

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | January 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 bullish sentiment in Jan-2025. There was strong buy-interest across the curve, particularly on the shorter-tenured instruments (2-yr to 7-yr Eurobonds), with yields falling by 22 – 46bps, completely reversing the previous month's losses. The Nov-2025 Eurobond saw the most significant buy-interest as its yield fell 112bps m/m to 7.32%. This suggests that investors are optimistic about Nigeria's long-term outlook and expect lower interest rates. However, investors still have concerns about near-term inflation (34.60%). The \$78.42mn in inflows from coupon payments also spurred broad-based buy interest. Overall, the average yields on the Eurobonds in the secondary market fell for the first time in 3 months, by 36bps m/m to 9.32% (previously, 9.68%).

Looking ahead, exogenous factors will continue to be crucial to the Nigerian Eurobond market. The outlook is clouded by geopolitical and international trade tensions. However, given our expectation for stability in Nigeria's economic and political environments in 2025, our view is that the country is well equipped to navigate the geopolitical risks. Additionally, we expect inflows of \$151.81mn in coupon payments to spur buy-interest in the market.

FUND FEATURES

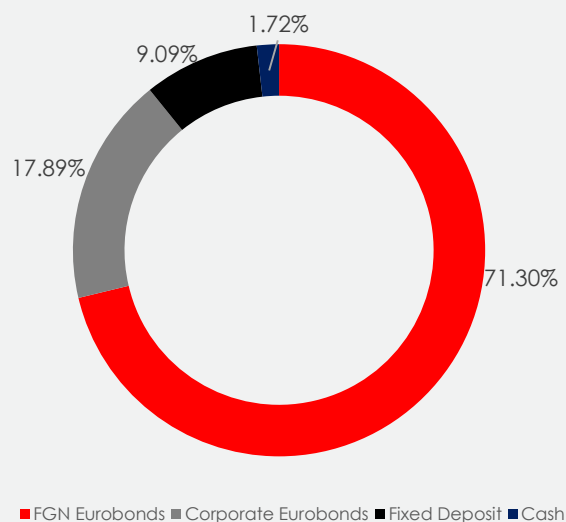
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	127.3m
NAV Per Share (\$)	125.1358
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	1.5%
Total Expense Ratio*	1.5%
Benchmark	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

MATURITY PROFILE OF ASSETS

<1yr	12.03%
1-3yr	10.88%
3-5yr	1.63%
5-10yr	15.61%
>10yr	59.85%

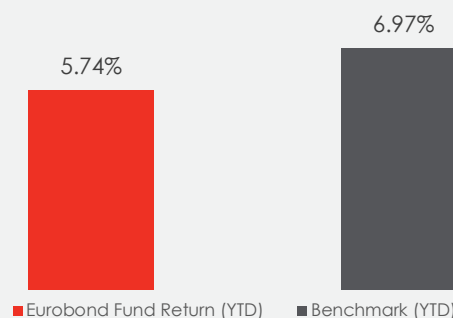
Current Portfolio Holdings



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

	2019	2020	2021	2022	2023	2024	2025 YTD
UCAP Nigerian Eurobond Fund	8.00%	7.10%	6.84%	5.73%	5.52%	5.71%	5.74%
Benchmark	3.95%	2.17%	4.04%	8.91%	7.46%	7.30%	6.97%

*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 5.74%, compared to the benchmark return of 6.97%.

The Nigerian Eurobond market had mixed sentiments in January with activities majorly seen across the short end of the curve and little traction seen on the longer dated Eurobonds. Investors' appetite for higher-yielding assets and near cash liquidity led to improved activity which helped improve the pricing on some of the Eurobonds the fund currently holds

On the flip side, there were however marginal drop in USD denominated Money market rates across other fixed income instruments the fund holds which had little impact on the overall return of the fund.

Looking ahead, external factors will remain crucial to the performance of the Nigerian Eurobond market. The outlook is tempered by ongoing geopolitical tensions albeit expectation for stability and increased interest, with coupon inflows expected to spike interest and improve market demand.

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



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