

United Capital Fixed Income Fund

Mutual Funds Factsheet | December 2025

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FUND OBJECTIVE

The main objective of the Fund is to achieve consistent income streams through investment in select portfolio of securities and investments specified in the Trust Deed. The Fund's assets are invested in Federal Government bonds, Sub-national bonds, corporate bonds and high-quality money market securities. The Fund is not affected by the fluctuations in the equity markets. However, opportunities for capital appreciation are dependent on changes in interest rate.

MARKET REVIEW, OUTLOOK AND STRATEGY

The Debt Management Office (DMO) conducted the December 2025 bond auction with a total offer size of N460bn, split between the reopened 2030 ("5-year") and 2032 ("7-year") bond papers. Investors' demand was strong, with total subscriptions reaching N890.61bn, representing a subscription rate of 1.9x.

Notably, the DMO over-allotted, selling a total of N596.47bn worth of bills. The marginal rate on the 2030 and 2032 bond papers climbed by 1.37% and 1.40%, to settle at 17.20% and 17.30%, from 15.83% and 15.90%, respectively.

In the secondary bond market, we observed mixed sentiments as the bears strove for dominance. Thus, the monthly average yields on the 2030, 2032 and 2035 bonds closed higher by 1.61%, 1.81% and 0.80% in December to close at 17.06%, 17.11%, and 16.76% respectively.

Similarly, we observed bearish movements in corporate bonds, as average yields in Dec-2025 climbed by 3.34% m/m to close at 17.17% (previously, 13.83% in Nov-2025). Nevertheless, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds reduced by 0.52% m/m to close at 17.02% in Dec-2025 compared to the previous month's close of 15.71%.

At the money market, the CBN conducted two (3) auctions with mixed results across both auctions. There was a total offer of N700bn offered at the first auction and N750bn at the second auction and N750bn at the third auction cutting across the 91-day, 182-day and 364-day bill.

The bids were majorly skewed towards the longer-tenured instrument, "364-day bill", at the auctions. At the first auction, the stop rates on the 364-day bills climbed by 1.46% to close at 21.21%, while the 91-day and 182-day closed flat settling at 15.91%, and 16.79% respectively. A similar trend was seen at the second auction with the stop rates on the 364-Day bills inching up by 0.45% to close at 21.88%, while the 91-Day and 182-Day closed flat settling at 15.91%, and 16.79% respectively.

The third auction saw a reversal with the stop rates on the 364-Day bills falling by 0.44% to close at 21.23%, while, the 91-Day and 182-Day closed flat settling at 15.91%, and 16.79% respectively.

Looking into January, the bond market is expected to be bullish, supported by strong demand and improved economic fundamentals. Robust liquidity in the financial system could sustain investor interest in sovereign bonds. Meanwhile, corporate bonds could face mild pressure as investors shift toward FGN Bonds to lock in at current rates in anticipation of further drop in rates.

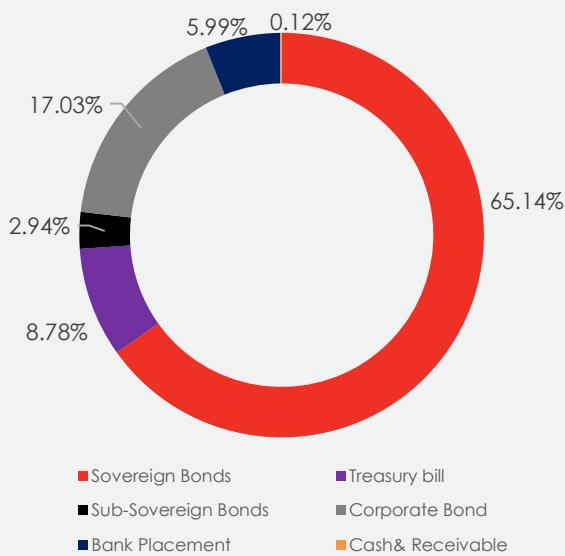
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	84.5bn
NAV Per Share (₦)	1.9778
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	3-Yr FGN Bond Yield
Risk Profile	Medium
Investment Style	Income Oriented

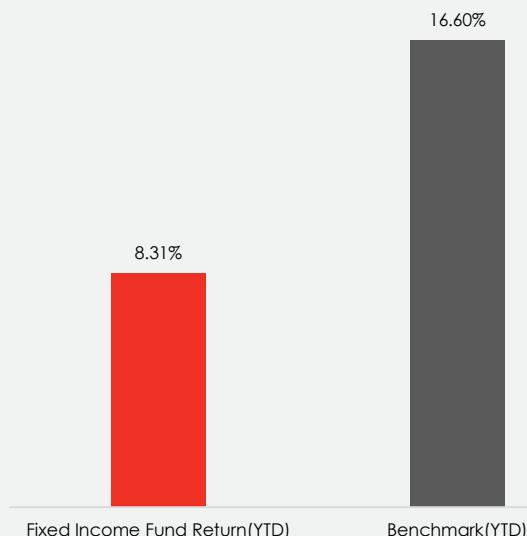
* Inclusive of management fee; Returns are net of all fees

MATURITY PROFILE OF ASSETS

<1yr	27.59%
1-3yr	31.77%
3-5yr	20.84%
5-10yr	16.03%
>10yr	3.78%

Current Portfolio Holdings**Governance Asset Allocation Ranges:**

Money Market(10%-30%); Fixed Income: 70%-90%

Fixed Income Fund Return vs Benchmark (Annualized)

Fixed Income Fund Return(YTD)

Benchmark(YTD)

RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UC Fixed Income Fund	9.35%	6.40%	6.33%	6.88%	6.50%	8.31%
Benchmark	3.54%	9.45%	12.83%	13.30%	20.11%	16.60%

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

PERFORMANCE REVIEW

The United Capital Fixed Income Fund annualized YTD return as at December 2025 is 8.31% relative to 16.60% posted by the benchmark for the same period.

The fixed income market recorded slight reversals in yields, with marginal upticks seen in yields especially at the long end of the curve and investors scrambling to get the best pricing for their assets. The continued demand for long dated assets poised the portfolio for potential MTM gains as several assets were rebalanced to take advantage of current high yields. The fund has largely been able to position to take advantage of this preserving its return and reducing reinvestment risk.

The fund was also able to reposition using proceeds from Coupons and asset maturities to lock in to long term assets, maximizing all MTM opportunities.

Looking ahead to December 2025, we expect bullish sentiments to persist as investors continue to look for long-term positioning in the fixed income space to help preserve and improve the overall return which should encourage further inflows and better improve the funds AUM.

The portfolio remains invested in FGN Bonds, money market instruments and sub-sovereign bonds with decent yield. The fund is constantly monitoring the market to ensure optimal returns across all asset class while maintaining its current allocation to enhance the overall yield of the Fund.

WHY CHOOSE THE FUND?

- Not exposed to equities market volatility
- Seamless entry and exit
- Low entry threshold
- Professional management with robust risk framework
- Long term capital preservation and growth

INVESTMENT RISK

- Market risk
- Macroeconomic instability
- Interest Rate Risk

HOW TO PARTICIPATE

1. Log in to our online platform www.investnow.ng
2. Click on Bond Fund
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