

United Capital Children Investment Fund

Mutual Funds Factsheet | June 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 June 2025, the Nigerian equities market saw another strong month of gains, continuing the bullish momentum from May with investors gaining approximately N5.49tn up from N3.96tn in May as the market capitalisation grew recording an average gain of 1.97% weekly. Despite intermittent sell-off pressures, the bulls-maintained control of the market during the month as we observed bargain-hunting activities across some fundamentally strong stocks, especially in sectors perceived as hedges against inflation and naira volatility as investors look to position themselves and take advantage of low prices, however, investor caution persisted. Notably, a standout performer was large cap stock MTNN, which climbed by 27.63% m/m. Additionally, gains in DANGCEM (+7.69% m/m), GTCO (+21.27% m/m), and BUACEMEN (+13.98% m/m) lifted the local bourse northwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) improved by 7.37% points to close at 119,978.60 points. Consequently, YTD return strengthened to 16.57% from March's print of 8.56%, with market capitalisation settling at N75.80tn from April's Print of N70.46tn.

The CBN conducted two NTB auctions during the month with investors' demand strong at both auction as the system was awash with liquidity. At the last auction in the month, stop rate for the 91-day, 182-day and 365-day closed at 17.80%, 18.35% and 18.84% respectively from 18%, 18.50% and 19.56% at the last auction in May. In the secondary money market, bullish sentiments prevailed as investors took advantage of attractive yields. Buy interest was primarily driven by the downward pressure on rates in the primary market, as investors sought to lock in funds at current levels before a further decline. As a result, the average yield on NT-bills fell by 0.54% points m/m to close the month of Jun-2025 at 20.20% (previously 20.74% in May-2025). Meanwhile, the average yield on OMO bills increased by 0.65% points, settling at 26.35% in Jun-2025 from 25.70% in the prior month.

The Debt Management Office (DMO) conducted the June 2025 bond auction with an offer size of N100.0bn across the reopened 2029 ("5-YR") and a newly opened 2032 ("7-YR") bond papers. At

the auction, investors' demand was strong, with total subscriptions amounting to N602.86bn, indicating an oversubscription of 6.03x. Demand was largely skewed toward the longer-dated 2032 instrument, which attracted bids totaling N561.17bn. Notably, the DMO sold just the amount on offer. That said, the marginal rates on the 2029 paper declined by 1.23% points from 18.98% to settle at 17.75%. Meanwhile, the marginal rate on the newly opened 2032 paper settled at 17.95%. 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 18.38% in Jun-2025, 0.46% points m/m down from the 18.84% print in May-2025.

Looking ahead into July 2025, we expect investors to start positioning themselves for the Q2 earnings season, favoring corporates with FX gains, cost control, clear growth trajectory, and potential for quality interim dividend payments. The ongoing CBN forbearance policy may lead to increased investor interest in strong, well-capitalised banks. We maintain our positive outlook for the domestic equities market, supported by the earnings season. Investors will continue bargain-hunting stocks with strong fundamentals. Overall, while the positive momentum from June is expected to continue, investors may adopt a more cautious approach amid global uncertainties.

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 auctions) suggests a strong investor appetite for longer-duration instruments, particularly amidst expectations of stable or lower yields.

FUND FEATURES

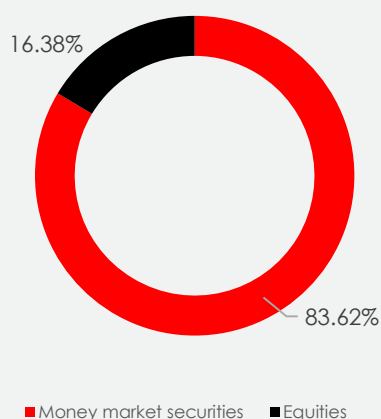
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2025
Fund Size (₦)	112.7mm
NAV Per Share (₦)	1.0249
Minimum Entry (₦)	5,000,000
Additional Investment (₦)	1,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	2.0%
Total Expense Ratio*	2.5%
Benchmarks	91-Day T-bills/NSE 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	12.59%
31-60days	0.00%
61-90days	0.00%
91-180days	0.00%
180-365 days	87.41%
>1 year	0.00%

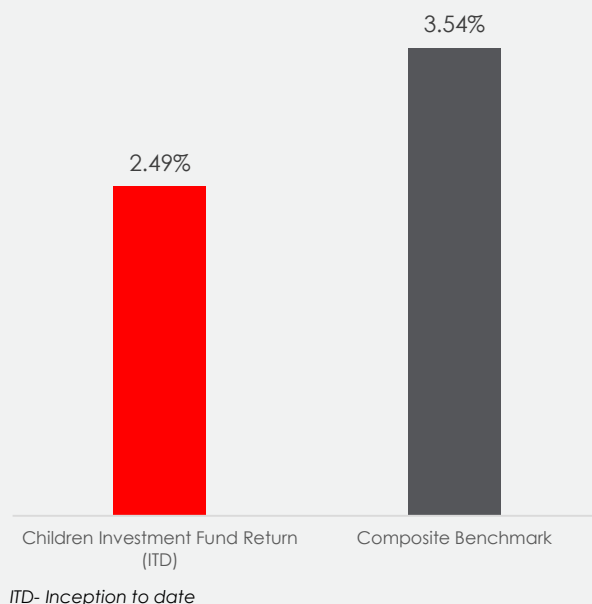
Current Portfolio Holdings



Governance Asset Allocation Ranges:

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

Children Investment Fund Return Vs Benchmark (ITD)



RETURN HISTORY

	2025 ITD
UCAP Children Investment Fund	2.49%
Composite Benchmark	3.54%

*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 2.49% compared to 3.54% posted by the composite benchmark during the same period.

The Nigerian stock market sustained its bullish run in June as the benchmark index gained 7.37% on a MoM basis (the highest return this year) translating to a YTD return of 16.57%. All sectors under coverage gained month on month with the consumer good sector continuing to lead the gainers list, gaining 10.75% 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, for July 2025, we expect the bullish trend in the equities market to persist and market performance to be shaped by the release of H1 earnings report and corporate action announcement. However, we expect to see moderation in these gains as we believe investors have already priced in the earnings expectation. The fund manager will continue to take position in tickers with good fundamentals and ensure a mix with money market and fixed income instruments to take advantage of the current 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
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

