

August-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 August bond auction, the DMO sold a total of N260.0bn, compared with the N150.0bn volume on offer across the three maturities. Investor demand was strong as all bonds on offer were oversubscribed with the 2028s, 2036s and 2050s recording subscriptions rate of 1.21x, 1.15x and 1.69x respectively. In addition, the marginal rates closed lower, with the 2028s, 2036s and 2050s closing at 11.6%, 12.75% and 12.80%, from 12.35%, 13.15% and 13.25% at the Jul-2021 auction.

In the secondary market, investor demand for Naira bonds remained strong sustaining the decline in yields. For the month, average yield declined by 90bps m/m to 11.2% from 12.1% in the previous month. In the corporate segment, average yield simultaneously declined by 100bps m/m to 11.7% from 12.7%.

In the Sukuk segment of the bonds market, proceedings followed the broad fixed income market's performance as average yield on FGN Sukuk instruments declined 110bps m/m to close at 10.7% at the end of August.

In the coming month, we expect demand-led activities in the secondary bonds market as investors continue to attempt to lock-in bids amid the decline in yields. Consequently, this would further spur further decline in yields at the secondary market.

Looking ahead, in August, we expect the sustained downturn in the yield environment, especially at bond auctions to continue, that said, in the secondary market we expect bond yields to remain tight.

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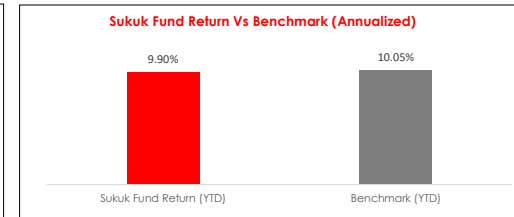
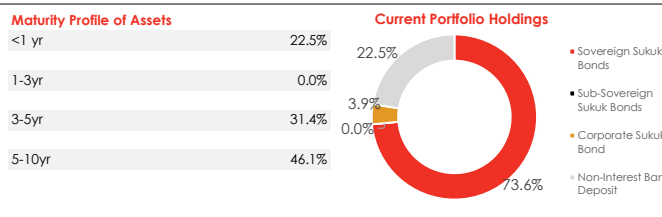
The United Capital Sukuk Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2020
Fund Size (N)	1.6bn
NAV Per Share (N)	1.061
Minimum Entry (N)	10,000
Additional Investment (N)	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 0.30% for the month of August and an annualised return of 9.90%, relative to the annualized return of 10.05% posted by the benchmark for the same period.

The Treasury bonds market closed the month on a bullish as the average yield contracted across the curve on the back of improved demand following the sustained improvement in macroeconomic conditions as signalled by the third consecutive quarter of positive growth and further reduced stop rates at the NTB auction. The portfolio remains invested in FGN Sukuk Bonds with significantly higher yields. We will maintain current allocation to enhance yield income for the



* 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

Return History

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
United Capital Sukuk Fund	5.65%	5.32%	13.72%	16.71%	11.74%	10.91%	9.90%
Benchmark	6.79%	8.26%	11.23%	12.19%	11.62%	11.12%	10.05%

* 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.