

United Capital Stable Income Fund

Mutual Funds Factsheet | November 2025

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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

At the money market, the CBN conducted two (2) auctions with a marginal reduction across both auctions. There was a total offer of N650bn offered at the first auction cutting across the 91-day, 182-day and 364-day bill.

The bids were majorly skewed towards the longer-tenured instrument, "364-day bill", which attracted a total of N1.135tn in bids. Notably, the Apex Bank under-allotted, selling just N546.24bn worth of bills. Following the auction, the stop rates on the 91-day, 182-day and 364-day bills climbed by 0.30%, 0.25% and 0.27% settling at 15.30%, 15.50% and 16.04% respectively.

At the second auction, there was a total offer size of N300bn across the 91-day, 182-day, and 365-day bill with a strong investors' demand pushing the total subscription to N750 Billion, indicating an oversubscription rate of 2.50x. The Bids were heavily skewed toward the longer-tenor 364-day bill, which attracted a total of N674 Billion in bids. Notably, the Apex Bank over-allotted, selling N455.59bn worth of bills. The stop rates on the 91-day, 180-day and 364-day bills fell by 0.30%, 0.20% and 0.64%, settling at 15.30%, 15.50% and 16.14%, respectively.

In the secondary market, the monthly average yields on the 182-day and 364-day bills fell by 0.63% and 0.15% to settle at 17.29% and 17.40%, respectively.

The financial system opened in October 2025 with a surplus balance of N2,47 trillion. There were mop-up activities during the month (due to primary market sales by the Apex Bank), inflows from Federation Account Allocation Committee

(FAAC), and Open Market Operations (OMO) helped support liquidity.

The bond market maintained its bullish stance with the DMO conducting the October auction with an offer size of N460billion cutting across two (2) maturities, the reopened 2030 ("5-year") and 2032 ("7-year") bond papers

Investors' demand was strong, with total subscriptions reaching N657.26bn, representing a subscription rate of 1.4x. Notably, the DMO over-allotted, selling a total of N583.52bn worth of bills. The marginal rate on the 2030 bond paper climbed by 0.07%, from 15.83% to settle at 15.90% and the 2032 bond paper fell by 0.20%, from 16.00% to 15.20%.

In the secondary bond market, we observed mixed sentiments amongst investors due to the Monetary Policy Rate (MPR) held decision by the Monetary Policy Committee (MPC). Thus, the monthly average yields on the 2030 and 2035 bonds closed lower by 0.44% and 0.28% in November to 15.45% and 15.30% respectively, while 2032 bonds closed higher by 0.12% in November to close at 15.96%.

Similarly, we observed bullish movements in corporate bonds, as average yields in Nov-2025 fell by 4.69% m/m to close at 13.83% (previously, 18.52% in Oct-2025). Likewise, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds reduced by 0.52% m/m to close at 15.71% in Oct-2025 compared to the previous month's close of 16.23%.

Looking ahead to December, we expect the fixed income market to maintain its bullish momentum supported by strong demand and improved Economic fundamentals. Expected decline in the inflation rate, stability in the FX market and improving external sector should continue to exert downward pressure on yields in the market.

Consequently, the bond market is expected to also stay bullish. 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

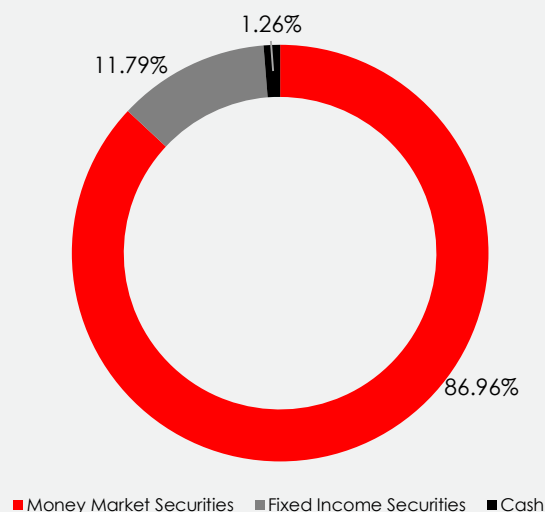
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2024
Fund Size (₦)	64.5bn
NAV Per Share (₦)	127.1512
Minimum Entry (₦)	50,000,000
Additional Investment (₦)	10,000,000
Structure	Open Ended
Minimum Holding Period	30 days
Benchmark	91-Weighted 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.	88.21%
1 – 3yr	3.24%
3-5yr	1.50%
5 – 10yr	7.04%
>10yr	0.00%

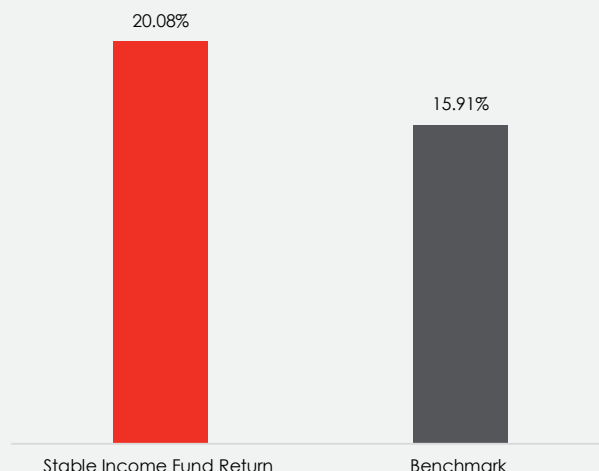
Current Portfolio Holdings



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	Sept-24	Oct-24	Nov-24	Dec-24	2025 YTD
UCAP Stable Income Fund	22.88%	21.87%	22.09%	21.63%	21.93%	20.08%
Benchmark	19.06%	17.75%	17.75%	15.91%	18.84%	15.91%

PERFORMANCE REVIEW

The United Capital Stable Income Fund returned a year-to-date annualized return of 20.08%, outperforming the benchmark by 15.91% as at the end of November.

The money market continue to record drops in yield despite slight upticks across some long-dated assets as investors scrambled to get the best pricing for their assets. There was a drive to accumulate longer dated assets to ensure optimal performance as we approach year end. The fund has largely been able to position to take advantage of this preserving its return and reducing reinvestment risk.

The bond market mirrored this trend as bonds bought earlier in the year helped position 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 December 2025, we expect mixed sentiments as investors continue to look for long-term positioning and also weigh the impact of the new tax law on the return on asset in the fixed income space. 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.

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.

