

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

At the February bond auction, the Debt Management Office (DMO) allotted N80.6bn worth of bonds against the initial offering of N150.0bn as investors bid significantly higher. To give perspective, the low end of the range of bids for the 2027, 2035 and 2045 instruments were at 8.14% (prev. 5.7%), 10.0% (prev. 7.5%) and 10.00% (8.40%), respectively. That said, marginal rates on the 2027, 2035, and 2045 instruments closed significantly higher at 10.25% (prev. 7.9%), 11.25% (prev. 8.7%) and 11.80% (prev. 8.7%), respectively.

At the secondary market, bearish sentiment was stoked by an increase in marginal rates at the bond auction, allowing investors to reprice secondary market yields higher. Accordingly, the average sovereign bond yield surged by 117bps m/m to 9.24% in February from 8.07% at the end of January. To provide further context, the S&P/FMDQ sovereign bond index closed February lower by 5.7% m/m.

Looking ahead, we expect the bearish steepening observed in the bond market to persist as dealers continue to seek higher rates at the primary market. Consequently, this would further spur bearish sentiments in 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 (₦)	144.4bn
NAV Per Share (₦)	1.9082
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

The United Capital Fixed Income Fund returned 0.53% for the month of February bringing the Year to date ("YTD") annualised return to 5.83%, relative to the annualized return of 6.84% posted by the benchmark for the same period.

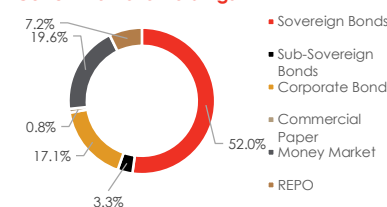
The Treasury bonds secondary market continued to see sustained demand due to improved market liquidity following coupon payment and speculative demand from investors in anticipation of higher yields. Consequently average yield contracted across the short and mid end of the yield curve.

The portfolio remains invested in FGN Bonds, money market instruments and sub-sovereign bonds with significantly higher yields. We will maintain current allocation to enhance yield income for the Fund.

Maturity Profile of Assets

<1 yr	28.6%
1-3yr	3.3%
3-5yr	9.8%
5-10yr	58.3%

Current Portfolio Holdings



* 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

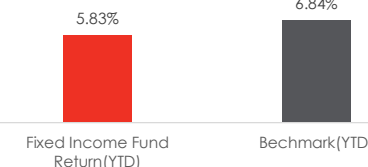
How to participate

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

Investment Risks

- Market risk
- Macroeconomic instability
- Interest Rate Risk

Fixed Income Fund Return Vs Benchmark (Annualized)



Return History

	2016	2017	2018	2019	2020	YTD
United Capital Fixed Income Fund	16.0%	28.4%	11.3%	14.94%	9.35%	5.83%
Benchmark	15.5%	14.0%	15.1%	10.20%	3.54%	6.84%

Past performance is not a reliable indicator of future performance. 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.