

# United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | August 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 Eurobond market recorded another positive performance in August, extending the bullish trend of previous months. Investor sentiment remained broadly supportive, with strong interest across both the short and long ends of the curve. At the shorter end, the Nov-2025 and Nov-2027 bonds attracted consistent demand, with yields settling at 6.45% and 6.40% respectively from 6.70% and 6.65% in August. This reflects 0.25% decline as investors rotated into near-term maturities for income stability. Mid-term maturities also performed well, the Sept-2028 Eurobond closed at 6.78% (from 6.95% in August), while the Mar-2029 and Feb-2030 bonds settled at 7.10% (from 7.25% in August) and 7.40% (from 7.58% in August), respectively.

The longer end of the curve also sustained strong investor appetite, with yields on the Jan-2031, Feb-2032, Sep-2033, Feb-2038, Nov-2047, Jan-2049, and Sep-2051 bonds closing in a range of 7.83% to 9.46%. This marked yield declines of 0.15% to 0.35% compared to July. This reflects continued investor confidence in Nigeria's longer-term fiscal outlook and the appeal of extended maturity profiles in a stable global rate environment. Market liquidity and reinvestment flows were further supported by scheduled coupon payments totaling \$151.81 million in August, which provided fresh cash for re-investment and underpinned healthy activity across the curve.

Meanwhile, global risk appetite remained favorable, buoyed by accommodative signals from major central banks.

**Looking ahead, September's outlook remains cautiously optimistic. Scheduled coupon inflows of \$197.50 million are expected to reinforce liquidity and support reinvestment across the curve. While external risks such as a global growth slowdown and geopolitical uncertainty persist, Nigeria's improving inflation profile, ongoing FX and fiscal reforms, and sustained auction demand should help anchor market sentiment. Absent major shocks, the Eurobond curve is likely to remain constructive, with investor focus shifting toward macro stability, fiscal health, and forward-looking fundamental improvements.**

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.

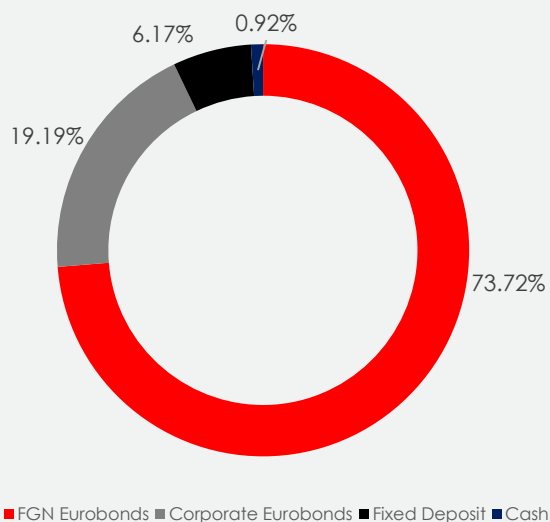
## FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	USD/2017
Fund Size (\$)	119.1m
NAV Per Share (\$)	122.4960
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 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

## MATURITY PROFILE OF ASSETS

<1yr	10.46%
1-3yr	4.10%
3-5yr	6.90%
5-10yr	15.73%
>10yr	62.80%

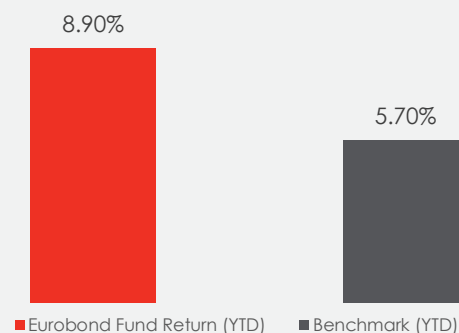
## Current Portfolio Holdings



### 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%	8.90%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	5.70%

\*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 8.90%, compared to the benchmark return of 5.70%.

Positive sentiment improved in the global fixed income space on the back of reduced uncertainties from geopolitical tension, and expectation of rate cut by the US FED. Jerome Powell in his speech signaled possible easing at the next meeting, citing labor softness and monitoring the effect on tariff on inflation. Yields declined in the fixed income space, with the Emerging Markets and SSA region witnessing significant buy interest as prices rises.

The expected rate cut in the US as well as current stance of central banks in other developed economies is expected to signal a bullish trend in Emerging Markets and SSA in the short-term highlighting a lower yield in Eurobond due to increase demand from foreign investors. In the long run we expect that the SSA region including Nigeria would experience an increase in portfolio flows, increasing the demand high yielding instruments.

Looking ahead, we expect increased buy interest to continue to pull down yields globally, especially in the SSA Eurobond space.

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 fund return.

### 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](http://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



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