

United Capital Nigerian Eurobond Fund | Monthly Fact Sheet



June-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 recorded a bearish performance in June 2021 despite a strong rally in crude prices as well as stability in US yields, as selloffs on Nigerian Eurobonds towards the end of the month weighed. In the Sovereign Eurobond secondary market, average yield closed higher by 177bps month on month (m/m) to print at 7.5% at the end of June 2021.

Similarly, in the corporate Eurobond secondary market, average yield surged 441bps m/m to close at 8.0% at the end of June 2021. Noteworthy to mention, Seplat's newly issued \$350.0m Eurobond was officially listed on FMDQ during the month.

Looking ahead, yield movements in the US and performance of the crude oil market will remain key drivers of sentiments of the performance of Nigerian Eurobonds

Emmanuel Akehomen | +234-703-180-3064

emmanuel.akehomen@unitedcapitalplcgroup.com

Asset Management | +234-1-631-7876

mutualfunds@unitedcapitalplcgroup.com

The United Capital 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.

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	137.28m
NAV Per Share (\$)	121.35
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

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund returned 0.56% for the month of June bringing the Year to date ("YTD") annualized return to 7.47%, better than the benchmark annualised return of 3.09% within the same period.

The performance of the Fund was driven largely by mixed demand for emerging market ("EM") sovereign and corporate bonds especially the new ETI issue which was the most sort after bond in recent times. Similarly, global oil prices continue to show a positive outlook in the international market as brent crude prices stabilized around \$71/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.

Maturity Profile of Assets

<1 yr	0.3%
1-3yr	9.8%
3-5yr	17.1%
5-10yr	8.4%
>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
- Long term capital preservation and growth

Investment Risk

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

How to participate

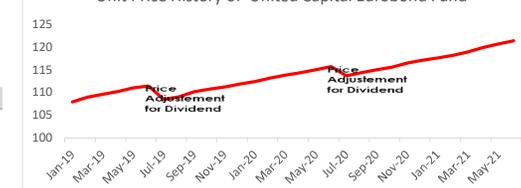
1. Log in to our online platform www.investnow.ng
2. Click on "Eurobond Fund"
3. Click on "Open an account" and complete the online form
4. Fund the Custody Account detailed here [→](#)

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

	2018	2019	2020	YTD
United Capital Nigerian Eurobond Fund	7.13%	8.00%	7.10%	7.47%
Benchmark	4.32%	3.95%	2.17%	3.09%

* Represents The Fund's Annualized Return vs the Benchmark's Annualized Return