

# United Capital Balanced Fund

Mutual Funds Factsheet | December 2025

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## FUND OBJECTIVE

The objective of the United Capital Balanced Fund is to achieve long-term capital appreciation and income distribution through investment in a portfolio of securities and instruments as specified in the Trust Deed. The Fund is targeted at investors who seek a blend of safety and regular income. The Fund holds equities and fixed income assets in a blended proportion. The securities are held in relatively small proportions to diversify unsystematic risk in the portfolio.

The Fund aims to balance risk and return. The risk profile is structured to be lower than that of a pure equity investment. With assets tactically allocated between fixed income and equity investments, the Fund is structured for investors seeking a blend of safety, income and modest capital appreciation.

The equity portion of the Fund has exposures to mid-cap and large-cap stocks with significant diversification across sectors of the Nigerian economy. Investment decisions are driven by rigorous research in line with carefully designed Enterprise Risk Management framework.

## MARKET REVIEW, OUTLOOK AND STRATEGY

In December 2025, the Nigerian equity market recorded a strong performance with investors gaining approximately N8.11 trillion reversing the N6.56 trillion loss recorded in November as market capitalisation appreciated. The overall market gain in December was driven majorly by sharp advances in the Consumer Goods and Industrial Goods sectors. The financial sector also contributed to the improvement, with the Banking Index posting a month-on-month (m/m) appreciation amid sustained buy interest in major bank stocks. Notably, the major stocks that lifted the market higher include GUINNESS (+109.52% m/m), FIRSTHOLDCO (+54.27% m/m), ETI (+20.92% m/m), and BUAFOODS (+15.36% m/m). As a result, the NGX-All Share Index (NGX-ASI) gained 8.42% m/m to close at 155,613.03 points. Consequently, year to date for the year 2025 stood at 51.19% while market capitalisation closed the year at N99.38 trillion.

At the primary market, CBN conducted three NTBs auctions during the month. The first auction had an offer size of N700.00bn worth of bills across the 91-day, 182-day, and 364-day tenors with the stop rates settling at 15.91%, 16.79% and 21.21%, respectively. At the second auction, N750.00bn worth of bills was offered across the 91-Day, 182-Day, and 364-Day tenors. Following the auction, the stop rates on the 364-Day bills climbed by 0.45% to close at 21.88%, while the 91-Day and 182-Day closed flat settling at 15.91%, and 16.79%, respectively. At the third auction, N750.00bn worth of bills was offered across the 91-Day, 182-Day, and 364-Day tenors with stop rates on the 364-Day bills declining by 0.44% to close at 21.23% while, the 91-Day and 182-Day closed flat settling at 15.91%, and 16.79%, respectively.

In the secondary money market, the financial system opened in December 2025 with a surplus balance of N1.96 trillion. There were mop-up activities during the month (due to primary market sales by the Apex Bank), inflows from Federation Account Allocation Committee (FAAC), and Open Market Operations (OMO) helped support liquidity. Nonetheless, the financial system closed the month with a surplus

balance of N3.36 trillion. Due to the rise in liquidity, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) remained unchanged to close at 22.50% and 22.75%, respectively.

In the secondary bond market, we observed mixed sentiments as the bears strove for dominance. Thus, the monthly average yields on the 2030, 2032 and 2035 bonds closed higher by 1.61%, 1.81% and 0.80% in December to close at 17.06%, 17.11%, and 16.76% respectively. Similarly, we observed bearish movements in corporate bonds, as average yields in Dec-2025 climbed by 3.34% m/m to close at 17.17% (previously, 13.83% in Nov-2025).

**Looking ahead into January 2026, we expect the equity market to extend the positive momentum recorded in late 2025, supported by strong year-end returns and improved macroeconomic fundamentals. The NGX All-Share Index has already shown early-year gains, reflecting sustained investor interest and positive market breadth. Continued moderation in inflation alongside the CBN's projections of economic growth and rising external reserves should bolster investor confidence. However, global oil price volatility and broader economic uncertainties may temper market performance, making sector selection and liquidity trends key determinants of market outcomes in the month.**

**We expect the fixed income market to stay bullish, supported by strong demand and improved economic fundamentals. Robust liquidity in the financial system could sustain investor interest in sovereign bonds. Meanwhile, corporate bonds could face mild pressure as investors shift toward FGN Bonds to lock in at current rates in anticipation of further drop in Looking ahead into January 2026, we expect the equity market to extend the positive momentum recorded in late 2025, supported by strong year-end returns and improved macroeconomic fundamentals. The NGX All-Share Index has already shown early-year gains, reflecting sustained investor interest and positive market breadth. Continued moderation in inflation alongside the CBN's projections of economic growth and rising external reserves should bolster investor confidence. However, global oil price volatility and broader economic uncertainties may temper market performance, making sector selection and liquidity trends key determinants of market outcomes in the month. rates.**

