

United Capital Stable Income Fund

Mutual Funds Factsheet | February 2026

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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

The financial system opened in February 2026 with a surplus balance of N1.87 trillion. February 2026 was defined by deliberate CBN liquidity tightening, heavy reliance on OMO and NTB mop-up operations, and constrained banking-sector lending. However, inflows from Federation Account Allocation Committee (FAAC) helped support liquidity.

Consequently, the financial system closed the month with a surplus balance of N3.75 trillion. Due to the rise in liquidity, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 4.07% and 4.19% to close at 22.00% and 22.17%, respectively.

At the primary market, 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. Investors' demand was strong, with total subscriptions amounting to N4.59tn, representing a subscription rate of 3.99x. Bids were heavily skewed toward the longer-tenor 364-day bill, which attracted a total of N4.40tn in bids. 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-tenored 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 16.99%, respectively.

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%.

Looking ahead in March, financial system liquidity is expected to remain relatively strong, supported by anticipated FAAC inflows and fiscal disbursements, although the Central Bank of Nigeria (CBN) is likely to maintain its tight monetary stance to curb inflation and support exchange-rate stability. As a result, the Apex Bank may continue to deploy liquidity management tools such as OMO and NTB issuances to moderate excess liquidity. Investor demand for Treasury bills, particularly longer-tenor instruments, is expected to remain robust, although yields may stabilize or ease slightly if liquidity conditions remain favorable. Meanwhile, interbank rates are likely to trade within current levels but may experience short-term fluctuations depending on the intensity of CBN liquidity management operations.

Performance of the fund is based on the performance of the underlying investments. Returns may differ depending on individual investment period. Performance is net of fees and charges. This information is provided for general information only and should not be used as a basis for investment decision, 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

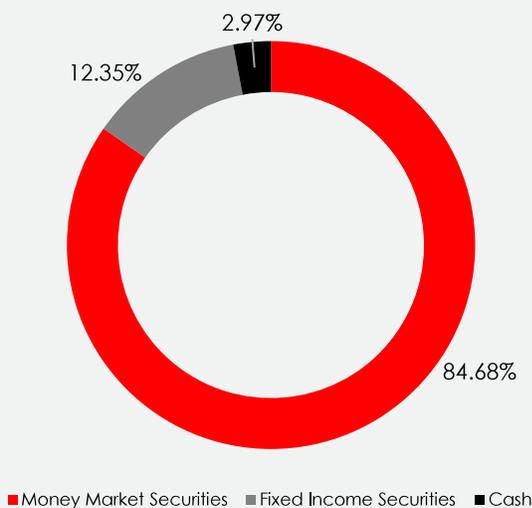
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2024
Fund Size (₦)	69.7bn
NAV Per Share (₦)	132.0488
Minimum Entry (₦)	50,000,000
Additional Investment (₦)	10,000,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-Weighted 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.	87.57%
1 – 3yr	3.94%
3-5yr	5.86%
5 – 10yr	2.63%
>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	2026 YTD
UCAP Stable Income Fund	22.88%	21.87%	22.09%	21.63%	21.93%	19.80%	15.65%
Benchmark	19.06%	17.75%	17.75%	16.45%	18.84%	16.12%	16.45%

PERFORMANCE REVIEW

The United Capital Stable Income Fund recorded a year-to-date annualized return of 15.65%, as against the benchmark of 16.45% as at the end of January.

The market posted mix reactions across several instruments and maturities largely based on market expectations. We expect the economy to maintain its steady pace with a mild drop in inflationary figures and general interest rate.

Treasury bills and other money market instruments were major picks as investors still looked to buying into the long end of the curve. The fund maintained its long-term positioning keying into new issuances and taking profit to reinvest in key instruments..

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.

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.

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.

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.

