

United Capital Children Investment Fund

Mutual Funds Factsheet | August 2025

Contact Us:
Philip Ndunaka | +234-703-192-1664 | philip.ndunaka@unitedcapital.ng
Asset Management | +234-1-631-7876 | asset.management@unitedcapital.ng

FUND OBJECTIVE

The United Capital Children Investment Fund is a long-term investment vehicle designed to enable parents, guardians and investors to accumulate wealth over a long term. The Fund is targeted at investors who seek to build a financial reserve for their children future needs, including education, healthcare and other significant life events. The Fund's objective is to provide unit holders with long-term capital appreciation and steady income flow through a diversified portfolio. The Fund aims to leverage a mix of fixed-income securities, equities and money market instruments, providing a balanced risk-return profile. The equity portion of the Fund has exposures to stocks of companies with stable growth.

MARKET REVIEW, OUTLOOK AND STRATEGY

In August 2025, the Nigerian equities market extended its July rally with a modest gain, driven by early-month enthusiasm, before giving way to profit-taking and cautious trading towards the end of the month. Investors gained approximately N0.35tn compared to N12.47tn in July as market capitalization grew marginally. Despite intermittent selloffs among major banks and industrial players, notably in the latter weeks, investor appetite shifted toward fundamentally sound mid- and small-cap stocks.

Notably, standout performers which lifted the local bourse include BUAFOODS (+31.45% month-on-month – m/m), BUACEMEN (+12.44% m/m), TRANCOH (+9.95% m/m), and AIICO (+91.47% m/m). As a result, the NGX-All Share Index (NGX-ASI) gained 0.31% m/m to close at 140,295.50 points. Consequently, Year to date returns increased marginally to 36.31% from 35.89% recorded in July. Market capitalization also closed at N88.77tn from N88.42tn recorded in July.

On a sectoral level, market activity was bullish, as Three(3) of the Five (5) sectors under our coverage closed in the green while two (2) closed in red. The Insurance sector (+44.30% m/m) led the gainers mainly driven by gains in AIICO (by more than 90%), GUINEAINS, LINKASSURE and others (gaining more than 50%). Following was the Consumer Good sector (+8.91% m/m) following share price appreciations in BUAFOOD (+28+% m/m), and CHAMPION (+24% m/m). This was followed by the Industrial sector (+1.83% m/m) on account of gains in TRIPPLEG, BETAGLASS.

At the money market, the CBN conducted two (2) auctions with a marginal reduction across both auctions. There was a total offer of N220bn offered at the first auction and N230bn at the second auction cutting across the 91-day, 182-day and 364-day bill.

The bids were majorly skewed towards the longer-tenured instrument, "365-day bill", at both auctions. The stop rate on the 365-day bills climbed up by 0.62%, to settle at 16.5% while the stop rates of the 91-day and 182-day bill remained unchanged at 15.00% and 15.50% respectively at the first auction.

close at 15.35% and 17.44% with the 180-day bill remaining unchanged at 15.50%.

In the secondary money market, bearish sentiments resumed amongst investors following the uptick in rates in the primary market. As a result, the monthly average yield on the 364-day bills climbed by 0.25% m/m to close Aug-2025 at 19.5% (previously 19.33% in Jul-2025). Meanwhile, the monthly average yields on the 91-day and 182-day bills fell by 0.16% and 0.10% to settle at 17.00% and 18.28%, respectively.

In the secondary bond market, we observed bullish sentiments amongst investors in anticipation of a potential Monetary Policy Rate (MPR) cut decision by the Monetary Policy Committee (MPC). Thus, the monthly average yields on the 2030, 2032, and 2035 bonds closed lower by 0.13%, 0.09% and 0.84% in August to settle at 17.07%, 16.92% and 15.84%, respectively.

Looking ahead into September 2025, we anticipate a measured yet resilient performance in the Nigerian equities market. The market is likely to remain cautiously steady, with sentiment shaped by lingering profit-taking from August, alongside fresh catalysts such as expectations of monetary easing and continued corporate earnings activity. We also anticipate the NGX All-Share Index gaining renewed traction toward the end of September, following its typical seasonal strength entering the fourth quarter. We also expect the CBN to initiate its first rate cut in September, potentially marking a turning point in market confidence.

