

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | June 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 recovery rally in June 2025, marking the second consecutive month of positive performance following a prolonged bearish trend earlier in the year (Mar-25 & Apr-25). 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 yield drops of up to 1.90% points. The Nov-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. The Nov-2027 and Sep-2028 Eurobonds also saw significant buy interest, with yields falling by 1.04% and 0.99% points to settle at 6.99% and 7.69%, respectively. Meanwhile, the Mar-2029 and Feb-2030 bonds experienced yield drops of 0.90% points each, closing the month at 8.10% and 8.43%.

On the global front, easing concerns around central bank policy tightening and improved risk sentiment contributed to increased appetite for frontier market assets such as Nigerian Eurobonds. Global investors, buoyed by a more stable macro backdrop and a broadly softer US dollar, reallocated capital toward high-yielding sovereign bonds.

Looking ahead, the Nigerian Eurobond market is expected to maintain a cautiously optimistic outlook in July 2025, supported by favourable global and domestic factors. Globally, the European Central Bank's recent rate cut 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 July 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

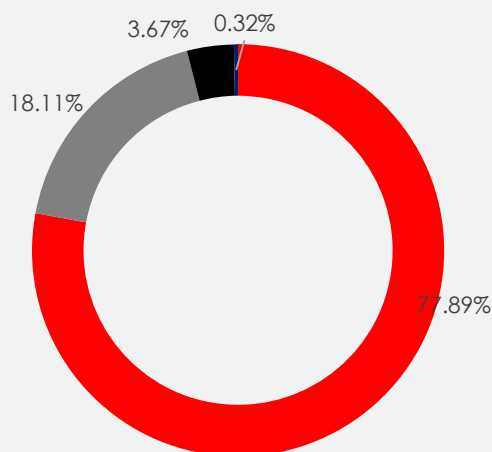
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	116.2m
NAV Per Share (\$)	121.0845
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	1.35%
Total Expense Ratio*	1.68%
Benchmark	Composite of 3-yr FGN sovereign Eurobond and 3mth US T-Bill
Risk Profile	Medium
Investment Style	Income Oriented

* Inclusive of management fee; Returns are net of all fees

MATURITY PROFILE OF ASSETS

<1yr	11.13%
1-3yr	4.29%
3-5yr	2.70%
5-10yr	15.93%
>10yr	65.94%

Current Portfolio Holdings

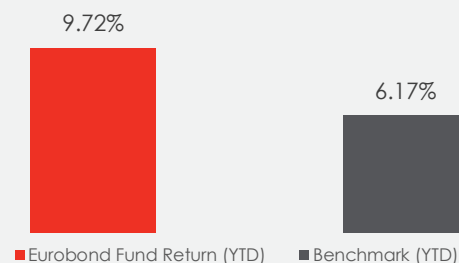


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■ Cash

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%	9.72%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	6.17%

*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 9.72%, compared to the benchmark return of 6.17%.

In the domestic space, inflation figures were released as it eased towards 23% (22.97%- May-25) improving investors' confidence. Enhanced FX market reform contributed greatly as the introduction of B-Match electronic matching system for interbank FX transactions and improved transparency which helped increased FX stability. Furthermore, ongoing tax reform efforts and strong demand at the FGN bond auction on 23-Jun (which was significantly oversubscribed) reinforced investors' optimism. Global Central Banks maintained a cautious, data-dependent stance in June, with the Fed holding rates steady at 4.25 – 4.5% while signaling growing internal divergence in opinion. The Bank of England also held rates at 4.25%, but with three dissenters voting for a cut amid weakening UK growth and moderating wage pressures.

Looking ahead, we expect the direction of geopolitical policies to drive market movement, affecting both developed and emerging markets. In July, we expect a surge in Eurobonds prices in Sub-Sahara Africa, especially Nigeria to taper.

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, NY10043, U.S.A.

BIC/SWIFT ID: FCMBNGLAXXX

Intermediary BIC : CITIUS33XXX



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