

United Capital Sukuk Fund

Mutual Funds Factsheet | July 2025

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FUND OBJECTIVE

The objective of the fund is to provide investors with a low-risk investment with stable and competitive returns through investments in short, medium and long-term Sharia-Compliant securities and investment products, whilst ensuring the preservation of capital and maintaining a reasonable degree of liquidity.

The Fund aims to provide its Unitholders with halal profits on the growth of their capital over the long-term in accordance with the principles of Islamic finance.

MARKET REVIEW, OUTLOOK AND STRATEGY

The Debt Management Office (DMO) conducted the July 2025 bond auction with a total offer size of N80.00bn, split between the reopened 2029 ("5-year") and 2032 ("7-year") bond papers. Investor demand was strong, with total subscriptions reaching N300.67bn, representing an oversubscription rate of 3.76x. Demand was heavily skewed toward the longer-dated 2032 bond, which attracted N261.60bn in bids. Notably, the DMO over-allotted, selling a total of N185.93bn worth of bills. Thus, the marginal rate on the 2029 and 2032 bond papers declined by 2.06% and 2.05%, from 17.75% and 17.95% to settle at 15.69% and 15.90%, respectively.

In the secondary bond market, we observed bullish sentiments amongst investors spurred by the decline in rates at the primary market auction. Additionally, unmet bids from the auction trickled into the secondary market, driving yields lower. Thus, average yields on sovereign bonds closed lower to print at 16.30% in July 2025, 2.08%bps m/m down from the 18.38% print in June 2025.

In the same vein, we observed buy interests in corporate bonds, as average yields in July 2025 declined by 2.30%bps m/m to close at 18.94% (previously, 21.24% in June 2025). Likewise, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds fell by 2.53%bps m/m to close at 16.67% in July 2025 compared to the previous month's close of 19.20%.

Looking ahead to August, we expect the fixed income market to sustain its bullish momentum. This outlook hinges on the downward pressure on rates in the fixed-income market and the need to stay ahead of current yields. The significant oversubscription (as seen at the auction) suggests strong investor appetite for longer-duration instruments, particularly amidst expectations of stable or lower yields.

FUND FEATURES

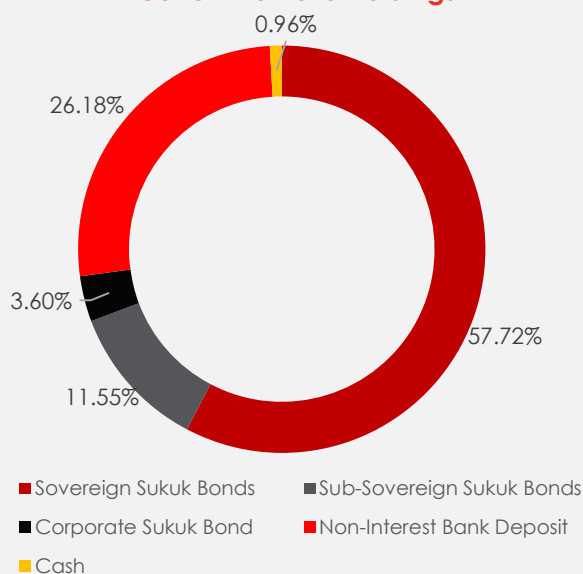
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2020
Fund Size (₦)	4.1bn
NAV Per Share (₦)	1.1680
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	3-Yr FGN Sovereign Sukuk Yield
Risk Profile	Medium
Investment Style	Income Oriented

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

MATURITY PROFILE OF ASSETS

<1yr	36.60
1-3yr	19.3%
3-5yr	11.7%
5-10yr	32.4%
>10yr	0.00%

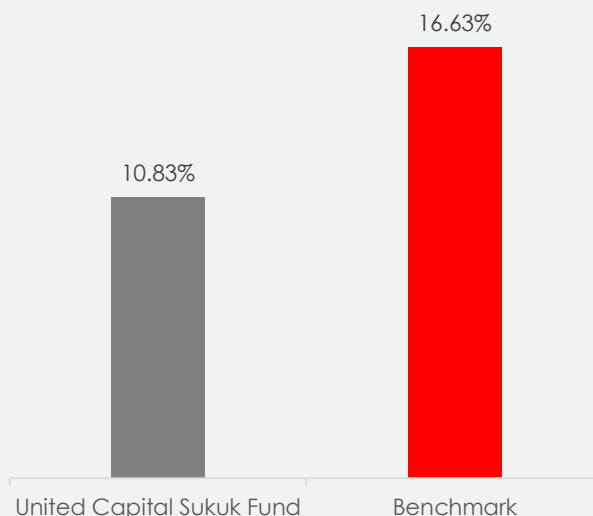
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Non-Interest Bank Deposit (20%-40%); Sukuk Bond: (60%-80%)

Sukuk Fund Return Vs Benchmark (YTD)



RETURN HISTORY

	2021	2022	2023	2024	YTD 2025
United Capital Sukuk Fund	7.32%	7.23%	11.36%	10.02%	10.83%
Benchmark	9.88%	12.92%	13.20%	19.81%	16.63%

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

PERFORMANCE REVIEW

The United Capital Sukuk Fund annualized return for the month of July 2025 is 10.83% relative to the return of 16.63% posted by the benchmark for the same period.

The return can be attributed mainly to rental income and profit on the fund's bond holdings as well as non-interest bank deposits held during the period. There were also several maturities which were reinvested at higher profit rates and helped shore up the return of the fund.

Looking ahead to August, we expect the fixed income market to sustain its bullish momentum. This outlook hinges on the downward pressure on rates in the fixed-income market and the need to stay ahead of current yields. The significant oversubscription (as seen at the auction) suggests strong investor appetite for longer-duration instruments, particularly amidst expectations of stable or lower yields.

The Fund maintains sufficient exposure to Sukuk bonds, Non-Interest bank Deposits, Mudarabah, Murabaha and other Shariah-compliant contracts with significantly higher yields. We will maintain current allocation to enhance returns for 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 Risks
- Macroeconomic instability
- Interest Rate Risk

HOW TO PARTICIPATE

1. Log in to our online platform www.investnow.ng
2. Click on **Sukuk 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



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