

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | December 2024

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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 experienced mixed sentiment in December 2024. Shorter-tenured instruments (2-year to 5/7-year Eurobonds) faced sell pressure, while the long end of the curve saw notable buy interest, driving yields lower by 2–14bps. This shift reflects investor optimism about Nigeria's long-term economic prospects and expectations of a potential decline in interest rates. However, near-term concerns persist, particularly around elevated inflation levels at 34.60%. Additionally, the absence of inflows from coupon payments during the period limited broad-based buying activity. Investors remain cautious due to ongoing challenges surrounding Nigeria's fiscal health and overall debt sustainability. On balance, average yields in the secondary market edged higher for the second consecutive month, rising by 2bps month-on-month to 9.68% (from 9.66% in November). This reflects the cautious positioning of market participants as they weigh both opportunities and risks within the Nigerian Eurobond space.

Looking ahead, external factors will remain pivotal to the performance of the Nigerian Eurobond market. The outlook is tempered by ongoing geopolitical tensions and a cautious monetary policy stance from global central banks. However, with our expectation of relative stability in Nigeria's economic and political landscape in 2025, we believe the country is well-positioned to manage these geopolitical headwinds effectively. Furthermore, anticipated inflows of \$78.42 million in coupon payments are likely to support renewed buying interest and improve sentiment in the market.

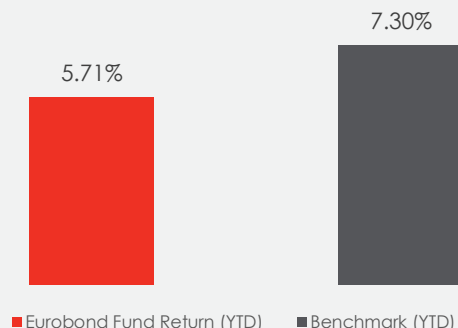
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FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	133.2m
NAV Per Share (\$)	124.5437
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.5%
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

Eurobond Fund Return Vs Benchmark (Annualized)

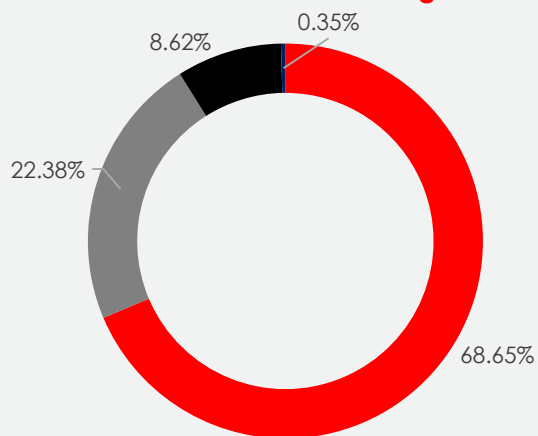


■ Eurobond Fund Return (YTD) ■ Benchmark (YTD)

MATURITY PROFILE OF ASSETS

<1yr	15.43%
1-3yr	10.43%
3-5yr	1.55%
5-10yr	15.19%
>10yr	57.40%

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%)

RETURN HISTORY

	2019	2020	2021	2022	2023	2024 YTD
UCAP Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.52%	5.71%
Benchmark	3.95%	2.17%	4.04%	8.91%	7.46%	7.30%

*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 5.71%, compared to 5.29% in the previous month. The benchmark return increased slightly to 7.30% (7.29% in the previous month).

The Nigerian Eurobond market recorded a positive performance, supported by declining yield in the global market as well as improved investor sentiment in SSA debt instruments. Investors' appetite for higher-yielding assets led to improved activity level in the Nigerian Eurobond space, signaling an improved demand. On the flip side, lingering concern regarding fundamental issues around fiscal sustainability and external vulnerabilities continue to impact the Nigerian Eurobond space negatively.

Looking ahead, external factors will remain pivotal to the performance of the Nigerian Eurobond market. The outlook is tempered by ongoing geopolitical tensions and the cautious stance of global policymakers on interest rates. Nevertheless, with anticipated stability in Nigeria's economic and political landscapes in 2025, we believe the country is well-positioned to manage these external challenges.

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.

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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, NY10043, U.S.A.

BIC/SWIFT ID:FCMBNGLAXXX

Intermediary BIC : CITIUS33XXX



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Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund