

February-21

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

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% (4.40%), 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.

In the Sukuk bond segment of the market, proceedings followed the broad fixed income market's performance as average yield on FGN Sukuk instruments climbed 99bps m/m to close at 8.32% at the end of February.

Looking ahead, we expect the bearish steepening observed in the

Contact Us:

Emmanuel Akehomen | +234-703-180-3064

emmanuel.akehomen@unitedcapitalplcgroup.com

Asset Management | +234-1-631-7876

mutualfunds@unitedcapitalplcgroup.com

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 (₦)	656.5m
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 Sovereign Sukuk Yield
Risk Profile	Medium
Investment Style	Income Oriented

PERFORMANCE REVIEW

The United Capital Sukuk Fund returned 0.42% for the month of February and 5.65% annualised return, relative to a 6.79% posted by the benchmark for the same period.

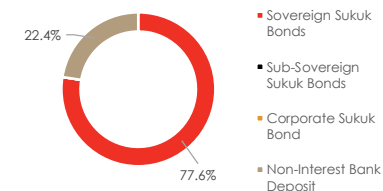
The Treasury bonds secondary market continued to see sustained demand due to improved market liquidity following coupon payment and speculative demand from investors in anticipation of higher yields.

The portfolio remains invested in FGN Sukuk Bonds with significantly higher yields. We will maintain current allocation to enhance yield income for the Fund.

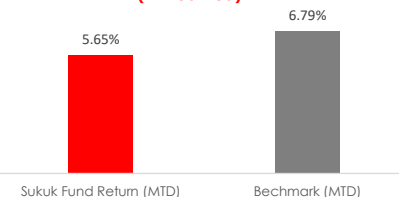
Maturity Profile of Assets

<1 yr	22.4%
1-3yr	0.0%
3-5yr	0.0%
5-10yr	77.6%

Current Portfolio Holdings



Sukuk Fund Return Vs Benchmark (Annualized)



* 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

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

Investment Risks

- Market risk
- Macroeconomic instability
- Interest Rate Risk

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.