

United Capital Balanced Fund

Mutual Funds Factsheet | January 2026

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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 January 2026, the Nigerian equity market recorded a strong performance with investors gaining approximately N6.78trillion compared to the N8.11trillion gain recorded in December as market capitalisation appreciated. The overall market gain in January was driven majorly by sharp advances in the Oil and Gas and Insurance 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 month on month include WAPCO (+16.73%), ZENITHBANK (+15.61%), SEPLAT (+15.34%), MTNN (+12.84%), DANGCEM (+4.27%). As a result, the Nigerian Exchange All Share Index (NGX-ASI) gained 6.27% m/m to close at 165,370.40 points. Consequently, year to date stood at 6.27% while market capitalisation closed the month at N106.15 trillion.

At the primary market, the Central Bank of Nigeria (CBN) conducted one NTB auction during the month. The auction had an offer size of N1.15tn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N1.69tn, representing a subscription rate of 1.47x. Bids were heavily skewed toward the longer-tenored 364-day bill, which attracted a total of N1.56tn in bids. Notably, the Apex Bank over-allotted, selling N952.60bn worth of bills. Following the auction, the stop rates on the 91-day, 182-day and 364-day bills fell by 0.07%, 0.14% and 4.70% to close at 15.84%, 16.65% and 16.98% respectively.

In the secondary money market, the financial system opened in January 2026 with a surplus balance of N1.96 trillion. There were mop-up activities during the month Nigerian Treasury Bills (NTBs) and Open Market Operations (OMO) auctions. However, inflows from Federation Account Allocation Committee (FAAC) helped support liquidity. Consequently, 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) declined

by 3.57% and 3.61% to close at 26.07% and 26.36%, respectively.

In the secondary bond market, we observed positive sentiments as the bulls dominated. Thus, the monthly average yields on the 2030, 2032 and 2035 bonds fell by 0.26%, 0.42% and 0.12% in January to close at 16.80%, 16.69%, and 16.76% respectively. Similarly, we observed bullish movements in corporate bonds, as average yields in Jan-2025 fell by 2.88% m/m to close at 14.29% (previously, 17.17% in Dec-2025). Nevertheless, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds reduced by 0.05% to close at 19.97% in Jan-2026 compared to the previous month's close of 17.02%.

Looking ahead into February 2026, we expect the equity market to maintain a cautiously positive tone, supported by sustained investor interest, healthy market breadth, and ongoing portfolio rebalancing at the start of the year. The NGX All-Share Index is likely to consolidate recent gains as investors position around earnings expectations and dividend prospects. Continued disinflation and relative stability in the FX market should support sentiment, while the February Monetary Policy Committee (MPC) meeting holding on the 23 – 24 of February, will be a key near-term catalyst, shaping expectations around interest rates and liquidity conditions. However, volatility in global oil prices, external monetary policy uncertainty, and potential profit-taking after the January rally could moderate performance, making sector rotation, earnings releases, MPC outcomes, and liquidity flow key drivers of market outcomes during 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 rates.

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.

FUND FEATURES

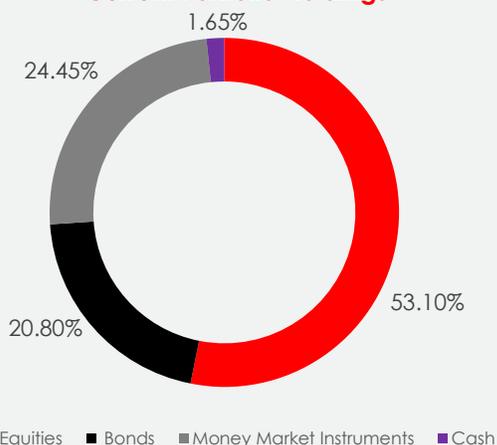
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	4.2bn
NAV Per Share (₦)	2.3561
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	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	18.00%
31-60days	0.00%
61-90days	19.32%
91-180days	0.00%
180-365 days	18.52%
>1 year	44.16%

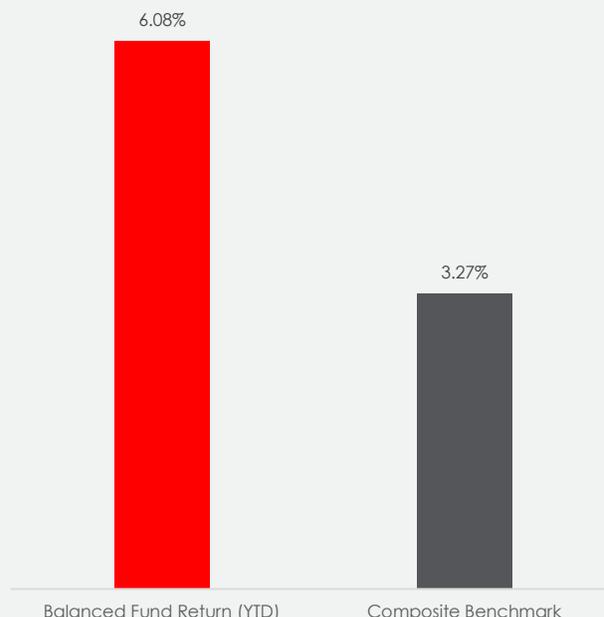
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Quoted Equities (40%-60%), Money Market and Fixed Income Instruments (40%-60%), Alternative investments (0%-10%)

Balanced Fund Return Vs Benchmark (YTD)



RETURN HISTORY

	2021	2022	2023	2024	2025	2026 YTD
UCAP Bal. Fund	6.19%	4.89%	42.23%	30.41%	32.38%	6.08%
Composite Benchmark	5.56%	12.82%	19.97%	26.62%	30.24%	3.27%

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

PERFORMANCE REVIEW

The United Capital Balanced Fund returned 6.08% for the month of January 2026 translating to a YTD return of 6.08% compared to 3.27% posted by the composite benchmark during the same period.

The Nigerian equities market started the year strong amidst fears of the new CGT regime as the benchmark index gained 6.27% in January supported by positive sentiments in bellwether tickers-MTNN (+11.94% MoM), SEPLAT (+15.34% MoM), ARADEL (+16.45% MoM) and ZENITHBANK (+15.61% MoM). Sectoral performance was broadly positive with the Oil and Gas sector leading the gainers list (13.80%) closely followed by the Insurance sector (11.76%), Banking sector (6.99%), Consumer goods sector (5.45%) and the Industrial goods sector (3.41%).

Looking ahead, we expect that market outlook will be shaped by the release of FY 2025 earnings as well as corporate actions announcements. 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.

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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
2. Click on "Balanced 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



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Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund