

# United Capital Stable Income Fund

## Mutual Funds Factsheet | January 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 January 2026 with a surplus balance of N1.96 trillion. There were mop-up activities during the month Nigerian Treasury Bills (NTBs) and Open Market Operations (OMO) auctions. However, inflows from Federation Account Allocation Committee (FAAC) helped support liquidity.

Consequently, the financial system closed the month with a surplus balance of N3.36 trillion. Due to the rise in liquidity, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 3.57% and 3.61% to close at 26.07% and 26.36%, respectively.

At the primary market, the Central Bank of Nigeria (CBN) conducted one NTB auction during the month. The 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 N1.69tn, representing a subscription rate of 1.47x.

Bids were heavily skewed toward the longer-tenor 364-day bill, which attracted a total of N1.56tn in bids. Notably, the Apex Bank over-allotted, selling N952.60bn worth of bills. Following the auction, the stop rates on the 91-day, 182-day and 364-day bills fell by 0.07%, 0.14% and 4.70% to close at 15.84%, 16.65% and 16.98% respectively.

The Debt Management Office (DMO) conducted the January 2025 bond auction with a total offer size of N900bn, split between the reopened 2031 ("7-year"), 2034 ("10-year") and

2035 ("10-Year") bond papers. Investors' demand was strong, with total subscriptions reaching N2.52tn, representing a subscription rate of 2.5x.

Notably, the DMO over-allotted, selling a total of N1.54tn worth of bills. The marginal rates on the 2031, 2034 and 2035 bond papers closed at 17.62%, 17.50 and 17.52% respectively.

In the secondary bond market, we observed positive sentiments as the bulls dominated. Thus, the monthly average yields on the 2030, 2032 and 2035 bonds fell by 0.26%, 0.42% and 0.12% in January to close at 16.80%, 16.69%, and 16.76% respectively.

Similarly, we observed bullish movements in corporate bonds, as average yields in Jan-2025 fell by 2.88% m/m to close at 14.29% (previously, 17.17% in Dec-2025).

**Looking ahead to February, we expect yields to hover at current levels as investors await MPC's decision in their upcoming meeting of 23 to 24 February. Similarly, a stable Naira could support foreign participation, keeping yields relatively modest.**

**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**

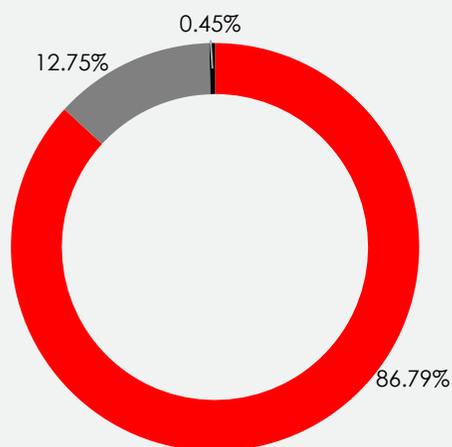
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2024
Fund Size (₦)	65.6bn
NAV Per Share (₦)	130.5793
Minimum Entry (₦)	50,000,000
Additional Investment (₦)	10,000,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-Weighted 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.	86.67%
1 – 3yr	4.30%
3-5yr	1.59%
5 – 10yr	7.44%
>10yr	0.00%

**Current Portfolio Holdings**

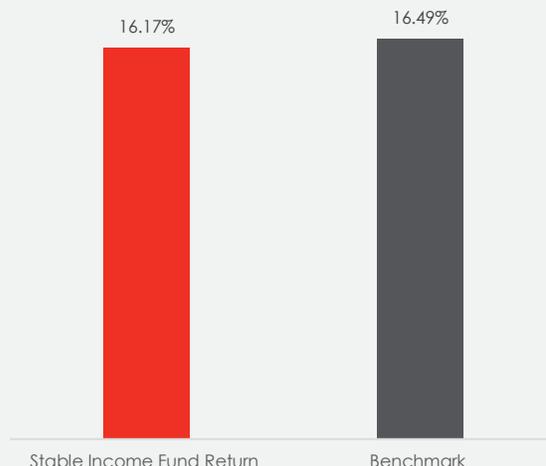


■ Money Market Securities ■ Fixed Income Securities ■ Cash

**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%	16.17%
Benchmark	19.06%	17.75%	17.75%	16.49%	18.84%	16.12%	16.49%

**PERFORMANCE REVIEW**

The United Capital Stable Income Fund recorded a year-to-date annualized return of 16.17%, as against the benchmark of 16.49% as at the end of January.

Market sentiments were largely mixed at the beginning of the year with yields touching 20% levels although it later tapered down presenting mark to market opportunities for the fund.

The fund was able capitalize on this trend to further rebalance the fund, maintaining the YTD return at the fund at 16.17% encouraging more traction into the fund.

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 February 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.

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](http://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.

