

# United Capital Stable Income Fund

Mutual Funds Factsheet | March 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 March 2026 with a surplus balance of N3.75 trillion. March 2026 was defined by deliberate Central Bank of Nigeria (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 N6.22 trillion.

At the primary market, the Central Bank of Nigeria (CBN) conducted four NTB auction during the month. The first auction had an offer size of N1.05tn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N2.34tn. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 16.61%, 18.15% and 20.09% respectively.

The second auction had an offer size of N850bn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N2.78tn. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 16.61%, 18.15% and 20.08% respectively.

The third auction had an offer size of N1.05tn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N3.06tn, representing a subscription rate of 2.92x. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 15.95%, 16.62% and 16.63% respectively.

The fourth auction had an offer size of N400bn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N2.89tn, representing a subscription rate of 7.23x. Following the auction, stop rates on the 91-day, 182-day and 364-day Treasury bills closed at 15.95%, 16.42% and 16.43% respectively.

The Debt Management Office conducted the March 2026 bond auction with a total offer size of ₦750bn, split across the reopened 2030 ("5-year"), 2032 ("7-year"), and 2033 ("9-year") bond papers. Investor demand was solid, with total subscriptions reaching ₦931.50bn, representing a subscription rate of approximately 1.24x.

Despite the healthy demand, the Debt Management Office (DMO) under-allotted, allotting a total of ₦485.50bn across the three tenors, with the bulk of allotments concentrated in the 2033 bond.

In the secondary bond market, we observed negative sentiments as the bears dominated. Thus, the monthly average yields on the 2032 and 2034 bonds rose by 0.54% and 0.69% in March to close at 16.22% and 16.13% respectively

**Looking ahead in April, 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. The Nigeria Treasury Bills market is expected to sustain strong demand, with investors continuing to favour the 364-day tenor amid recent yield compression.**

**The sharp decline in stop rates alongside consistent oversubscription levels reflects robust system liquidity, while the Central Bank of Nigeria's mixed allotment strategy will remain a key driver of rate direction. Globally, delayed rate cuts in the United States may limit foreign participation, leaving domestic investors as the dominant force.**

**Overall, demand is likely to remain strong, with stop rates expected to stay stable or trend slightly lower, particularly at the long end.**

*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**

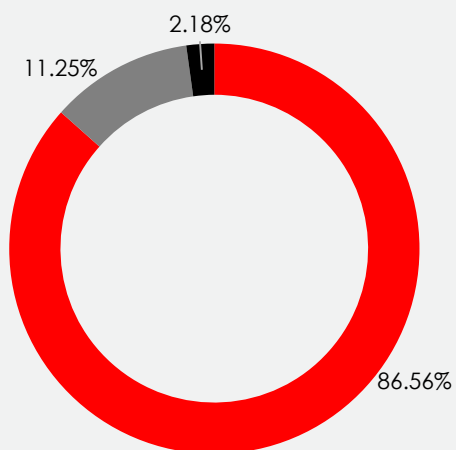
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2024
Fund Size (₦)	75.4bn
NAV Per Share (₦)	133.7301
Minimum Entry (₦)	50,000,000
Additional Investment (₦)	10,000,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-Weighted 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.	91.88%
1 – 3yr	0.00%
3-5yr	5.61%
5 – 10yr	2.51%
>10yr	0.00%

**Current Portfolio Holdings**

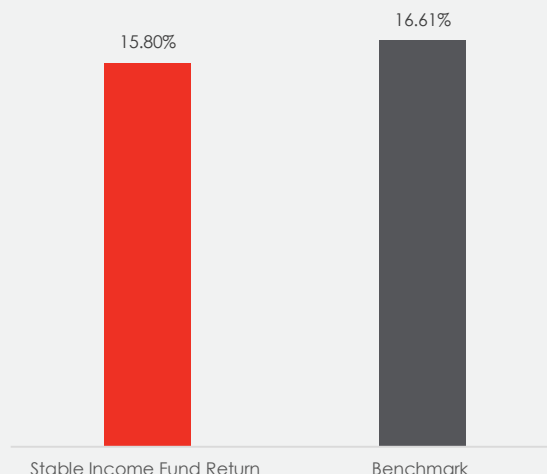


■ Money Market Securities ■ Fixed Income Securities ■ Cash

**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%	15.80%
Benchmark	19.06%	17.75%	17.75%	16.61%	18.84%	16.12%	16.61%

**PERFORMANCE REVIEW**

The United Capital Stable Income Fund recorded a year-to-date annualized return of 15.80%, as against the benchmark of 16.61% as at the end of March.

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.

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### 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.



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