

United Capital Sukuk Fund | Monthly Fact Sheet



April-22

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

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. 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%.

In the Sukuk segment of the bonds market, proceedings traced the bearish pattern of the broader fixed income market as the average yields on FGN Sukuk instruments climbed 52bps m/m to close at 10.1% at the end of April.

Looking ahead into 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

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

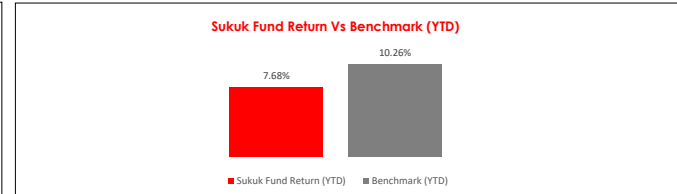
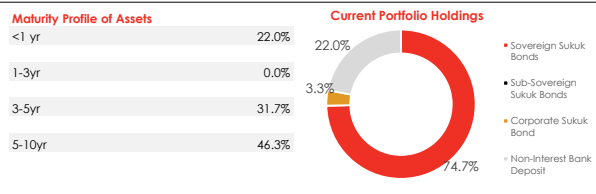
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2020
Fund Size (₦)	1.9bn
NAV Per Share (₦)	1.0994
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	3-Yr FGN Sovereign Sukuk Yield
Risk Profile	Medium
Investment Style	Income Oriented

PERFORMANCE REVIEW

In April, the United Capital Sukuk Fund gained 0.59% and thus, brought annualised YTD return to 7.68%, relative to the annualized return of 10.26% posted by the benchmark for the same period.

The Treasury Bonds secondary market remained bearish as net maturities kept the system liquid. Average yields declined across tenors as buying interest increased. In the medium term, we expect frontloading of significant borrowings for the year to result in an uptick in bond yields as investors demand higher yields in the face of elevated supply.

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



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

Governance Asset Allocation Ranges:

Non-Interest Bank Deposit (20%-40%); Sukuk Bond: 60%-80%

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 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

Return History

	2021	Jan-22	Feb-22	Mar-22	Apr-22
United Capital Sukuk Fund	7.32%	7.72%	7.79%	7.70%	7.68%
Benchmark	9.88%	10.91%	10.63%	10.33%	10.26%

* 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.