United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | May 2026

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FUND OBJECTIVE

The United Capital Nigerian Eurobond Fund is an open-ended mutual fund invested in dollar-denominated Eurobonds floated by the Federal Government of Nigeria and top-tier corporates. Subscribers can expect competitive short- to medium-term capital appreciation on their USD holdings, superior to typical domiciliary deposits. Minimum investment: $1,000 and multiples of $500 thereafter.

MARKET REVIEW, OUTLOOK AND STRATEGY

The Nigerian Eurobond market saw a modest, broad-based yield contraction in May 2026, extending April's downward trend. The average Eurobond yield declined marginally on improved investor sentiment and sustained demand for sovereign papers, supported by strengthening domestic macro conditions and a more constructive external environment that reinforced confidence in Nigeria's credit outlook.

Yields across the curve showed mixed but generally favourable movements, with compression more evident at the mid-to-long end. The 5-year tenor edged up to 5.91% from 5.78%, suggesting profit-taking at the short end after April's strong rally. Appetite remained firm across intermediate tenors, with the 7-year declining to 6.55% from 6.64% as investors positioned within the belly. The 10-year closed May at 6.90%, down from 6.98%, indicating sustained demand for medium-term maturities. At the long end, activity was supportive but measured, with selective accumulation by long-term investors on improving sovereign risk perception.

Domestically, fundamentals strengthened further in May. Improved external reserves and sustained Naira stability lifted investor confidence, while higher global oil prices bolstered expectations of stronger fiscal and external balances, reinforcing Nigeria's credit profile and attracting both offshore and local participation. Globally, the US Federal Reserve maintained a cautious stance, but relatively stable global yields and improving risk appetite supported capital flows into emerging and frontier markets, including Nigerian fixed income.

Looking ahead to June 2026, activity is expected to remain cautiously constructive, with yields likely to sustain a mild downward bias on continued domestic improvements. Strong demand for mid-curve instruments — particularly the 7-year and 10-year — should persist as investors seek optimal risk-return positioning. While global monetary policy and geopolitical risks remain key volatility drivers, Nigeria's improving external buffers, elevated oil prices, and currency stability should continue to support sentiment. The Fund will continue to position selectively across the curve, favouring the belly, to optimise risk-adjusted returns.

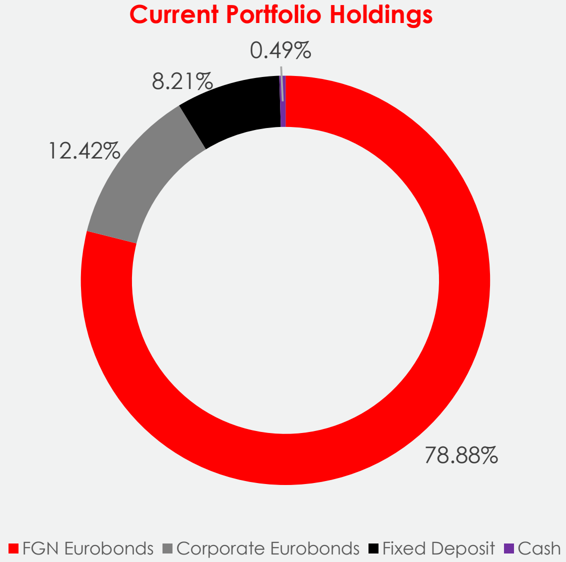
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	USD/2017
Fund Size ($)	112.5m
NAV Per Share ($)	127.71
Minimum Investment($)	1,000
Additional Investment ($)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.35%
Total Expense Ratio*	1.65%
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	14.88%
1-3yr	0.00%
3-5yr	7.10%
5-10yr	4.59%
>10yr	73.44%

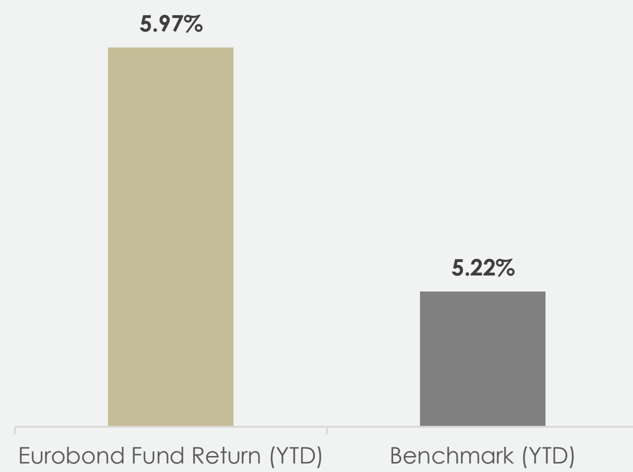
Current Portfolio Holdings



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%	5.97%
Benchmark	4.04%	8.91%	7.46%	7.30%	5.12%	5.22%

**Represents the Fund's Annualized Return vs the Benchmark's Annualized Return*

PERFORMANCE REVIEW

The United Capital Nigerian Eurobond Fund recorded a year-to-date return of 5.97%, compared to the benchmark return of 5.22%.

The Nigerian Eurobond market saw a modest, broad-based yield contraction in May 2026, extending April's downtrend on improved sentiment and firm demand for sovereign papers. The 5-year tenor edged up to 5.91% (from 5.78%), while the 7-year fell to 6.55% (from 6.64%) and the 10-year to 6.90% (from 6.98%). Improved external reserves, sustained Naira stability and higher oil prices reinforced Nigeria's credit profile and drew both offshore and local participation.

Looking ahead to June 2026, activity is expected to stay cautiously constructive with a mild downward yield bias, supported by stronger domestic fundamentals. Demand for mid-curve instruments (7- and 10-year) should persist as investors seek optimal risk-return positioning. While global monetary policy and geopolitical risks remain key drivers of volatility, improving external buffers, elevated oil prices and currency stability should sustain a gradual bullish tone.

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