

United Capital Equity Fund

Mutual Funds Factsheet | March 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 March 2025, the bears dominated the Nigerian Exchange Limited (NGX) despite pockets of buy-interests during the month. We observed bargain-hunting activities across some fundamentally strong stocks as investors position themselves and take advantage of low prices and the FY-2024 earning season as well as corporate action declarations. However, investors remain cautious towards the equities market due to the MPC's decision to hold the benchmark interest rate constant at current levels of 27.50%. Also, elevated interest rates in the fixed-income market continue to serve as a key demotivator for risk on sentiments in the equities market. A standout underperformer was TRANSCOR, which declined by 21.05% m/m. Additionally, losses in large-cap stocks, MTNN (-7.27% m/m), BUACEMEM (-10.00% m/m), and OANDO (-16.71% m/m) dragged the local bourse southwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) declined by 199bps to close at 105,660.64 points. Consequently, YTD return weakened to 2.66% from February's print of 4.76%, with market capitalisation settling at N66.26tn.

On a sectoral level, market activities were bearish, with all Five (5) sectors under our coverage closed in the red. The Oil and Gas sector (-4.02% m/m) led the laggards due to profit booking activities in CONOIL (-10.00% m/m) and ETERNA (-14.64% m/m). Trailing behind was the Industrial goods sector (-3.59% m/m) following share price depreciations in BUACEMEM (-10.00% m/m), WAPCO (-1.60% m/m), and BERGER (-9.81% m/m). This was followed by the Insurance sector (-2.48% m/m) on account of losses in WAPIC (-16.15% m/m) and MANSARD (-4.97% m/m). The Consumer Goods sector (-1.30% m/m) followed on the back of sell pressures in DANGSUGA (-17.25% m/m) and HONYFLOU (-9.85% m/m). Lastly, the Banking sector lost 0.49% m/m on account of losses in ACCESSCO (-12.70% m/m) and ZENITHBA (-2.79% m/m).

On corporate disclosures, with the FY-2024 earning season underway, more corporates released their financial reports. In the Banking sector, GTCO recorded an 81.07% y/y growth in its revenue to N2.15tn from N1.19tn in FY-2023. As a result, the group's PAT settled at N1.02tn, up by 88.60% y/y from the N539.65bn in FY-2023. GTCO announced a final dividend of N7.03 with a qualification date of 15-Apr-2025 and a payment date of 24-Apr-2025. Zenith Bank Plc recorded a Profit after Tax (PAT) of N1.03tn and

announced a final dividend of N4.00 with a qualification date of 15-Apr-2025 and a payment date of 29-Apr-2025.

United Bank for Africa Plc recorded a profit after tax (PAT) of N766.57bn and announced a final dividend of N3.00 with a qualification date of 11-Apr-2025 and a payment date of 25-Apr-2025. Stanbic IBTC Holdings Plc recorded a profit after tax (PAT) of N225.31bn announced a final dividend of N3.00 with a qualification date of 11-Apr-2025 and a payment date of 16-May-2025. Fidelity Bank Plc recorded a profit after tax (PAT) of N278.11bn announced a final dividend of N1.25 with a qualification date of 15-Apr-2025 and a payment date of 29-Apr-2025.

Meanwhile, in the Energy industry, Aradel Holdings Plc released its audited financials, announcing a Profit After Tax (PAT) growth of 382.08 y/y from N53.74bn in FY-2023 to N259.07bn in FY-2024. This growth can be attributed to the completion of its acquisition of 100.00% equity holding in the Shell Petroleum Development Company of Nigeria (SPDC). Thus, the company's Earnings Per Share (EPS) settled at N59.35 in FY-2024 compared to N12.14 recorded in the corresponding period of 2023. As a result, Aradel announced a final dividend of N22.00 with a qualification date of 06-May-2025 and a payment date of 29-May-2025.

Bua Foods Plc announced a 107.64% y/y growth in revenue from N260.46bn in FY-2023 to N540.82bn in FY-2024. As a result, the company's PAT settled at N266.00bn in FY-2024, up 137.29% y/y from the N112.10bn recorded in the same period of 2023. Consequently, the company announced a final dividend of N13.00 with a qualification date of 21-Aug-2025 and a payment date of 25-Sep-2025.

Also, Nigerian Breweries Plc Acquires remaining 20.00% minority shares in Distell Wines and Spirits Nigeria Limited (DWSN). The full acquisition will help to reduce complexities and make decision making faster in the NB's ambition to expand beyond beer. NB had previously, in June 2024, completed the acquisition of the 80.00% majority stake in DWSN.

