

United Capital Nigerian Eurobond Fund | Monthly Fact Sheet



April-21

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

The Nigerian Eurobond market was largely positive in April due to decline in US yields and steadiness in the oil market. In the Sovereign Eurobond secondary market, average yield closed lower by 42bps m/m to print at 5.8% at the end of Apr-2021.

In the Corporate Eurobond secondary market, average yield crashed 915bps m/m to close at 3.7% at the end of Apr-2021. The crash in yield signifies SEPLAT's Eurobond redemption before maturity in a move to refinance at a lower coupon rate. Excluding the impact of SEPLAT's Eurobond redemption, change in average yield in the Corporate Eurobond secondary market would have been an upward movement of 40bps (3.73% vs 3.33% excl. SEPLAT in Mar-2021).

Looking ahead, yield movements in the US will remain a critical driver of activities on Nigerian sovereign Eurobond. In addition, we highlight that strong positive sentiments on crude prices could offset any potential negative impact from rising yields in developed markets.

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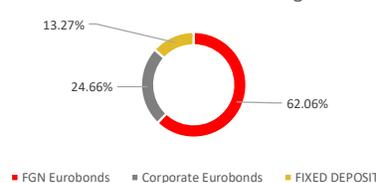
The United Capital Eurobond Fund is regulated by the Securities and Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	86.32m
NAV Per Share (\$)	119.85
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	Composite of 3-yr FGN sovereign bond and 3mth US T-Bill
Risk Profile	Low
Investment Style	Income Oriented

Maturity Profile of Assets

<1 yr	0.4%
1-3yr	14.4%
3-5yr	13.9%
5-10yr	0.5%
>10yr	70.8%

Current Portfolio Holding



* 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:FCMBNGLXXX
 Intermediary BIC : CITIUS33XXX

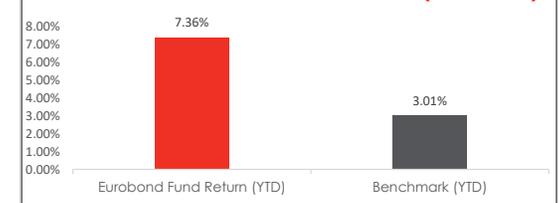
PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 0.84% for the month of April bringing the Year to date ("YTD") annualized return to 7.36%, better than the benchmark annualised return of 3.01% within the same period.

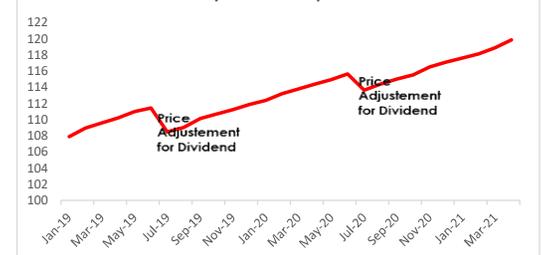
The performance of the Fund was driven largely by mixed demand for emerging market ("EM") sovereign and corporate bonds as yields suffered the effect of renewed demand seen on U.S. Treasuries on the back of rising yields. Similarly, global oil prices continue to show a positive outlook in the international market as brent crude prices stabilized below \$65/barrel during the month.

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.

Eurobond Fund Return Vs Benchmark (Annualized)



Unit Price History of United Capital Eurobond Fund



Return history

	2018	2019	2020	YTD
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	7.36%
Benchmark	4.32%	3.95%	2.17%	3.01%

Fast performance is not a reliable indicator of future performance. 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.