

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | July 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

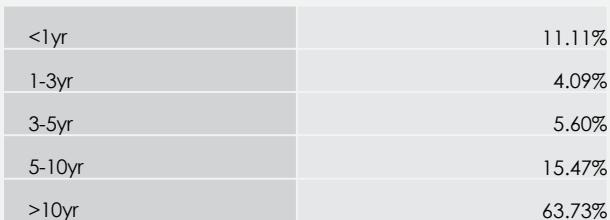
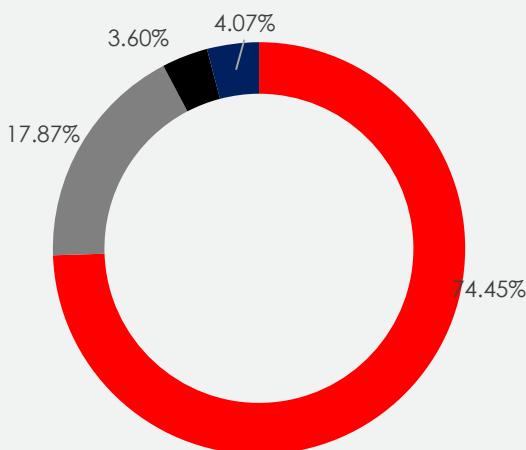
The Nigerian Eurobond market extended its June 2025 rally to July 2025. This is the second consecutive month of positive performance following a prolonged bearish trend earlier in the year (March and April 2025). Investor sentiment improved further across the curve, with noticeable yield declines recorded in short-to-mid-dated maturities such as those maturing in 2025, 2027, 2028, 2029, and 2030, which saw yields dropped by about 1.90%. Ultimately, November 2025 Eurobond led the bullish run, with yield declining by a notable 1.90% points m/m to settle at 5.36%, reflecting strong demand in the short end. Also, the November 2027 and September 2028 Eurobonds saw significant buy interest, with yields falling by 1.04% and 0.99% to settle at 6.99% and 7.69%, respectively. Conversely, the March 2029 and February 2030 bonds experienced yield drops of 0.90% each, closing the month at 8.10% and 8.43%.

This bullish run was driven by a combination of domestic and global factors. In the domestic space, inflation dropped from 22.97% in June to 22.22% in July 2025, bolstering investors' confidence. Similarly, the relative stability of the Naira emanating from initiatives like B-Match (electronic matching system for FX transactions) supported the bullish trend in the Eurobond market.

Looking ahead, the Nigerian Eurobond market is expected to maintain a cautiously optimistic outlook in August 2025, supported by favorable global and domestic factors. Globally, the European Central Bank's previous rate cuts has improved investor appetite for higher-yielding assets, including frontier market bonds. Although external risks such as geopolitical tensions and trade disputes remain, the stable global interest rate environment continues to encourage demand. Domestically, the Central Bank of Nigeria's decision to hold rates steady provides policy stability amid ongoing inflation concerns. In addition, expected coupon inflows of \$78.42 million in August could boost reinvestment interest, further supporting market performance. Overall, while risks persist, consistent local policy and supportive global conditions could help sustain positive sentiment in the Nigerian Eurobond market.

FUND FEATURES

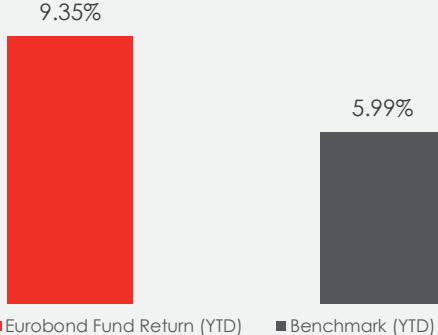
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	USD/2017
Fund Size (\$)	118.5m
NAV Per Share (\$)	121.8620
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.35%
Total 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**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**

	2020	2021	2022	2023	2024	2025 YTD
UCAP Nigerian Eurobond Fund	7.10%	6.84%	5.73%	5.52%	5.71%	9.35%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	5.99%

*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 9.35%, compared to the benchmark return of 5.99%.

Geopolitical tension continue to drive volatility in the global fixed income space, amid hope of moderate global growth. Emerging Markets and Sub-Saharan African Eurobonds were the winners, as yields nosedived as a result of increasing buy interest in these regions. The Nigerian Eurobond market extended its June 2025 rally to July 2025. This is the second consecutive month of positive performance following a prolonged bearish trend earlier in the year. This bullish run was driven by a combination of domestic and global factors. In the domestic space, inflation dropped from 22.97% in June to 22.22% in July 2025, bolstering investors' confidence.

The US FED held rates steady, with Chairman Powell striking a cautious tone, highlighting moderating inflation but a still-resilient labor market. Similarly, payroll data, weak headline gains and major downward revisions added pressure to the markets. Meanwhile the Governing Council of the European Central Bank (ECB or the Council) decided to keep the three key ECB interest rates unchanged. The ECB President Christine Lagarde stated that the Council is in a wait-and-see situation.

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
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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