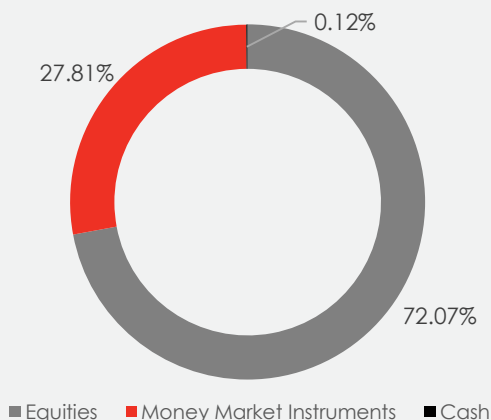
Looking ahead into Apr-2025, we maintain a modest outlook for the domestic equities market, supported by the FY-2024 earnings season. Investors will continue bargain-hunting stocks with strong fundamentals. We strongly anticipate impressive outflows among corporates in the financial services sector (particularly the banks) given the impact of the Foreign Exchange (FX) revaluation gains and elevated interest rate environment in 2024. Thus, we expect a modest appetite among investors towards corporates in the financial services sector. Additionally, investors will position themselves in dividend-paying stocks as full-year dividend declarations commence fully. Lastly, the neutral monetary policy stance (with potential rate cut) by the MPC and the declining yield environment will further stimulate bullish sentiments in the equities market. Overall, the market is expected to experience volatility, with the potential for modest recovery in mid-to-late April depending on corporate results and market reactions.

FUND FEATURES

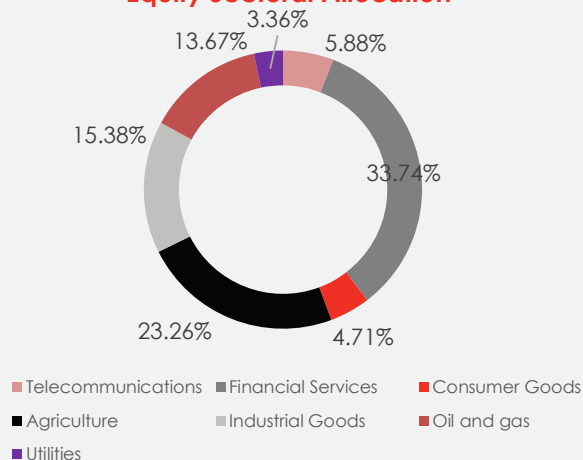
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	4.2bn
NAV Per Share (₦)	1.6298
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

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

Current Portfolio Holdings



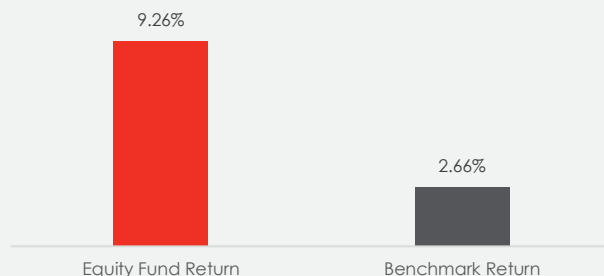
Equity Sectoral Allocation



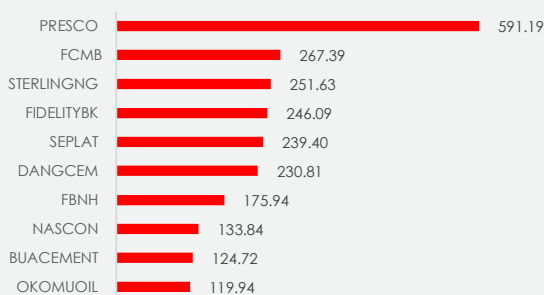
Governance Asset Allocation Ranges:

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

Equity Fund Performance Vs Benchmark



Top ten equity exposures (million)



RETURN HISTORY

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
UCAP Equity Fund	-1.00%	36.10%	-5.42%	-1.59%	22.91%	16.43%	7.55%	48.40%	35.60%	9.26%
Benchmark (ASI)	-1.90%	42.30%	-17.80%	14.60%	50.03%	6.07%	19.98%	45.90%	37.65%	2.66%

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

PERFORMANCE REVIEW

The United Capital Equity Fund returned -1.07% for the month of March 2025 translating to a YTD return of 9.26%, relative to the return of 2.66% posted by the benchmark for the same period.

The Nigerian stock market was broadly bearish in March as the benchmark index shed 2.00% on a MoM basis translating to a YTD return of 2.66%. The negative sentiment was driven majorly by decline in large cap stocks amidst dividend declaration from major tickers.

Looking ahead for Q2 2025, we expect that mixed sentiment will continue to persist amidst the uncertainty in the global market as a result of the trade war and its impact on the Nigerian economy. 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.

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
2. Click on **"Equity Fund"**
3. Click on **"Open and account"**.
4. Fund your account online with a one-time payment or recurrent payments.

