

# United Capital Equity Fund

Mutual Funds Factsheet | June 2025

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## FUND OBJECTIVE

The United Capital Equity Fund invests in quoted equities that are traded on the Floor of the Nigerian Exchange ("NGX"). The objective of the Fund is to achieve high returns over a medium to long-term period. The Fund is suited for investors who have a long-term outlook and have funds that can be set aside for investments extending for a period of more than one year. The Fund is impacted by fluctuations in stock prices.

The Fund seeks to achieve long-term capital appreciation and income distribution through investment in fundamentally strong companies. As such, the Fund targets investors who seek significant capital appreciation in the long-term and can tolerate the volatility in the stock market.

## 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.

On a sectoral level, market activity was bullish, with all Five (5) of the Five (5) sectors under our coverage closed in the green. The Consumer Goods sector (+10.75% m/m) led the gainers due to bargain hunting activities in BUAFOODS (+4.32% m/m) and DANGSUGA (+25.76% m/m). Following was the Insurance sector (+10.33% m/m) due to share price appreciations in CORNERST (+30.49% m/m), NEM (+21.77% m/m), and WAPIC (+13.50% m/m). This was followed by the Banking sector (+10.04% m/m) on account of gains in ZENITHBA (+16.22% m/m) and UBA (+2.02% m/m). The Industrial Goods sector (+5.60% m/m) followed on the back of buy-interests in DANGCEM (+7.69% m/m) and BUACEMEN (+13.98% m/m). Lastly, was the Oil and Gas sector (+4.74% w/w) on account of gains in SEPLAT (+9.78% m/m) and MRSOIL (+9.94% m/m).

The Central Bank of Nigeria (CBN) implemented a stringent

forbearance policy requiring banks under regulatory supervision to halt dividend payments, defer executive bonuses, and suspend foreign investments. This latest directive affects banks benefiting from forbearance due to breaches in credit exposure limits and Single Obligor Limits (SOL), which is the maximum loan amount a bank can issue to a single borrower relative to its net worth.

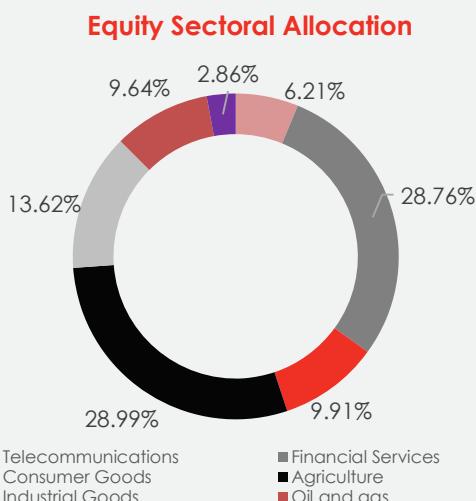
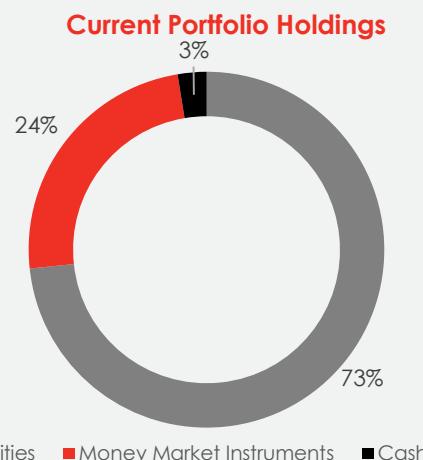
In terms of corporate disclosures that occurred during the month, corporates like First Holdco plc, Dangote Cement plc, Eterna Plc and Access Holdings Plc amongst others set their various board meeting dates ahead of the Q2 2025 earnings season.

**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. Nigerian equities market is likely to reflect bullish investor positioning driven by improved risk appetite and resilient market sentiment. The market is expected to experience volatility, with the potential for modest recovery in mid-to-late July depending on corporate results and market reactions. Overall, we expect July to be a modestly positive month, driven by strong H1 results, dividend optimism, and ongoing foreign interest.**

## FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	4.8bn
NAV Per Share (₦)	1.5870
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

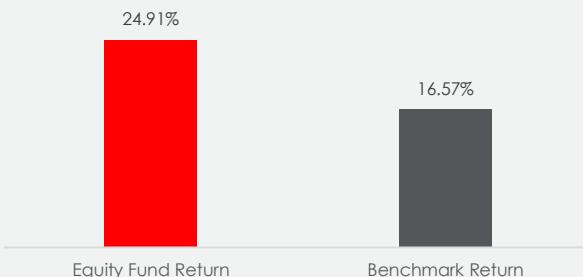
\*Inclusive of management fee; Returns are net of all fees



#### Governance Asset Allocation Ranges:

Money Market(10%-30%); Equities: 70%-90%

## Equity Fund Performance Vs Benchmark



## Top ten equity exposures (million)

PRESCO	867.14
STERLINGNG	263.17
FIDELITYBK	259.04
FCMB	236.49
SEPLAT	228.90
DANGCEM	211.58
NASCON	206.80
OKOMUOIL	173.80
BUACEMENT	142.15
GTCO	138.13

## RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UCAP Equity Fund	22.91%	16.43%	7.55%	48.40%	35.60%	24.91%
Benchmark (ASI)	50.03%	6.07%	19.98%	45.90%	37.65%	16.57%

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

## PERFORMANCE REVIEW

The United Capital Equity Fund returned 9.39% for the month of June 2025 translating to a YTD return of 24.91%, relative to the return of 16.57% posted by the benchmark for 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.

Looking ahead, for July 2025, we expect the bullish trend 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 as the opportunity presents and ensure a mix with money market instruments to take advantage of the attractive yield environment.

The fund would continue to take positions in stocks with low prices, solid valuations, and dividend performance in a bid to take advantage of potential market rally. We will maintain our allocation in line with the investment policy objectives and the Trust Deed.

#### WHY CHOOSE THE FUND?

- Diversification across sectors
- Seamless Entry and Exit
- Low entry threshold
- Professional management with robust risk framework
- Long term capital growth

#### INVESTMENT RISK

- Credit Risks
- Macroeconomic instability
- Interest Rate Risk

#### HOW TO PARTICIPATE

1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Equity Fund"
3. Click on "Open and account".
4. Fund your account online with a one-time payment or recurrent payments.



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