

April-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 April bond auction, the Debt Management Office (DMO) offered to sell N150.0bn worth of bonds but subsequently oversold the auction as it attempted to take advantage of current yield level in expectation of higher yields in subsequent auctions. The auction received N265.7bn worth of bids with the DMO opting to sell N157.9bn worth of bonds. In line with expectations, marginal rates on the 2027, 2035, and 2045 instruments closed significantly higher at 12.25%, 13.34% and 13.85% from 10.25%, 11.25% and 11.80% respectively.

In the Sukuk bond segment of the market, proceedings followed the performance of the broad fixed income market as average yield on FGN Sukuk bonds climbed 242bps m/m to close at 12.0% at the end of April.

**Looking ahead, we are of the view that bond market investors will continue to seek higher rates at the primary market as they take advantage of the FG's reliance on the local debt market. Consequently, this would further spur bearish sentiments in the secondary market.**

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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 (₦)	1.3bn
NAV Per Share (₦)	1.9303
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 1.06% for the month of April and 13.72% annualised return, relative to a 11.23% posted by the benchmark for the same period.

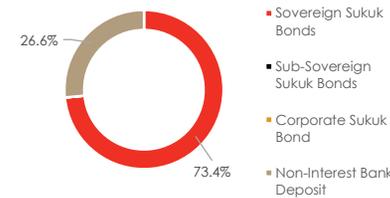
The Treasury bonds market remained bearish as investors continue to anticipate higher yields for FGN bonds. Across the curve, average yield expanded following sell-offs.

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	26.6%
1-3yr	0.0%
3-5yr	22.9%
5-10yr	50.5%

### Current Portfolio Holdings



\* 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

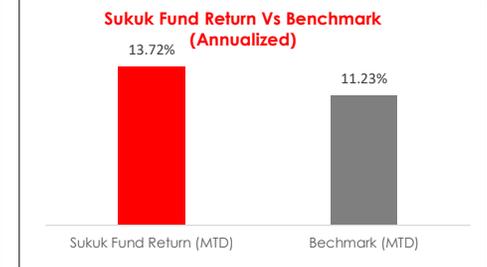
1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on Sukuk Fund
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments

### Investment Risks

- Market risk
- Macroeconomic instability
- Interest Rate Risk

### Return History

	Feb-21	Mar-21	Apr-21
United Capital Sukuk Fund	5.65%	5.32%	13.72%
Benchmark	6.79%	8.26%	11.23%



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.