

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | December 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 subdued activity in December as the average Eurobond yield fell by 0.44% to settle at 6.99% (previously 7.43% in November), as investors remained cautious following the softer tone observed towards the end of November. Market participation was selective, reflecting the absence of coupon inflows, year-end balance sheet adjustments, and ongoing evaluation of global rate developments.

Yields at the short to mid end of the curve eased slightly in December, supported by selective investor demand focused on capital preservation and attractive carry in a low-liquidity environment. The Nov-2027 and Sep-2028 bonds closed at yields of 5.78% and 5.92% respectively (previously 5.81% and 5.98% in Nov-25), reflecting steady reinvestment interest despite thin trading.

Similarly, mid-curve bonds recorded modest yield compression, with the Mar-2029, Feb-2030, and Jan-2031 maturities ending the month at 6.12%, 6.13%, and 6.56% respectively, as investors weighed improving domestic fundamentals against lingering uncertainty around the global rate outlook.

Long-dated bonds remained broadly stable, supported by steady demand from institutional investors with longer-term horizons. Yields on the Feb-2032, Sep-2033, and Feb-2038 bonds closed at 6.92%, 7.03%, and 7.60% respectively, while the Nov-2047, Jan-2049, and Sep-2051 maturities ended the month within the 8.14%–8.41% range (previously 7.23%–8.70% in Nov-25).

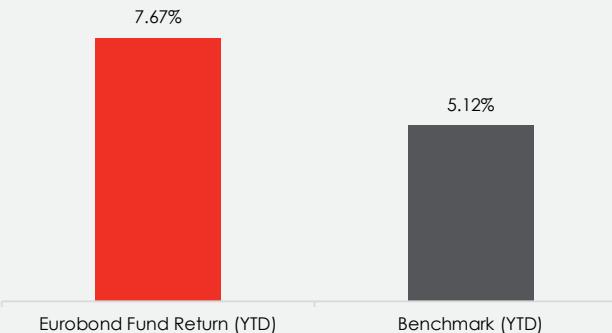
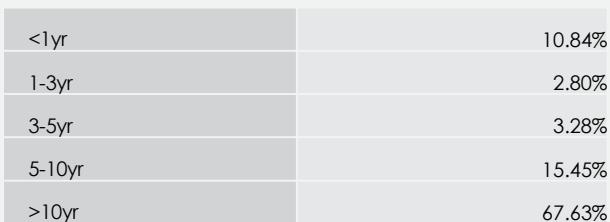
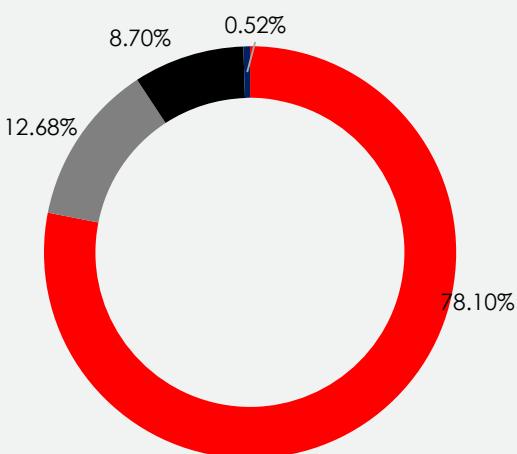
From a macroeconomic perspective, Nigeria's disinflationary trend remained intact, supported by improved FX liquidity conditions and easing supply-side pressures. The resulting real yield attractiveness continued to underpin offshore investor interest, particularly among frontier market-focused funds seeking yield-enhancing opportunities with improving macro stability.

On the global front, mixed US economic data and evolving expectations around the Federal Reserve's policy path kept risk sentiment cautiously balanced. While dovish signals continued to support demand for emerging and frontier market debt, geopolitical risks and uneven global growth dynamics maintained modest upward pressure on risk premiums. Against this backdrop, Nigerian Eurobonds demonstrated resilience, with stable demand largely offsetting the impact of subdued liquidity.

Looking ahead to January, market activity is expected to remain subdued due to the absence of coupon inflows, with investors gradually returning from year-end holidays. While global rate uncertainty and geopolitical developments may cause short-term volatility, supportive domestic fundamentals, stable FX conditions, and ongoing fiscal reforms should continue to underpin constructive sentiment. Mid- to long-dated bonds are expected to remain well supported by institutional demand, with modest yield movements likely in the near term.

FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+ (IM)
Base Currency/Start Year	USD/2017
Fund Size (\$)	111.9m
NAV Per Share (\$)	124.7718
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.35%
Total Expense Ratio*	1.66%
Benchmark	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

Eurobond Fund Return Vs Benchmark (Annualized)**MATURITY PROFILE OF ASSETS****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

	2020	2021	2022	2023	2024	2025 YTD
UCAP Nigerian Eurobond Fund	7.10%	6.84%	5.73%	5.52%	5.71%	7.67%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	5.12%

*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 7.67%, compared to the benchmark return of 5.12%.

Global uncertainties, rate cut in the US, and an overall resilience of the Global market continue to shape performance in the Global fixed income space.

Nigerian Eurobonds showed some yield compression and also showed a resilient secondary-market performance, with average yields slightly declining. We however still expect the current yields on these instruments to continue attracting investors in the short to mid term, although at a diminishing rate.

Conversely, we expect the almost stable exchange rate to spur investors' interest / demand for the country's Eurobond.

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
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:FCMBNLAXXX

Intermediary BIC : CITIUS33XXX



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