

United Capital Equity Fund

Mutual Funds Factsheet | April 2025

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FUND OBJECTIVE

The United Capital Equity Fund invests in quoted equities that are traded on the Floor of the Nigerian Exchange ("NGX"). The objective of the Fund is to achieve high returns over a medium to long-term period. The Fund is suited for investors who have a long-term outlook and have funds that can be set aside for investments extending for a period of more than one year. The Fund is impacted by fluctuations in stock prices.

The Fund seeks to achieve long-term capital appreciation and income distribution through investment in fundamentally strong companies. As such, the Fund targets investors who seek significant capital appreciation in the long-term and can tolerate the volatility in the stock market.

MARKET REVIEW, OUTLOOK AND STRATEGY

In April 2025, despite intermittent sell-off pressures, the bulls maintained control of the market. We observed bargain-hunting activities across some fundamentally strong stocks as investors look to position themselves and take advantage of low prices. Q1-2025 earning season and corporate action declarations. However, investor caution persisted, following the Monetary Policy Committee's (MPC) decision to keep the benchmark interest rate unchanged at 27.50%. Elevated yields in the fixed-income market continued to dampen risk appetite, reinforcing a tilt toward safer assets over equities. Notably, a standout performer was WAPCO, which climbed by 13.91% m/m. Additionally, gains in banking stocks, ZENITHBA (+10.58% m/m), GTCO (+6.20% m/m), and MTNN (+2.04% m/m) lifted the local bourse northwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) improved by 12bps to close at 105,800.85 points. Consequently, YTD return strengthened to 2.79% from March's print of 2.66%, with market capitalisation settling at N66.50tn.

On a sectoral level, market activities was bearish, with Four (4) of the Five (5) sectors under our coverage closed in the red. The Oil and Gas sector (-4.23% m/m) led the laggards due to profit booking activities in MRSOIL (-9.95% m/m). Trailing behind was the Industrial goods sector (-3.59% m/m) following share price depreciations in DANGCEM (-10.00% m/m), CAP (-14.89% m/m), and CUTIX (-2.80% m/m). This was followed by the Insurance sector (-3.52% m/m) on account of losses in SUNUASSU (-27.97% m/m) and CORNERST (-8.36% m/m) and MBENEFIT (-14.29% m/m). The Banking sector (-1.52% m/m) followed on the back of sell pressures in ETI (-2.04% m/m) and STERLING (-0.92% m/m). Lastly, on the other side of the coin, the Consumer Goods sector (+10.42% w/w) was the sole gainer on account of gains in NB (+26.10% m/m) and NESTLE (+7.84% m/m).

In terms of corporate announcements, Wema Bank Plc is set to raise N150bn capital by way of Rights Issue of 14,286,785,417 ordinary shares of N0.50 at N10.45 per share. Meanwhile, the month of April saw a spree of earnings announcement from some of our coverage companies with the Q1-2025 earning season

starting off.

In terms of 2024 financial results released in the month of April, SCOA Plc released its FY-2024 Audited Financial Statements declaring a Profit Before Tax (PBT) as N0.37bn and Profit After Tax (PAT) as N0.23bn. Also, Total Energies Plc released their FY- 2024 Audited Financial Statement declaring a Profit Before Tax (PBT) of N43.26bn and Profit After Tax (PAT) of N27.50bn.

Meanwhile, some corporates released their Q1-2025 results, and this include the following: Access Holding Plc recorded a PAT of N182.75bn, up by 14.73% y/y from N159.29bn recorded in Q1-2024. Fidelity Bank Plc recorded a PAT of N91.10bn, up by 189.75% from the N31.44bn recorded in Q1-2024. Zenith Bank Plc recorded a PAT of N311.83bn, up by 20.70% y/y from N258.34bn in Q1-2024. First Holdco Plc declared a Profit Before Tax (PBT) of N781.88bn and Profit After Tax (PAT) of N663.49bn. Dangote Cement Plc also released its Q1-2025 Audited Financial Statements declaring a Profit Before Tax (PBT) of N311.97bn and Profit After Tax (PAT) of N209.25bn. BUA Cement Plc released its Q1-2025 Audited Financial Statements declaring a Profit Before Tax (PBT) of N99.74bn and Profit After Tax (PAT) of N81.12bn. Geregu Power Plc also released their Q1-2025 financial statement declaring a Profit Before Tax (PBT) of N13.01bn and Profit After Tax (PAT) of N10.43bn.

The equities market also saw the listing of Legend Internet Plc, an internet service provider debut on the NGX through a listing by introduction. The company listed 2.00bn ordinary shares of 50 kobo, achieving an initial market capitalization of N11.3bn.

Looking ahead into May-2025, we expect the influx of impressive Q1-2025 results to marginally bolster buy interest as investors continue to bargain-hunt stocks with strong fundamentals. We strongly anticipate impressive outflows among corporates in the financial services sector (particularly the banks). Thus, we expect an increased appetite among investors towards corporates in the financial services sector.

