

United Capital Stable Income Fund

Mutual Funds Factsheet | December 2025

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FUND OBJECTIVE

The Stable Income Fund is an actively managed open-ended specialized fund whose main objective is to provide investors with stable returns over a medium to long-term period, through investment in select naira denominated highly rated fixed income instruments with relatively high return. The fund is targeted at investors looking to gain exposure to naira denominated fixed income instruments yielding relatively high return, with risk profile moderately higher than money market investment. The fund is ideal for investors with moderate risk tolerance and investment horizon. The Fund will also help investors diversify their portfolio and income streams whilst providing long-term capital appreciation, through investment in a selected portfolio of fixed income securities and investment products.

MARKET REVIEW, OUTLOOK AND STRATEGY

At the money market, the CBN conducted three (3) auctions with a marginal increase across the auctions. There was a total offer of N2.2trn offered at the first auction cutting across the 91-day, 182-day and 364-day bill.

At the first auction, there was a total offer size of N700bn with bids skewed towards the longer-tenured instrument. Notably, the Apex Bank over-allotted, selling just N709.62bn worth of bills. Following the 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.

The second auction had an offer size of N750.00bn worth of bills across the 91-Day, 182-Day, and 364-Day tenors. Investors' demand was strong, with total subscriptions amounting to N1.69trillion, representing a subscription rate of 2.3x. Bids were heavily skewed toward the longer-tenored 364-Day NTB, which attracted a total of N1.56tn in bids. Notably, the Apex Bank over-allotted, selling N788.20bn worth of bills. Following the auction, the stop rates on the 364-Day bills climbed 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 had an offer size of N750.00bn worth of bills across the 91-Day, 182-Day, and 364-Day tenors. Notably, the Apex Bank under-allotted, selling N704.07bn worth of bills. Following the auction, the stop rates on the 364-Day bills fell 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.

The financial system opened in December 2025 with a surplus balance of N1.96 trillion. There were mop-up activities during the month (due to primary market sales by the Apex Bank), inflows from Federation Account Allocation Committee (FAAC), and Open Market Operations (OMO) helped support liquidity.

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).

Looking ahead to January, we expect yields to hover at current levels due to stability in the FX market, attractive rates compared to advance market and improvement in other macroeconomic variables.

The fixed income market is expected to maintain its bullish momentum supported by strong demand and improved Economic fundamentals.

Consequently, 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

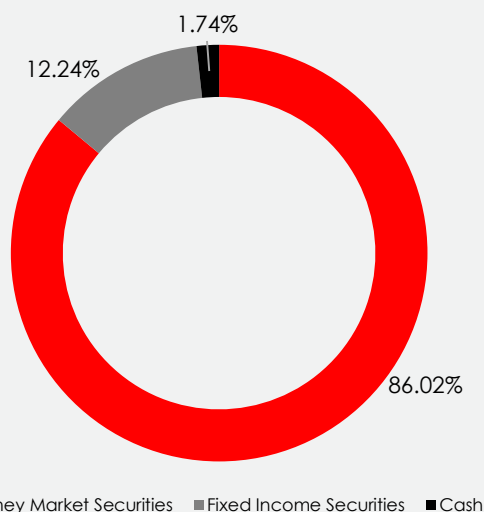
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2024
Fund Size (₦)	63bn
NAV Per Share (₦)	128.9807
Minimum Entry (₦)	50,000,000
Additional Investment (₦)	10,000,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-Weighted Average T-Bills rate
Management Fee	2.00%
Total Expense Ratio*	2.23%
Risk Profile	Low
Investment Style	Income Oriented

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

MATURITY PROFILE OF ASSETS

< 1 yr.	87.76%
1 – 3yr	3.37%
3-5yr	1.56%
5 – 10yr	7.32%
>10yr	0.00%

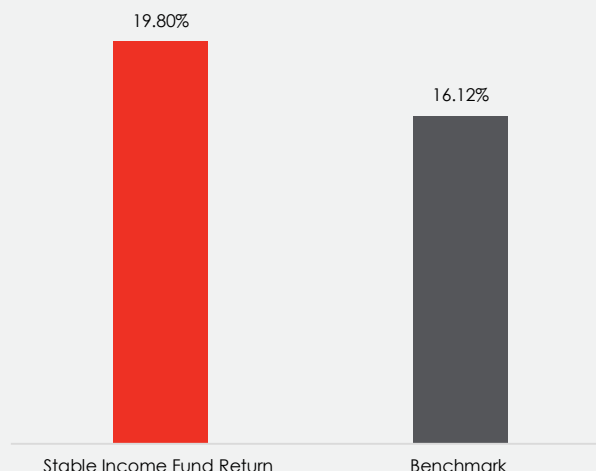
Current Portfolio Holdings



Governance Asset Allocation Ranges:

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

Stable Income Fund Return Vs Benchmark (Annualized)



RETURN HISTORY

	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2025 YTD
UCAP Stable Income Fund	22.88%	21.87%	22.09%	21.63%	21.93%	19.80%
Benchmark	19.06%	17.75%	17.75%	16.12%	18.84%	16.12%

PERFORMANCE REVIEW

The United Capital Stable Income Fund recorded a year-to-date annualized return of 19.80%, outperforming the benchmark by 3.68% as at the end of December.

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 bond market was largely quiet with marginal movement in the yield curve. Slight uptick in several bond assets poised the fund for MTM gains. The fund manager still intends to take advantage of current rates and take position in current instruments with good pricing to optimize overall returns.

In January 2026, we intend to take long term positions in a bid to optimize returns and preserve / improve the overall funds return which should encourage further inflows and improve the funds AUM.

The Fund will continue to invest in high quality fixed income instruments that generate competitive returns for the benefit of the subscribers. The Fund is well positioned to deliver above-average returns despite the current yield environment.

WHY CHOOSE THE FUND?

- Stable returns over a medium to long-term period
- Capital preservation
- Low risk investment
- Portfolio diversification
- Open entry and exit
- Professional management

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 "Stable Income Fund"
3. Click on "Open an account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments.

