

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | May 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 experienced a notable recovery in May-2025, reversing the two consecutive months bearish run from the previous months (Mar-25 & Apr-25). Investor sentiment improved broadly, especially in mid-to-long-dated maturities such as those maturing in 2029, 2030, 2031, 2032, and 2033, which saw yield declines of up to 140bps.

This recovery was supported by a combination of both global and domestic factors. On the domestic side, the Monetary Policy Committee (MPC) meeting held during the month resulted in a decision to maintain existing interest rates, providing stability and reassuring investors. The Nov-2025 Eurobond witnessed significant buy interest as yield declined by 115bps m/m to settle at 7.30%, the Nov-2027 Eurobond yield also declined significantly, falling by 127bps m/m to settle at 8.06%. The Feb-2030 Eurobond also saw notable yield buy interest, as yields dropped by 140bps m/m to settle at 9.38%. Additionally, Nigeria's fiscal concerns persisted, but the impact was somewhat offset by the positive effects of the coupon inflows of \$148.57 million in May contrary to no inflows recorded in Apr-25. Globally, easing uncertainties around central bank policies and a modest improvement in risk sentiment contributed to stronger demand for frontier market assets, including Nigerian Eurobonds. Consequently, the average yield on Nigerian Eurobonds declined by 101bps m/m to settle at 9.56% (previously, 10.57%).

Looking ahead, In June 2025, the Nigerian Eurobond market is expected to show cautious optimism. Globally, the European Central Bank's expected rate cut could improve risk appetite, but ongoing geopolitical tensions in Eastern Europe and the Middle East, along with trade disputes, continue to pose risks. Domestically, the Central Bank of Nigeria's decision to hold interest rates steady offers stability amid persistent high inflation. Additionally, the \$148.57 million coupon payment in May may support investor demand if reinvested. Overall, despite global uncertainties and domestic challenges, stable policy and fiscal improvements could help sustain the Eurobond market in June. Investors should watch geopolitical and economic developments closely.

FUND FEATURES

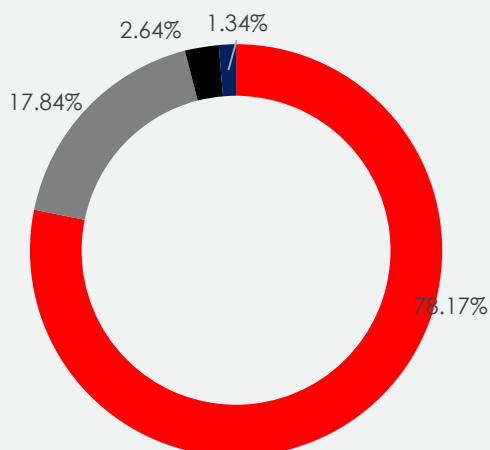
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	USD/2017
Fund Size (\$)	114.4m
NAV Per Share (\$)	127.8088
Minimum Investment(\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	180 days
Management Fee	1.35%
Total Expense Ratio*	1.68%
Benchmark	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	11.20%
1-3yr	3.68%
3-5yr	2.71%
5-10yr	16.60%
>10yr	65.81%

Current Portfolio Holdings

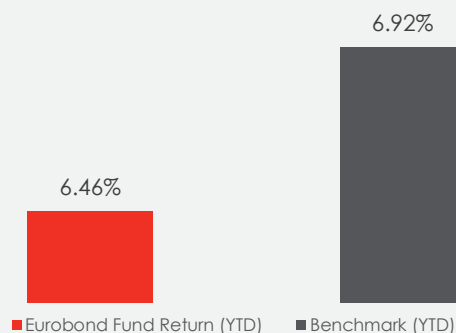


■ FGN Eurobonds ■ Corporate Eurobonds ■ Fixed Deposit ■ Cash

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%	6.46%
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	6.92%

*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 6.46%, compared to the benchmark return of 6.92%.

The global fixed income market was relatively stable in the month of May, when compared with previous months. In the US, Treasury yields climbed as investors digested progress on the "Big, Beautiful Bill," which is set to add over \$3.00tn in debt stock through to 2034. The European Central Bank is expected to slash interest rate further, showing its commitment to supporting economic growth amid challenges. Meanwhile, the US Fed continue to trend cautiously regarding rate cut, citing uncertainties surrounding current administration. The SSA Eurobonds witnessed substantial buy-interest, with prices rising significantly at the end of the month. Consequently, the Nigerian Eurobond average yield declined from the 10.57% to close the month at 9.56%.

Looking ahead, we expect the direction of geopolitical policies to drive market movement, affecting both developed and emerging markets. We expect to continue seeing buy interest in SSA Eurobonds, although at a lower rate.

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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