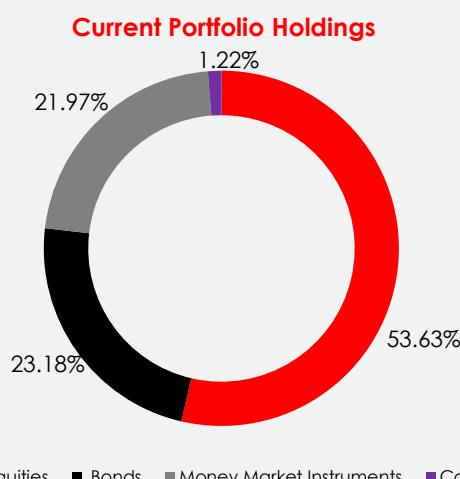
**FUND FEATURES**

| Fund Manager              | United Capital Asset Management Ltd    |
|---------------------------|--|
| Investment Manager Rating | A+(IM)                                 |
| Base Currency/Start Year  | Naira/2006                             |
| Fund Size (₦)             | 3.7bn                                  |
| NAV Per Share (₦)         | 2.2211                                 |
| Minimum Entry (₦)         | 10,000                                 |
| Additional Investment (₦) | 5,000                                  |
| Structure                 | Open Ended                             |
| Entry/Exit Charges        | Nil                                    |
| Management Fee            | 1.5%                                   |
| Total Expense Ratio*      | 1.9%                                   |
| Benchmarks                | 91-Day T-bills/NGX ASI/3-year FGN Bond |
| Risk Profile              | Moderate                               |
| Investment Style          | Market Oriented                        |

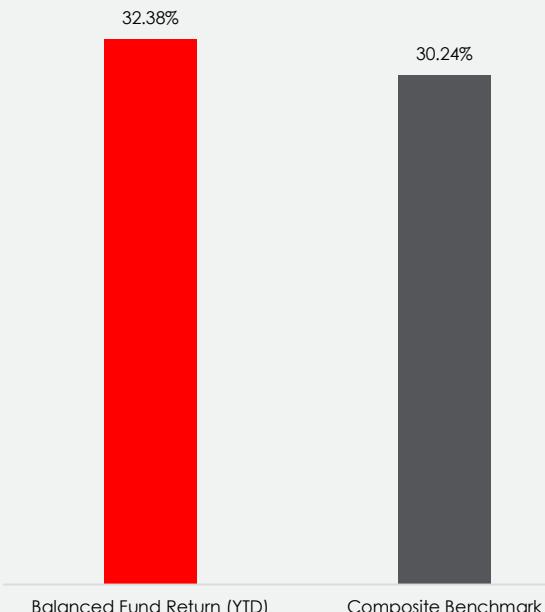
\* Inclusive of management fee; Returns are net of all fees

**MATURITY PROFILE OF ASSETS**

|              |        |
|--------------|--------|
| 0-30days     | 30.74% |
| 31-60days    | 16.53% |
| 61-90days    | 0.00%  |
| 91-180days   | 0.00%  |
| 180-365 days | 9.00%  |
| >1 year      | 43.72% |

**Governance Asset Allocation Ranges:**

Quoted Equities (40-60%), Fixed Income (20% - 60%); Money Market Instruments (40% - 60%)

**Balanced Fund Return Vs Benchmark (YTD)****RETURN HISTORY**

|                     | 2020   | 2021  | 2022   | 2023   | 2024   | 2025 YTD |
|---------------------|--------|-------|--------|--------|--------|----------|
| UCAP Bal. Fund      | 14.35% | 6.19% | 4.89%  | 42.23% | 30.41% | 32.38%   |
| Composite Benchmark | 25.16% | 5.56% | 12.82% | 19.97% | 26.62% | 30.24%   |

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

**PERFORMANCE REVIEW**

The United Capital Balanced Fund returned 1.48% for the month of December 2025 translating to a YTD return of 32.38% compared to 30.24% posted by the composite benchmark during the same period.

The Nigerian equities market rebounded in December following the decline in the prior month as the benchmark index gained 8.43% translating to a YTD return of 51.19%, driven by renewed interest in the market. Sectoral performance was broadly positive with the Consumer Goods sector leading the gainers list (16.19%) closely followed by the Industrial sector (10.58%), Insurance sector (9.85%), and the Banking sector (9.70%) while the Oil & Gas sector recorded a -1.08% decline.

Looking ahead, we expect that the commencement of the FY 2025 earnings release will shape market performance in Q1 2026. 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.

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

### 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 as well as safety

### INVESTMENT RISK

- Market risk of equity exposure
- Macroeconomic instability

### HOW TO PARTICIPATE

1. Log in to our online platform [www.investnow.ng](http://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



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