

United Capital Children Investment Fund

Mutual Funds Factsheet | July 2025

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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 July 2025, the Nigerian equities market sustained its bullish momentum, delivering another month of strong gains. Investors gained approximately N12.47tn compared to N5.49tn in June as market capitalisation grew, recording an average weekly gain of 2.03%, driven by strong earnings releases and renewed investor confidence. Despite intermittent sell-off pressures, the bulls maintained control of the market as investors bargain hunt fundamentally strong stocks. Notably, a standout performers which lifted the local bourse include MTNN (+32.03% m/m), DANGCEM (+20.07% m/m), BUACEMEN (+44.62% m/m), and WAPCO (+65.74% m/m). As a result, the benchmark NGX-All Share Index (NGX-ASI) improved by 16.56% m/m to close at 139,863.52 points. Year to date returns strengthened to 35.89% from June's print of 16.57%, with market capitalisation settling at N88.42tn from June's Print of N75.95tn.

The CBN conducted two NTB auctions during the month with investors' demand strong at both auction. At the last auction in the month, stop rate for the 91-day, 182-day and 365-day closed at 15.00%, 15.50% and 15.88% respectively from 17.80%, 18.35% and 18.84% at the last auction in June. In the secondary money market, bullish sentiments prevailed as investors took advantage of attractive yields. We noticed buy interest as investors sought to lock in funds at current levels before a further decline. As a result, the average yield on NTBs fell by 2.43% m/m to close the month of July2025 at 17.77% (previously 20.20% in June 2025). Similarly, the average yield on OMO bills decreased by 1.66%, settling at 24.69% in July 2025 from 26.35% in the prior month.

The Debt Management Office (DMO) conducted the July 2025 bond auction with a total offer size of N80.00bn, split between the reopened 2029 ("5-year") and 2032 ("7-year") bond papers. Investor demand was strong, with total subscriptions reaching N300.67bn, representing an oversubscription rate of 3.76x. Demand was heavily skewed toward the longer-dated 2032 bond, which attracted N261.60bn in bids. Notably, the DMO over-allotted, selling a total of N185.93bn worth of bills. Thus, the

marginal rate on the 2029 and 2032 bond papers declined by 2.06% and 2.05%, from 17.75% and 17.95% to settle at 15.69% and 15.90%, respectively.

In the secondary bond market, we observed bullish sentiments amongst investors spurred by the decline in rates at the primary market auction. Additionally, unmet bids from the auction trickled into the secondary market, driving yields lower. Thus, average yields on sovereign bonds closed lower to print at 16.30% in July2025, 2.08%bps m/m down from the 18.38% print in June 2025.

Looking ahead into August 2025, we expect a relatively cautious but stable performance in the Nigerian equities market. Investor attention will be shaped largely by the ongoing release of HY1-2025 corporate earnings, with a focus on names in the banking, industrials, and telecoms space. We believe strong results from any of the large caps could spark renewed interest, particularly in stocks already trading at attractive valuations. We maintain our positive outlook for the domestic equities market, supported by the earnings season. Investors will continue bargain-hunting stocks with strong fundamentals.

We expect the fixed income market to sustain its bullish momentum. This outlook hinges on the downward pressure on rates in the fixed-income market and the need to stay ahead of current yields. The significant oversubscription (as seen at the auction) suggests strong investor appetite for longer-duration instruments, particularly amidst expectations of stable or lower yields.

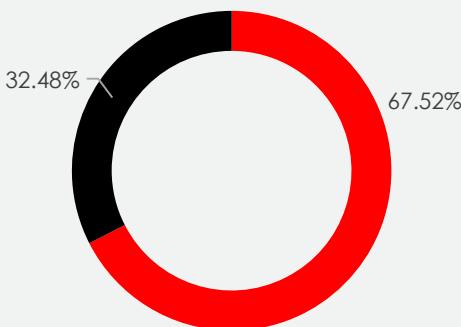
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2025
Fund Size (₦)	131.6mm
NAV Per Share (₦)	1.1011
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	5.58%
31-60days	0.00%
61-90days	0.00%
91-180days	0.00%
180-365 days	94.42%
>1 year	0.00%

Current Portfolio Holdings

■ Money market securities ■ Equities

Governance Asset Allocation Ranges:

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

Children Investment Fund Return Vs Benchmark (ITD)

Children Investment Fund Return (ITD)

Composite Benchmark

ITD- Inception to date

RETURN HISTORY

	2025 ITD
UCAP Children Investment Fund	10.11%
Composite Benchmark	10.46%

*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 10.11% compared to 10.46% posted by the composite benchmark during the same period.

The Nigerian stock market posted its strongest monthly gain as the benchmark index gained 16.57% on a MoM basis translating to a YTD return of 35.89%. All sectors under coverage gained month on month with the industrial sector leading the gainers list, gaining 34.28% MoM. In the fixed income space, we saw rates decline at the NTB and bond auctions conducted during the month. We expect that further decline within that space will spur activities in the equities market.

Looking ahead, we expect the bullish trend to persist and market performance to be shaped by the release of H1 earnings report and corporate action announcement particularly from the banking names. Also, the signing of the insurance industry reform act will fuel activities in the sector. 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

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



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