United Capital
Asset Management

United Capital Sukuk Fund

Mutual Funds Factsheet | May 2026

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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 May 2026 bond auction with a total offer size of ₦600.00bn. This comprises the reopened 2035 (10-year) and 2037 (20-year) FGN bonds. Investor demand was relatively subdued, with total market subscriptions amounting to ₦516.17bn, translating to a subscription rate of 0.86x.

Despite the lower subscription level, the DMO allotted a total of ₦614.51bn, supported by a ₦280.00bn non-competitive allotment in the 2037 bond. Allotments were heavily concentrated in the 2037 instrument, which accounted for ₦476.84bn of total sales, highlighting continued investor preference for longer-duration assets. Marginal rates cleared higher at 17.00% for the 2035 bond and 17.04% for the 2037 bond, reflecting persistent upward pressure on yields and investors' demand for elevated risk premiums amid prevailing macroeconomic uncertainties.

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 0.04% and 0.67% in May to close at 16.89% and 17.00% respectively. Similarly, we observed bearish movements in corporate bonds, as average yields in May-2026 rose by 0.21% m/m to close at 19.15% (previously, 18.94% in Apr-2026). Similarly, the FGN Sukuk bonds market closed bearish as average yields on Sukuk bonds climbed by 0185% to close at 17.19% in May-2026 compared to the previous month’s close of 17.01%.

Heading into June 2026, the Nigerian fixed income market is expected to retain a bearish tone, with yields staying elevated across the curve following the broad-based sell-off observed in May across FGN, corporate, and Sukuk bonds. This trend reflects the continued impact of tight monetary policy and persistent inflationary pressures.

Despite the DMO’s over-allotment at recent auctions, higher marginal rates suggest that investors still demand elevated risk premiums. On the external front, expectations of delayed rate cuts in the United States are likely to constrain foreign portfolio inflows, reinforcing the dominance of domestic investors and sustaining upward pressure on yields.

FUND FEATURES

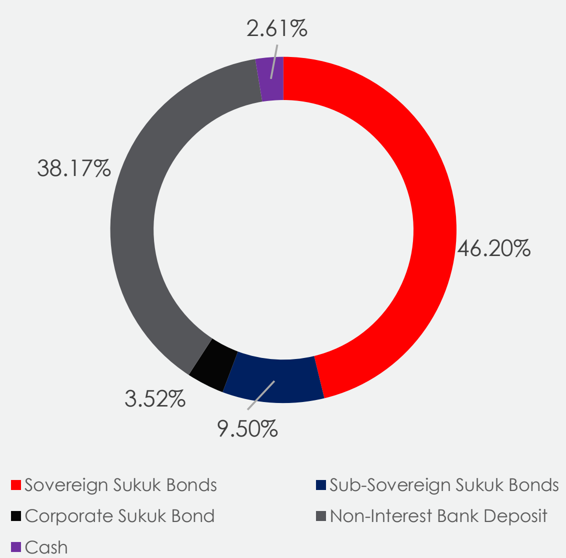
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2020
Fund Size (₦)	4.2bn
NAV Per Share (₦)	1.2664
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense 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	41.80%
1-3yr	16.00%
3-5yr	10.60%
5-10yr	31.70%
>10yr	0.00%

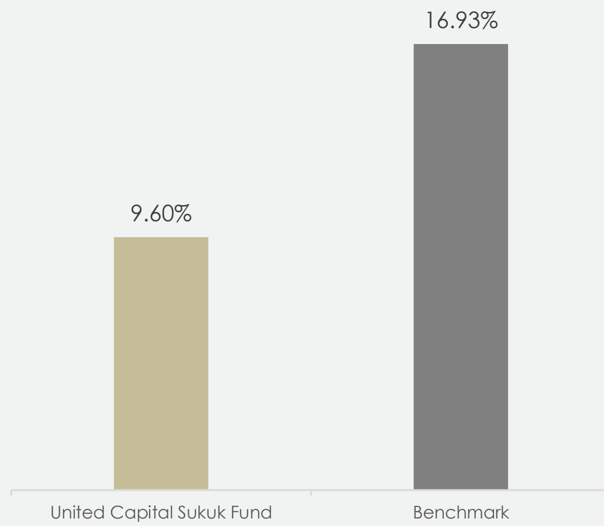
Current Portfolio Holdings



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	2025	2026 YTD
United Capital Sukuk Fund	7.32%	7.23%	11.36%	10.02%	11.27%	9.60%
Benchmark	9.88%	12.92%	13.20%	19.81%	16.81%	16.93%

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

PERFORMANCE REVIEW

The United Capital Sukuk Fund annualized YTD return for the month of May 2026 is 9.60% relative to the return of 16.93% 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.

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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