

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

In April, the Debt Management Office (DMO) conducted a bond auction to sell N225.0bn worth of bonds across the three-, ten- and twenty-year tenors. The DMO elected to undersell at the auction, selling a total of N219.9bn across all three tenors. Notably, the 2025s and 2032s are new bond series issued by the DMO. Thus, setting sight on the 2042s, the marginal rate on this offering climbed 20bps and printed at 12.9% while the 2025s and 2032s settled at an initial marginal rate of 10.0% and 12.5% respectively.

In the secondary market, activities turned bearish on the back of not-so-significant system liquidity in April. During the month, the financial system received N399.4bn from sovereign maturities across NT Bills, OMO Bills and coupon payments, c.61% lower compared to March. Overall, average yields in the sovereign debt market climbed 45bps m/m to print at 11.2% in April. Similarly, average yields trended higher in the corporate segment, up by 41bps m/m to settle at 11.0%.

Looking ahead to May, we expect to see a persistence of bearish sentiments in the sovereign bond market. Therefore, we anticipate a further ascent in rates at May's auctions which is also expected to lead to standoffish sentiments at the secondary market.

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The United Capital Fixed Income Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	127.4bn
NAV Per Share (₦)	2.0002
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	3-Yr FGN Bond Yield
Risk Profile	Medium
Investment Style	Income Oriented

PERFORMANCE REVIEW

For the month of April, the United Capital Fixed Income Fund gained 0.42% and Year to date ("YTD") annualized return printed at 6.94%. The benchmark posted an annualized return of 9.19% for the same period.

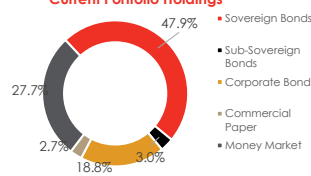
The treasury bills market maintained its bearish sentiment during the period due to sustained system liquidity. In the medium term, we expect increased borrowing to finance a widening deficit to push yields northwards.

The Fund maintains sufficient exposure to FGN bonds, money market instruments and sub-sovereign bonds with significantly higher yields. We will maintain current allocation to enhance returns for the Fund.

Maturity Profile of Assets

<1 yr	32.4%
1-3yr	3.2%
3-5yr	28.9%
5yrs & Above	35.5%

Current Portfolio Holdings



Fixed Income Fund Return Vs Benchmark (Annualized)



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

Governance Asset Allocation Ranges:

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

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 Risks

- Market risk
- Macroeconomic instability
- Interest Rate Risk

How to participate

1. Log in to our online platform www.investnow.ng
2. Click on Bond Fund
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent

Return History

	2016	2017	2018	2019	2020	2021	YTD 2022
United Capital Fixed Income Fund	16.0%	28.4%	11.3%	14.94%	9.35%	6.79%	6.94%
Benchmark	15.5%	14.0%	15.1%	10.20%	3.54%	9.26%	9.19%

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

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.