

United Capital Fixed Income Fund

Mutual Funds Factsheet | February 2026

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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 February 2025 bond auction with a total offer size of N800bn, split between the reopened 2032 ("7-year"), 2033 ("9-year") and 2034 ("10-Year") bond papers. Investors' demand was strong, with total subscriptions reaching N2.70tn, representing a subscription rate of 3.4x.

Notably, the DMO under-allotted, selling a total of N524.28bn worth of bills. The marginal rates on the 2032, 2033 and 2034 bond papers closed at 15.74%, 15.74 and 15.50%, respectively.

In the secondary bond market, we observed positive sentiments as the bulls dominated. Thus, the monthly average yields on the 2032 and 2034 bonds fell by 1.01% and 0.43% in February to close at 15.68% and 15.44% respectively. Similarly, we observed bearish movements in corporate bonds, as average yields in Jan-2025 rose by 3.97% m/m to close at 18.26% (previously, 14.29% in Jan-2026).

Nevertheless, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds reduced by 4.20% to close at 15.77% in Feb -2026 compared to the previous month's close of 19.97%.

The Central Bank of Nigeria (CBN) conducted Two NTB auction during the month. The first auction had an offer size of N1.15tn worth of bills across the 91-day, 182-day, and 364-day tenors. Notably, the Apex Bank over-allotted, selling N952.61bn worth of bills. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 15.84%, 16.65% and 16.99%, respectively.

The second auction had an offer size of N1.15tn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N4.28tn, representing a subscription rate of 3.72x. Bids were heavily skewed toward the longer-tenor 364-day bill, which attracted a total of N4.07tn in bids. Notably, the Apex Bank over-allotted, selling N1.91tn worth of bills. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 15.80%, 16.65% and 15.90%, respectively.

Looking into February, the Nigerian bond market is expected to retain a constructive bias, supported by stable macro conditions supported by improving macro conditions and intermittent liquidity inflows, despite ongoing CBN sterilization. With inflation gradually moderating and the exchange rate relatively steady, investor confidence in fixed income should remain firm. FGN Bonds are likely to see sustained demand as investors lock in attractive yields ahead of potential rate moderation later in the year. This could keep secondary market yields on a mild downward trend. Corporate bonds may experience selective demand, with some investors tilting toward sovereign instruments for liquidity and safety. Overall, the market tone is expected to remain cautiously bullish, favoring high quality sovereign exposure.

Past performance is not a reliable indicator of future performance, and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into account your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. Please consult your financial adviser. This information has been compiled from sources considered to be reliable but is not guaranteed. Any potential investor should consider conducting further enquiries in deciding whether to acquire or continue to hold units in a fund.

FUND FEATURES

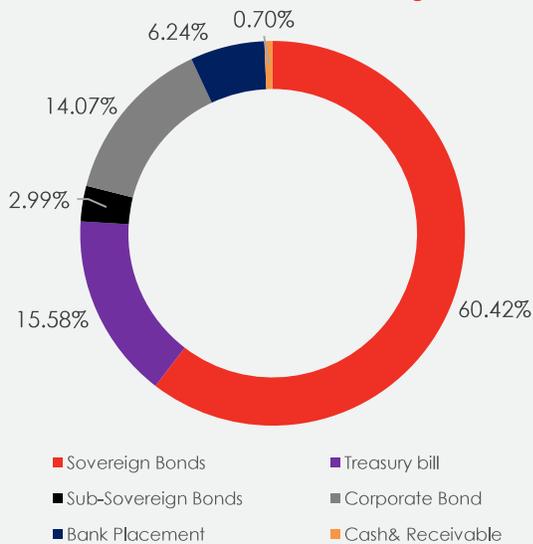
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	82.4bn
NAV Per Share (₦)	1.9899
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense 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	26.59%
1-3yr	32.38%
3-5yr	20.99%
5-10yr	16.13%
>10yr	3.91%

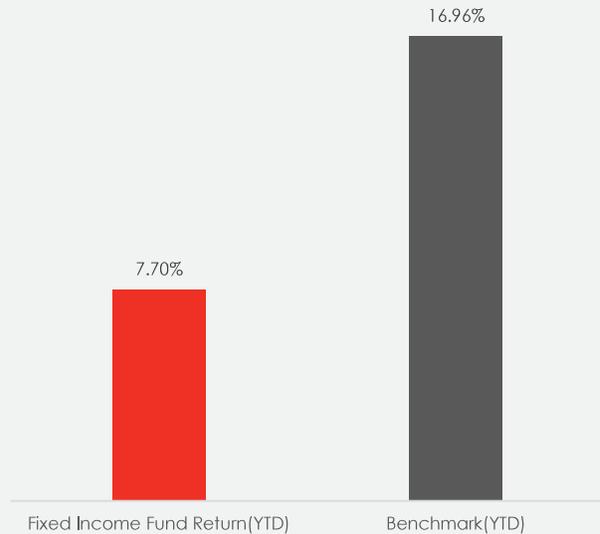
Current Portfolio Holdings



Governance Asset Allocation Ranges:

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

Fixed Income Fund Return vs Benchmark (Annualized)



RETURN HISTORY

	2021	2022	2023	2024	2025	2026 YTD
UC Fixed Income Fund	6.40%	6.33%	6.88%	6.50%	8.31%	7.70%
Benchmark	9.45%	12.83%	13.30%	20.11%	16.60%	16.96%

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

PERFORMANCE REVIEW

The United Capital Fixed Income Fund annualized YTD return as of January 2026 is 7.70% relative to 16.96% posted by the benchmark for the same period.

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

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 money market space was more vibrant with the fund taking position at the long end of the curve. The fund manager still intends to take advantage of current rates and take position in current instruments with good pricing to optimize overall performance.

Looking ahead to March 2026, we expect the impact of the steady drop in inflationary and interest rate figures to position the fund for a potential upside increasing the fund's profitability and returns

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.

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



Diversify your investments with our Mutual Funds today.

Balanced Fund Equity Fund Fixed Income Fund Money Market Fund

Nigerian Durbond Fund Sukuk Fund Wealth for Women Fund