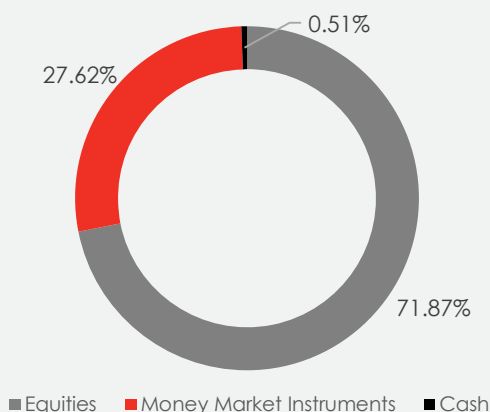
Additionally, a potential rate cut by the MPC in their next meeting slated for 19 to 20 May-2025 might improve investors sentiments toward the equities market. On the flip side, high interest rates, elevated inflationary pressure and weakness of the naira will continue to impact the equities market in the month of May. Generally, the equities market would experience volatility, with the potential for modest recovery in mid-to-late May depending on corporate results and MPC's decision.

FUND FEATURES

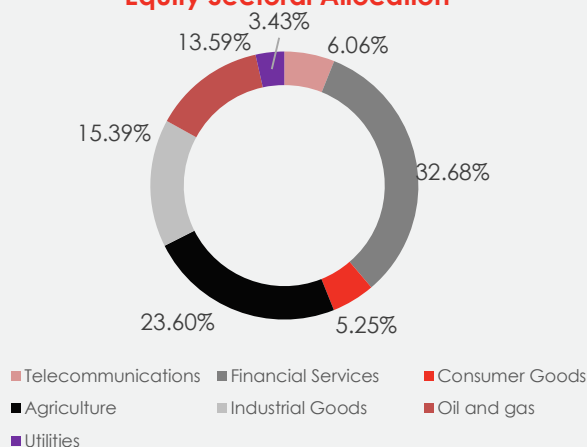
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	4.1bn
NAV Per Share (₦)	1.6207
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

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

Current Portfolio Holdings

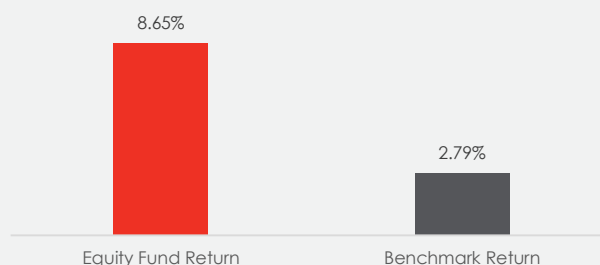


Equity Sectoral Allocation

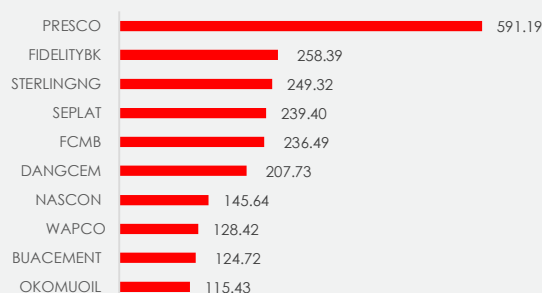


Governance Asset Allocation Ranges:
Money Market(10%-30%); Equities: 70%-90%

Equity Fund Performance Vs Benchmark



Top ten equity exposures (million)



RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UCAP Equity Fund	22.91%	16.43%	7.55%	48.40%	35.60%	8.65%
Benchmark (ASI)	50.03%	6.07%	19.98%	45.90%	37.65%	2.79%

*Represents the Fund's Absolute Return vs the Benchmark's Absolute Return

PERFORMANCE REVIEW

The United Capital Equity Fund returned -0.56% for the month of April 2025 translating to a YTD return of 8.65%, relative to the return of 2.79% posted by the benchmark for the same period.

The Nigerian stock market closed April on a bullish note as the benchmark index gained 0.13% on a MoM basis translating to a YTD return of 2.79%. While the equities market started the month on a bearish trend, this was reversed by the middle of the month as we saw investors' confidence improve on the back of attractive Q1 25 earnings release by corporates.

Looking ahead for May 2025, we expect that a host of factors will affect the performance of the market. Factors like the decision of the MPC at its May meeting, investors' reaction to the release of Q1 2025 earnings will dictate the direction of the market. Market participation data from the NGX showed that foreign investors participation during March improved significantly from 8% in February to 63% in March. We expect that if the same momentum is maintained in May, the positive sentiment may persist. The fund manager will continue to take position in tickers with good fundamentals as the opportunity presents and ensure a mix with money market instruments to take advantage of the attractive yield environment.

The fund would continue to take positions in stocks with low prices, solid valuations, and dividend performance in a bid to take advantage of potential market rally. We will maintain our allocation in line with the investment policy objectives and the Trust Deed.

WHY CHOOSE THE FUND?

- Diversification across sectors
- Seamless Entry and Exit
- Low entry threshold
- Professional management with robust risk framework
- Long term capital growth

INVESTMENT RISK

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

HOW TO PARTICIPATE

1. Log in to our online platform www.investnow.ng
2. Click on **"Equity Fund"**
3. Click on **"Open and account"**.
4. Fund your account online with a one-time payment or recurrent payments.

