

United Capital Nigerian Eurobond Fund

Mutual Funds Factsheet | September 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

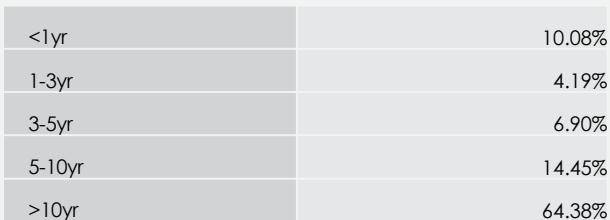
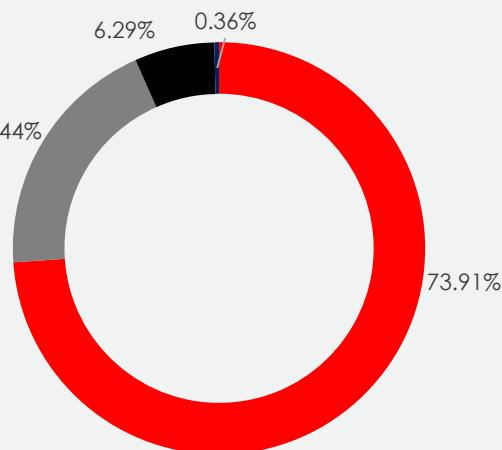
The Nigerian Eurobond market was bearish in September 2025 as the market witnessed a reversal, closing the month weaker compared to the bullish performance in August 2025. Investor sentiment softened across the curve, with yields rising at both the short and long ends, reflecting reduced buying interest and some profit-taking after prior months of gains. At the shorter end of the curve, the Nov-2025 and Nov-2027 papers recorded modest yield increases, settling at 7.07% and 6.36% from 6.45% and 6.40% respectively in August. Mid-term maturities also reflected a similar trend. The Sep-2028 Eurobond closed at 6.80% (vs. 6.76% in August), while the Mar-2029 and Feb-2030 papers rose to 7.23% and 7.48%, from 7.09% and 7.38% respectively in August. This modest repricing reflects the cautious stance of investors ahead of Q4, particularly given evolving global rate expectations. At the longer end of the curve the Jan-2031 and Feb-2032 bonds closed at 7.86% and 8.04%, from 7.82% and 8.12% respectively in August.

Overall, the average yield across Nigeria's Eurobond curve climbed in September, marking a pause to the multi-month rally. The correction was influenced by both external, domestic dynamics and currency stability. Globally, investor caution resurfaced on concerns about slowing growth in advanced economies and lingering geopolitical risks, while domestically, profit-taking and limited fresh catalysts capped sentiment. Market liquidity was less buoyant in September compared to August. While the prior month had benefitted from coupon inflows that reinforced reinvestment demand, no coupon payments were scheduled for October, limiting fresh liquidity injections and thereby amplifying the softer tone across the curve.

Looking ahead, the market enters Q4 Nigeria's improving inflation trajectory, ongoing FX reforms, and fiscal consolidation measures remain potential anchors for sentiment, provided global conditions do not worsen materially.

FUND FEATURES

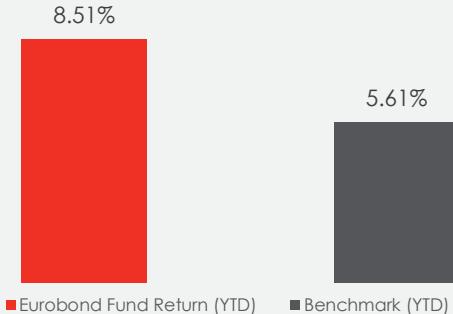
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+ (IM)
Base Currency/Start Year	USD/2017
Fund Size (\$)	117.4m
NAV Per Share (\$)	123.0689
Minimum Investment (\$)	1,000
Additional Investment (\$)	500
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.35%
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%	8.51%	
Benchmark	2.17%	4.04%	8.91%	7.46%	7.30%	5.61%	

*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 8.51%, compared to the benchmark return of 5.61%.

Global uncertainties, especially geopolitical tension continue to cast a shadow over the fixed income space. The market witnessed moderate rise in yield globally, as Emerging markets and SSA region faced pressure to reprice risks. As expected by the market, the US FED cut its benchmark interest rate, stating that upside risk to inflation no longer outweighs the downside risk to the labor market. The rate cut anticipation had a moderate effect on lower interest rates earlier in the month.

Compared to earlier in the year, yields on SSA Eurobonds has nosedived, showing lower volatility to even unexpected events. However, the fundamental risks on these instruments remain. We expect the attractive yield on these instruments to continue attracting investors in the short to mid term, although at a diminishing rate. Particularly, we expect increased dollar inflow into Nigeria to buoy investors' demand for the country's Eurobond.

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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