms of returns. Conversely, in the Asian market, the Bloomberg Asian-Pac Global aggregate index recorded a 1.3% m/m increase in returns.

The Nigerian Eurobonds market closed the month of June 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 July, we expect the monetary authorities' decisions on interest rates across the globe to determine the direction of yields in the markets. In the U.S., we expect a consideration for a hike in interest rates, albeit marginal, as inflation remains above the Fed's target rate of 2.0%. In addition, economic data releases regarding activities in the labour market will be another key consideration. Elsewhere, the monetary authorities in the UK and Europe have hinted that they will continue to be aggressive in their rate hikes as inflation remains sticky in the zone.

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	12.6Mn
NAV Per Share (\$)	1.0416
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 0.86% for the month of June. However, the year to date return of the fund is 8.77%, lower than the benchmark annualised return of 9.83% within the same period.

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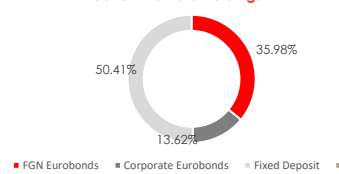
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We will continue to maintain the required allocation ranges in line with the Trust Deed, and tactically pick higher yielding maturities in the sovereign bond space to enhance the performance of the fund.

Maturity Profile of Assets

<1 yr	22.6%
1-3yr	17.0%
3-5yr	1.6%
5-10yr	58.7%
>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

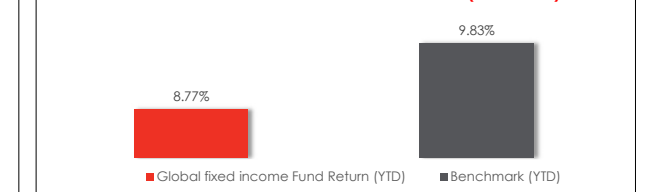
Currency: USD

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	Jun-23
United Capital Global Fixed Income fund	7.12%	5.85%	6.17%	8.43%	8.32%	8.77%
Benchmark	9.67%	11.73%	13.07%	12.00%	11.54%	9.83%

*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.