

# United Capital Nigerian Eurobond Fund

## Mutual Funds Factsheet | January 2026

**Contact Us:**

Philip Ndunaka | +234-703-192-1664 | [philip.ndunaka@unitedcapitalgroup.com](mailto:philip.ndunaka@unitedcapitalgroup.com)

Asset Management | +234-1-631-7876 | [mutualfunds@unitedcapitalgroup.com](mailto:mutualfunds@unitedcapitalgroup.com)

### 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 January, as the average Eurobond yield edged higher by 0.08% to close at 7.07% (from 6.99% in December). Market participation remained cautious at the start of the year, reflecting a gradual return from year-end holidays, limited reinvestment flows, and continued sensitivity to global interest rate developments. Despite the mild uptick in yields, overall market conditions remained stable, supported by improving domestic fundamentals and steady investor engagement.

Yields at the short to mid end of the curve eased slightly in January, reflecting selective demand for capital preservation and attractive carry, with the Nov-2027 and Sep-2028 bonds closing at 5.65% and 5.80% respectively (from 5.78% and 5.92% respectively in December).

Performance across the mid-curve was mixed, as investors balanced improving domestic conditions against uncertainty around global rate outlook. The Mar-2029 bond edging lower to 6.09%, while the Feb-2030 and Jan-2031 maturities rose to 6.28% and 6.65% respectively; further out, the Feb-2032 and Sep-2033 bonds ended the month at 7.05% and 7.23%, reflecting caution around extending duration.

Long-dated bonds softened modestly, in line with broader duration sensitivity rather than any change in Nigeria's credit profile, with the Feb-2038 closing at 7.86% and the Nov-2047, Jan-2049 and Sep-2051 bonds ending January within the 8.31%–8.45% range, while demand at the long end remained orderly and supported by longer-term investors.

From a macroeconomic perspective, Nigeria's disinflation trend remained supportive for market sentiment. Improved foreign exchange liquidity conditions and easing supply-side pressures continued to strengthen confidence in the macroeconomic outlook, helping to underpin real yield attractiveness. These developments sustained offshore investor interest, particularly among frontier market-focused investors seeking yield opportunities supported by improving domestic stability.

On the global front, US economic data remained mixed, while the Federal Reserve held policy rates steady, reinforcing expectations that the next policy move is more likely to be an eventual easing rather than further tightening. Although US Treasury yields remained volatile during the month, the Fed's steady stance helped contain broader risk-off sentiment. As a result, emerging and frontier market assets, including Nigerian Eurobonds, continued to demonstrate resilience despite ongoing uncertainty around the timing of global rate cuts.

**Looking ahead to February, market activity is expected to improve gradually as investors fully return from the holiday period. While global rate uncertainty may continue to drive near-term volatility, supportive domestic fundamentals, stable FX conditions, and improving inflation dynamics should continue to underpin constructive sentiment. In this environment, short- to mid-dated Nigerian Eurobonds are expected to remain relatively well supported, with modest yield movements likely across the curve.**

*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.*

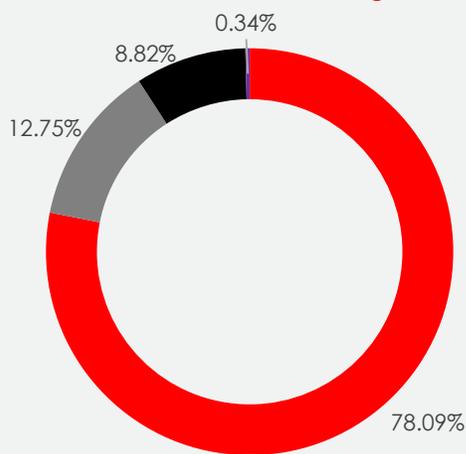
**FUND FEATURES**

<b>Fund Manager</b>	United Capital Asset Management Ltd
<b>Investment Manager Rating</b>	A+(IM)
<b>Base Currency/Start Year</b>	USD/2017
<b>Fund Size (\$)</b>	111m
<b>NAV Per Share (\$)</b>	125.3580
<b>Minimum Investment(\$)</b>	1,000
<b>Additional Investment (\$)</b>	500
<b>Structure</b>	Open Ended
<b>Minimum Holding Period</b>	90 days
<b>Management Fee</b>	1.35%
<b>Total Expense Ratio*</b>	1.66%
<b>Benchmark</b>	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
<b>Risk Profile</b>	Medium
<b>Investment Style</b>	Income Oriented

**MATURITY PROFILE OF ASSETS**

<1yr	13.52%
1-3yr	0.00%
3-5yr	5.77%
5-10yr	12.73%
>10yr	67.98%

**Current Portfolio Holdings**

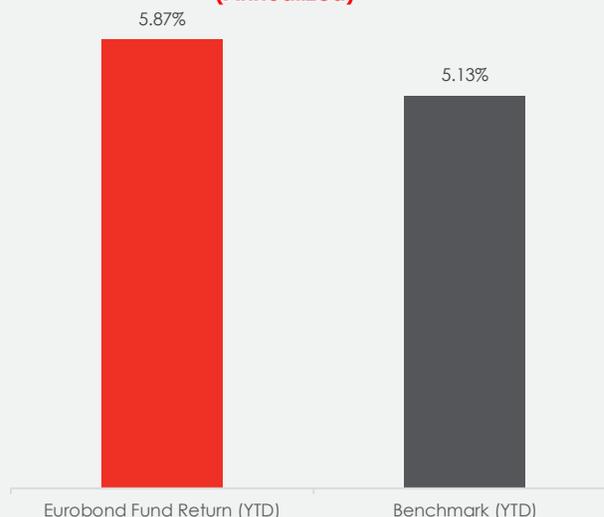


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■ Cash

**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**

	2021	2022	2023	2024	2025	2026 YTD
UCAP Nigerian Eurobond Fund	6.84%	5.73%	5.52%	5.71%	7.67%	5.87%
Benchmark	4.04%	8.91%	7.46%	7.30%	5.12%	5.13%

\*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 5.87%, compared to the benchmark return of 5.13%.

The global market experience a calm session as against previous months with Eurobonds hovering around current rates

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.

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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](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, NY10043, U.S.A.

**BIC/SWIFT ID:**FCMBNGLAXXX

**Intermediary BIC :** CITIUS33XXX



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