

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | March 2026

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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 experienced a broad-based yield expansion in March, reversing the modest gains recorded in February, as the average Eurobond yield rose by approximately 0.58% to close around 7.47%, from about 6.89% in February. The upward repricing reflected a more cautious investor stance amid evolving global rate expectations and the absence of strong local demand catalysts. Market activity remained orderly, but sentiment softened, with investors demanding higher yields across the curve to compensate for heightened global uncertainty.

Yields at the short to mid end of the curve widened notably in March, indicating reduced appetite for duration risk despite previously strong demand for shorter maturities. The 3-year tenor closed at 6.29%, up sharply from 5.56% in February, while the 5-year yield increased to 6.58% from 6.02%. Similarly, the 7-year segment repriced higher, with yields rising to 7.35% from 6.64%, reflecting cautious positioning by investors as global funding conditions remained tight and risk sentiment moderated.

Mid-curve bonds also recorded pronounced yield increases. The 10-year tenor closed March at 7.76%, compared to 7.10% in February, tracking the general steepening pressure observed across emerging and frontier market curves. The repricing suggested a reassessment of medium-term risk, as investors balanced Nigeria's improving domestic policy direction against external rate and liquidity considerations.

At the long end of the curve, yields rose more moderately. The 20-year tenor closed at 8.18%, up from 7.72%, while the 30-year yield increased to 8.65% from 8.32% in February. Price action at the long end pointed to selective participation rather than outright risk aversion, with longer-term investors remaining engaged but increasingly yield-sensitive.

From a macroeconomic perspective, Nigeria's domestic fundamentals remained broadly supportive, underpinned by a more stable foreign exchange environment and continued policy discipline. However, the absence of fresh local triggers, such as coupon inflows or policy surprises limited the market's ability to absorb external pressures. As a result, global dynamics played a more dominant role in shaping performance during the month. On the global front, investor focus remained firmly on the US Federal Reserve's policy trajectory, with persistent uncertainty around the timing and pace of rate cuts keeping global yields elevated.

Looking ahead to April, market activity is expected to remain measured, with yield movements likely driven primarily by global rate dynamics rather than domestic factors. While Nigeria's improving macroeconomic backdrop and policy credibility should continue to provide a degree of downside protection, lingering uncertainty around global monetary easing may sustain periods of volatility. Short- to mid-dated bonds are likely to remain relatively better supported, given their defensive characteristics, while demand at the long end may remain selective. Overall, modest yield fluctuations are expected across the curve, with investors maintaining a cautious but engaged stance.

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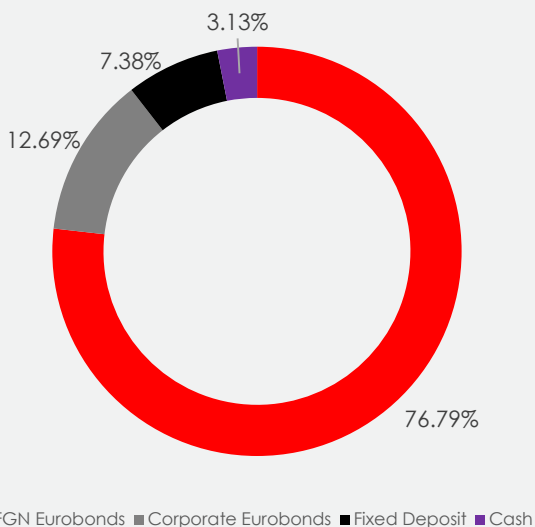
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+ (IM)
Base Currency/Start Year	USD/2017
Fund Size (\$)	114.0m
NAV Per Share (\$)	126.6477
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

MATURITY PROFILE OF ASSETS

<1yr	15.47%
1-3yr	0.00%
3-5yr	5.55%
5-10yr	12.37%
>10yr	66.61%

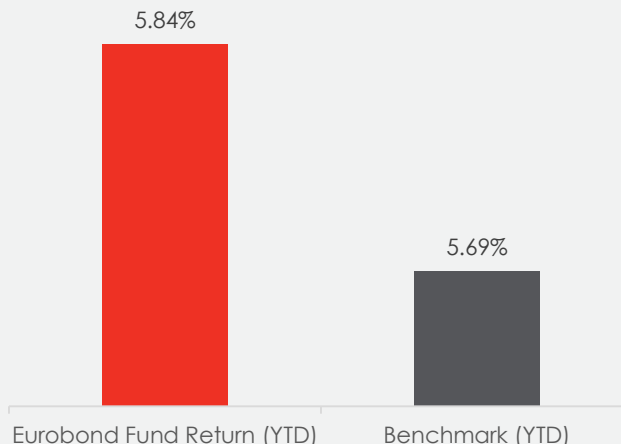
Current Portfolio Holdings



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

	2021	2022	2023	2024	2025	2026 YTD
UCAP Nigerian Eurobond Fund	6.84%	5.73%	5.52%	5.71%	7.67%	5.84%
Benchmark	4.04%	8.91%	7.46%	7.30%	5.12%	5.69%

*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 5.84%, compared to the benchmark return of 5.69%.

The global market experienced a drag with current crisis impacting the prices of Eurobonds. Select Nigerian and Sub-Saharan African sovereign bonds however continued to offer attractive returns for investors seeking foreign-currency income.

We still expect the current yields on these instruments to continue attracting investors in the short to mid term, although at a diminishing rate.

Coupon inflows helped the fund talk new positions improving the overall performance of the fund with the fund locking in rates at previously high rates hedging against projected drop in rates.

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
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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