

United Capital Eurobond Fund | Monthly Fact Sheet



August-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 August, the Nigerian Eurobonds market closed on a bearish note as investors' bias against Sub-Saharan African (SSA) Eurobonds trickled into the Nigerian Eurobonds market.

Despite coupon inflows of \$151.8mn that sparked mild-buy interests during the month, the pressure for higher rates was more dominant in tandem with sentiments in the SSA region. Thus, we observed selloffs across the curve as concerns about the Nigeria's debt sustainability and Foreign Exchange (FX) volatility weighed on investors sentiments. Consequently, the average yield on Nigerian Eurobonds surged significantly by 134bps to print at 11.34% (previously 10.00%).

Looking ahead, we expect the bearish sentiments in the Nigerian Eurobonds market to linger in the month of September. This is on the back of the persistent FX volatility and the high global interest rate environment, which has led to capital flights. Additionally, the uncertainties in the political climate of Western African countries (military takeovers in Niger, Gabon, and the unrest in DR Congo) will further drive selloffs in the market.

However, we note that there will be pocket of mild buy-interests in the market. This is hinged on the expectation of coupon inflows totalling \$197.5mn at the tail-end of the month. We expect this to drive renewed buy-interests in the market as investors look to reinvest their funds in the market. Overall, we expect the Nigerian Eurobonds market to be broadly bearish in September 2023.

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	149.2m
NAV Per Share (\$)	122.13
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 0.46% for the month of August. However, the year to date return of the fund is 5.70%, lower than the benchmark annualised return of 8.60% within the same period.

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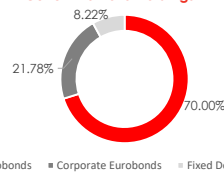
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We will continue to maintain the required allocation ranges in line with the Trust Deed, and tactically pick higher yielding maturities in the sovereign bond space to enhance the performance of the fund.

Maturity Profile of Assets

<1 yr	0.2%
1-3yr	23.1%
3-5yr	1.0%
5-10yr	11.2%
>10yr	64.5%

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

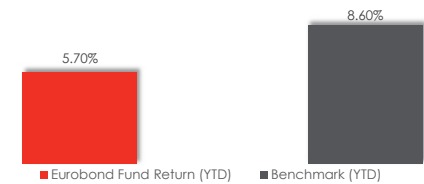
How to participate

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 [→](#)

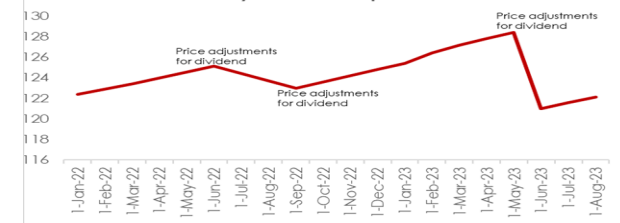
UNITED CAPITAL NIGERIAN EUROBOND FUND

Account No: 0406315251
 Account Name: MAINSTREET TRUSTESS/UNITED CAPITAL NIGERIAN EUROBOND FUND
 Currency: USD
 Bank: FCMB
 Correspondent Bank: CITIBANK, New York, USA,
 399 Park Avenue, New York, NY 10043, U.S.A.
 BIC/SWIFT ID:FCMBNGLAXXX
 Intermediary BIC : CITIUS33XXX

Eurobond Fund Return Vs Benchmark (Annualized)



Unit Price History of United Capital Eurobond Fund



Return history

	2019	2020	2021	2022	YTD
United Capital Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.77%
Benchmark	3.95%	2.17%	4.04%	8.91%	8.60%

*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.