

United Capital Fixed Income Fund

Mutual Funds Factsheet | September 2025

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FUND OBJECTIVE

The main objective of the Fund is to achieve consistent income streams through investment in select portfolio of securities and investments specified in the Trust Deed. The Fund's assets are invested in Federal Government bonds, Sub-national bonds, corporate bonds and high-quality money market securities. The Fund is not affected by the fluctuations in the equity markets. However, opportunities for capital appreciation are dependent on changes in interest rate.

MARKET REVIEW, OUTLOOK AND STRATEGY

The Debt Management Office (DMO) conducted the September 2025 bond auction with a total offer size of N200.00bn, split between the reopened 2030 ("5-year") and 2032 ("7-year") bond papers. Investors' demand was strong, with total subscriptions reaching N1.260 trillion, representing a subscription rate of 6.3x. Notably, the DMO over-allotted, selling a total of N576.62billion worth of bills. The marginal rate on the 2030 bond paper fell by 0.89%, from 18.00% to settle at 16.00% and the 2032 bond paper fell by 0.90%, from 17.95% to 16.20%.

In the secondary bond market, we observed bullish sentiments amongst investors due to the Monetary Policy Rate (MPR) cut decision by the Monetary Policy Committee (MPC). Thus, the monthly average yields on the 2030, 2032, and 2035 bonds closed lower by 0.60%, 0.72% and 0.30% in September to settle at 16.47%, 16.20% and 16.14% respectively.

Conversely, we observed sell-offs in corporate bonds, as average yields in Sep-2025 climbed by 0.95% m/m to close at 18.96% (previously, 19.98% in Aug-2025). Likewise, the FGN Sukuk bonds market closed bearish as average yields on Sukuk bonds increased by 0.94% m/m to close at 16.70% in Sep-2025 compared to the previous month's close of 17.81%.

At the money market, the CBN conducted two (2) auctions with mixed results across both auctions. There was a total offer of N480bn offered at the first auction and N290bn at the second 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", at both auctions. The stop rate on the 91-day and 364-day bills climbed up by 1.02% and 1.07% respectively, to settle at 15.32% and 17.69% while the stop rates of the 182-day bill remained unchanged at 15.50% at the first auction. At the second auction, we saw a drop in the stop rate of the 91-day, 182-day and 364-day bill moving down by 0.98%, 0.99% and 0.95% to close at 15.00%, 15.30% and 16.78%, respectively.

Looking into October, the bond market is expected to stay bullish, supported by strong demand and improved economic fundamentals. Robust liquidity in the financial system could sustain investor interest in sovereign bonds. Meanwhile, corporate and Sukuk bonds could face mild pressure as investors shift toward FGN Bond to lock in at current rates in anticipation of further drop in rates.

FUND FEATURES

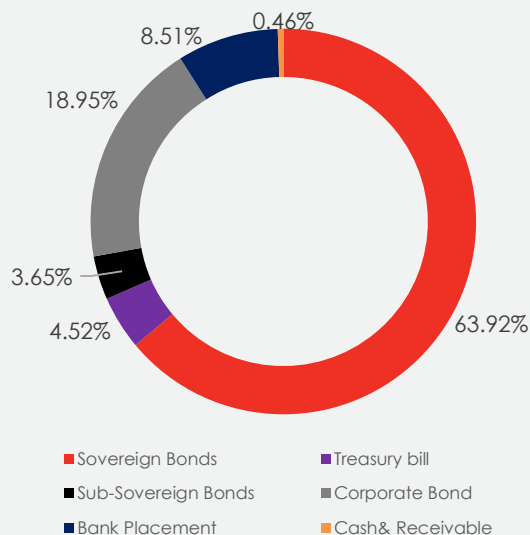
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	85.3bn
NAV Per Share (₦)	1.9391
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	3-Yr FGN Bond Yield
Risk Profile	Medium
Investment Style	Income Oriented

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

MATURITY PROFILE OF ASSETS

<1yr	26.15%
1-3yr	33.59%
3-5yr	17.90%
5-10yr	18.51%
>10yr	3.85%

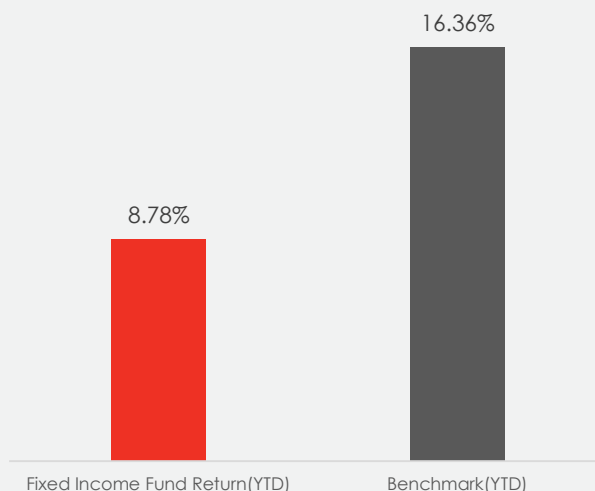
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Money Market(10%-30%); Fixed Income: 70%-90%

Fixed Income Fund Return vs Benchmark (Annualized)



RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UC Fixed Income Fund	9.35%	6.40%	6.33%	6.88%	6.50%	8.78%
Benchmark	3.54%	9.45%	12.83%	13.30%	20.11%	16.36%

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

PERFORMANCE REVIEW

The United Capital Fixed Income Fund annualized YTD return as at September 2025 is 8.78% relative to 16.36% posted by the benchmark for the same period.

The fixed income market remained bullish throughout the month. There was improved activity in the market and the drop in general rates triggered by the drop in the MPR helped position the fund for MTM gains. The fund manager also intends to take advantage of current trends and take position in current instruments with good pricing to optimize overall MTM returns.

The fund was also able to reposition using proceeds from Coupons and asset maturities to lock into long term assets for MTM opportunities.

Looking ahead to October 2025, , we expect bullish sentiments to persist as investors continue to look for long-term positioning in the fixed income space to help preserve and improve the overall return which should encourage further inflows and better improve the funds AUM.

The portfolio remains invested in FGN Bonds, money market instruments and sub-sovereign bonds with decent yield. The fund is constantly monitoring the market to ensure optimal returns across all asset class while maintaining its current allocation to enhance the overall yield of 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 risk
- Macroeconomic instability
- Interest Rate Risk

HOW TO PARTICIPATE

1. Log in to our online platform www.investnow.ng
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