

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | April 2025

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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 Eurobonds market witnessed an extended bearish run in Apr-2025. There was strong sell-pressure across the curve, building on the negative sentiment from the previous month (Mar-25). The Nov-2027 Eurobond experienced the most significant selling pressure, as its yield rose by 95bps m/m to settle at 9.33%. The Feb-2030 Eurobond also saw notable selloffs, with its yield rising by 88bps m/m to settle at 10.78%. Investor sentiment weakened broadly, particularly in mid-to-long-dated maturities such as those maturing in 2029, 2030, 2031, 2032, and 2033 reflects a rise in yields by 60bps - 95bps. The performance of the Nigerian Eurobond market in April was influenced by a combination of both global and domestic factors. On the global front, uncertainties related to tariff wars and the cautious approach of central banks toward interest rate cuts contributed to a risk-off sentiment among investors. This, in turn, led to weaker demand for frontier market assets, including Nigerian Eurobonds. Domestically, Nigeria's high inflation rate of 24.23%, and concerns around fiscal discipline, remained a significant demotivator, further eroding investor confidence in the market. Similarly, the absence of coupon payments in April 2025 contributed to a lack of investor enthusiasm. Consequently, the average yields on the Eurobonds in the secondary market rose by 73bps m/m to settle at 10.57% (previously, 9.64%).

Looking ahead, we expect bearish sentiment towards the Nigerian Eurobond market to persist in May-2025.

Also, potential escalations in global geopolitical tensions, particularly in regions like Eastern Europe and the Middle East will continue to dampen overall risk sentiment and lead investors to move towards safer assets, potentially triggering selloffs in emerging market Eurobonds (inclusive of Nigeria). On the domestic front, persistent high inflation, rising debt profile and high debt-service-to-revenue ratio, FX shortages and uncertainty around naira's true value will continue to impact the Eurobond market negatively.

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 FEATURES

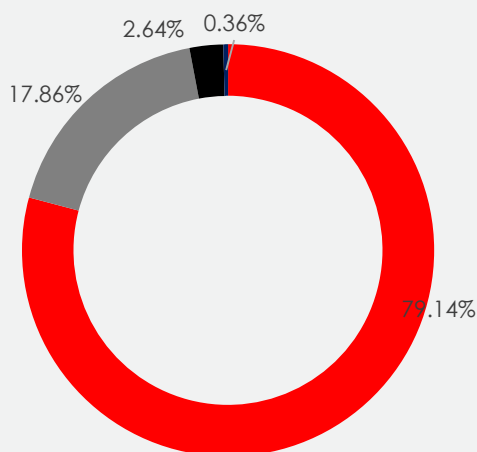
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	113.5m
NAV Per Share (\$)	127.2650
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	1.35%
Total Expense Ratio*	1.68%
Benchmark	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

* Inclusive of management fee; Returns are net of all fees

MATURITY PROFILE OF ASSETS

<1yr	10.23%
1-3yr	3.69%
3-5yr	2.72%
5-10yr	16.68%
>10yr	66.69%

Current Portfolio Holdings

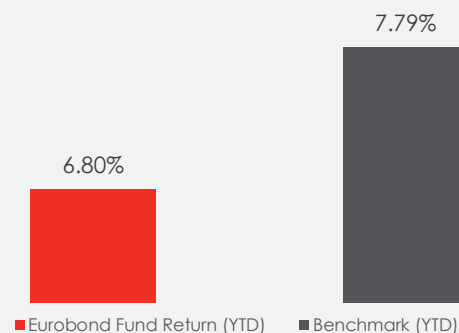


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■ Cash

Governance Asset Allocation Ranges:

FGN Eurobonds (20%-80%); Corporate Eurobonds (20%-80%); Money Market placements (0% - 20%)

Eurobond Fund Return Vs Benchmark (Annualized)



RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UCAP Nigerian Eurobond Fund	7.10%	6.84%	5.73%	5.52%	5.71%	6.80%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	7.79%

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

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund closed the month with an annualized year-to-date return of 6.80%, compared to the benchmark return of 7.79%.

Uncertainties and policy summersault continue to be a major short-term driver in the global market, with many investors quickly disposing securities in the frontier and emerging markets. The SSA Eurobond space witnessed high volatility in the month, with prices going up and down. The Nigerian Eurobond space wasn't left out, with yields rising monthly at the short to mid region of the curve. Average yield rose by 75bps (month-on-month) in the Nigerian Eurobond space, closing the month at 10.57% compared to 9.64% in the previous month.

For next month, we expect geopolitical tension to play a critical role in the direction of global markets, significantly affecting the performance of frontier and emerging markets. For Nigeria, we expect bearish sentiment to persist, with yields expected to rise across the curve. Nigeria's reliance on oil revenue will also test investors faith in the country's ability to meet its obligation, considering low oil prices.

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.

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