We expect the fixed income market to sustain its bullish momentum. This outlook hinges expectations of interest rate cut by both the FOMC of the US Fed and MPC of CBN. The MPC is scheduled to hold its 302nd meeting on the 22nd - 23rd of September 2025. We expect the MPC to cut the Monetary Policy Rate (MPR) by between 0.25% and 0.50%, given the recent drop in the inflation rate and expected drop in the next subsequent months.

FUND FEATURES

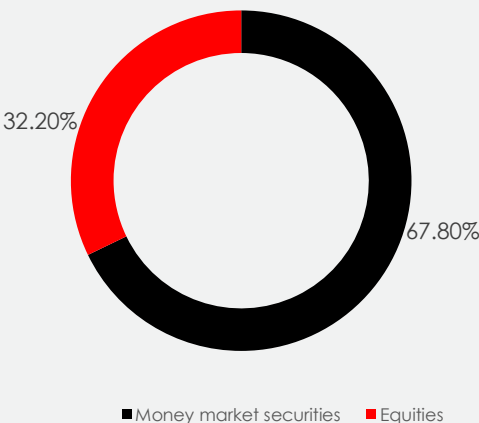
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2025
Fund Size (₦)	127.9mm
NAV Per Share (₦)	1.0620
Minimum Entry (₦)	5,000,000
Additional Investment (₦)	1,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	2.0%
Total Expense Ratio*	2.5%
Benchmarks	91-Day T-bills/NSE ASI/3-year FGN Bond
Risk Profile	Moderate
Investment Style	Market Oriented

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

MATURITY PROFILE OF ASSETS

0-30days	0.72%
31-60days	0.00%
61-90days	0.00%
91-180days	0.00%
180-365 days	99.28%
>1 year	0.00%

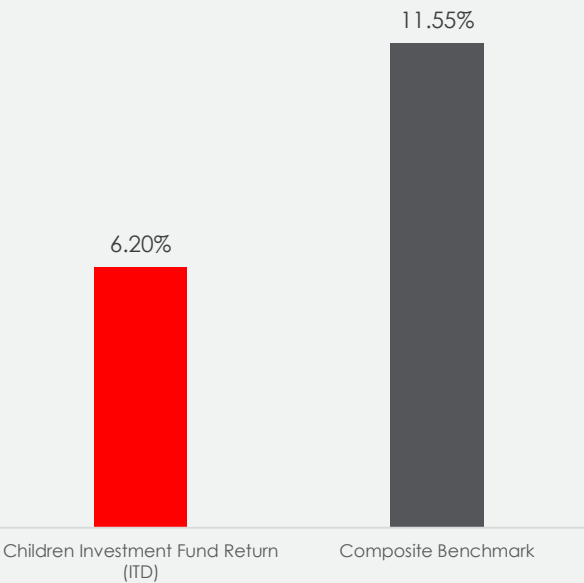
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Quoted Equities (20-50%), Fixed Income (5% - 200%); Money Market Instruments (20% - 40%)

Children Investment Fund Return Vs Benchmark (ITD)



ITD- Inception to date

RETURN HISTORY

	2025 ITD
UCAP Children Investment Fund	6.20%
Composite Benchmark	11.55%

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

PERFORMANCE REVIEW

The United Capital Children Investment Fund commenced in May 2025 and returned an inception to date return of 6.20% in August compared to 11.55% posted by the composite benchmark during the same period.

Following the gains in July, the performance of the Nigerian stock market slowed in August as the benchmark index gained 0.31% on a MoM basis translating to a YTD return of 36.31%. The Insurance sector led the gainers list following the signing of the Nigerian Insurance Industry Reform Act, 2025.

Looking ahead, we expect that cautious sentiment will continue to persist as investors continue to take profit. Market performance during the month is also expected to be shaped by the release of H1 earnings report and interim dividend announcement from tier-1 banks. The MPC is expected to meet in September, and we expect that the decision will influence market sentiment in both the equities and fixed income markets. The fund manger 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.

We will maintain our allocation in line with the investment policy objectives and the Trust Deed.

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.

WHY CHOOSE THE FUND?

- Low volatility of Investment returns
- Well diversified portfolio
- Seamless entry and exit
- Professional management with robust risk framework
- Automatic rebalancing in times of rising or falling markets
- Ability to enjoy long term capital growth

INVESTMENT RISK

- Market risk of equity exposure
- Macroeconomic instability

HOW TO PARTICIPATE

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

