

# United Capital Global Fixed Income Fund | Monthly Fact Sheet



August-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

US Treasury yields continued northward for the most part of August, with stronger economic growth in the US increasing the risks of further rate hikes by the Fed. Even though inflation in the US has been met with consistent decline, plunging by 3.2ppts from 6.4% in January 2023 to 3.2% in July 2023. The Fed Chair, Jerome Powell, reaffirmed the Fed's determination to keep a tight rein on inflation, toward its 2.0% target. On 30 August 2023, US economic growth was revised lower to 2.1% from 2.4%, indicating a still-solid pace in Q2-2023, with momentum appearing to have picked up early in Q3-2023, as a tight labour market underpins consumer spending. For context, wages in the United States increased from \$27.64/hr in July 2022 to \$28.94/hr in July 2023, representing a 4.8% y/y increase. However, during the August 2023 Jackson Hole symposium, the Fed Chair also disclosed that the Fed intends to "hold policy at a restrictive level until confidence is attained that inflation is moving sustainably down toward its 2.0% target".

The Bloomberg US Treasury Index (which tracks US fixed rates, and nominal debt issued by the US Treasury) and the Bloomberg GlobalAgg Index (which tracks global investment grade debt from many local currency markets, including treasury, government-related, corporate, and securitised fixed-rate bonds from both developed and emerging market issuers) both saw an upward nudge in yields in August 2023, with US Treasuries climbing by 10bps and the GlobalAgg Index by 9bps.

Looking ahead, we foresee another mild hike by the Fed in its September 2023 meeting, supported by the recent indications by the Fed Chair. Also, we are of the opinion that the anticipated US CPI inflation number for August 2023 (which is expected to be released on 13 September 2023) will stand as a strong consideration by the Fed in its next meeting (19th – 20th September 2023). That said, we expect US treasuries to continue to inch higher in September, with the yields in the fixed income resuming on a northward trend, which began on 22 August 2023. For Europe, we expect the consistent release of weak economic data to present a possible consideration for a halt in monetary policy tightening.

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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2023
Fund Size (\$)	15.9Mn
NAV Per Share (\$)	1.0550
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 0.58% for the month of August. However, the year to date return of the fund is 8.52%, lower than the benchmark annualised return of 10.00% within the same period.

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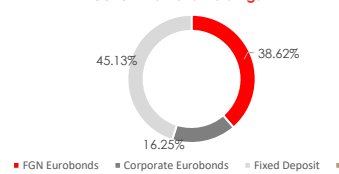
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We will continue to maintain the required allocation ranges in line with the Trust Deed, and tactically pick higher yielding maturities in the sovereign bond space to enhance the performance of the fund.

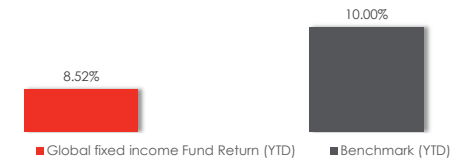
## Maturity Profile of Assets

<1 yr	44.9%
1-3yr	10.7%
3-5yr	5.3%
5-10yr	39.1%
>10yr	0.0%

## Current Portfolio Holdings



## Global Fixed Income Fund Return Vs Benchmark (Annualized)



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

## Governance Asset Allocation Ranges:

Nigerian Eurobonds- FGN Sovereign and Corporates (50%-70%); Money Market Instruments (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](http://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

## Investment Risk

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

## Return history

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
United Capital Global Fixed Income Fund	7.12%	5.83%	6.17%	8.43%	8.32%	8.77%	8.74%	8.52%
Benchmark	9.67%	11.73%	13.07%	12.00%	11.54%	9.83%	9.25%	10.00%

\*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.