

United Capital Equity Fund

Mutual Funds Factsheet | May 2025

Contact Us:
Philip Ndunaka | +234-703-192-1664 | philip.ndunaka@unitedcapital.com
Asset Management | +234-1-631-7876 | assetmanagement@unitedcapital.com

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 May 2025, the Nigerian equities market experienced a surge with investors gaining approximately N3.96tn as the market capitalisation grew recording a weekly gain of N1.51tn. 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, following the Monetary Policy Committee's (MPC) decision to keep the benchmark interest rate unchanged at 27.50%. Notably, a standout performer was AIRTELAF, which climbed by 10.00% m/m. Additionally, gains in large cap stocks, MTNN (+12.04% m/m), BUAFOODS (+5.26% m/m), and NESTLE (+44.29% m/m) lifted the local bourse northwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) improved by 562bps to close at 111,742.01 points. Consequently, YTD return strengthened to 8.56% from March's print of 2.79%, with market capitalisation settling at N70.46tn from April's Print of N66.50tn.

On a sectoral level, market activity was bullish, with Four (4) of the Five (5) sectors under our coverage closed in the green. The Consumer Goods sector (+18.71% m/m) led the gainers due to bargain hunting activities in BUAFOODS (+5.26% m/m) and NESTLE (+44.59% m/m). Following was the Industrial goods sector (+2.39% m/m) following share price appreciations in DANGCEM (+1.85% m/m), WAPCO (+8.37% m/m), and BETAGLAS (+133.00% m/m). This was followed by the Banking sector (+1.86% m/m) on account of gains in ETI (+9.55% m/m), ZENITHBA (+2.51% m/m) and STERLING (+4.63% m/m). The Insurance sector (+1.60% m/m) followed on the back of buy-interests in CORNERST (+6.84% m/m) and SUNUASSU (+12.73% m/m). Lastly, on the other side of the coin, the Oil and Gas sector (-1.17% w/w) was the sole laggard on account of losses in SEPLAT (-9.70% m/m) and CONOIL (-9.99% m/m).

In terms of corporate disclosures that occurred during the month, Bua Cement Plc amended their corporate action announcement adjusting their qualification day to 03-Jul-2025 from 08-Aug-2025, their payment date to 21-Jul-2025 from 28-Aug-2025 and their closure of register to 04 to 08-Jul-2025 from 11 to 15-Aug-2025. Bua Foods Plc also amended their corporate action announcement adjusting their payment date to 11-Sep-2025 from 25-Sep-2025. All other details remain the same as earlier announced in our notification of 29-Mar-2025.

Airtel Africa Plc has begun the second tranche of its share buy-back which will amount to a maximum of \$55.00mn and is anticipated to end on or before 19-Nov-2025.

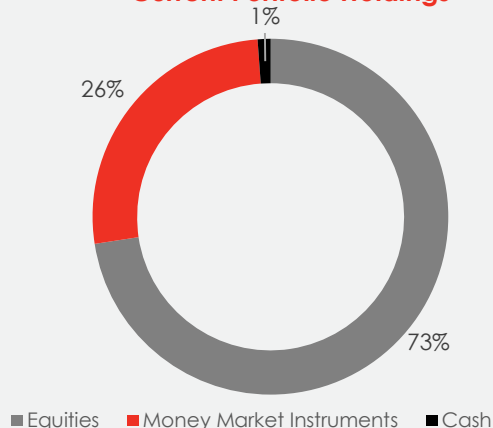
Looking ahead into June 2025, we expect investors to start positioning themselves for the Q2 earnings season, favoring corporates with FX gains, cost control, clear growth trajectory, and potential for quality interim dividend payments. We maintain our positive outlook for the domestic equities market, supported by the earnings season. However, investors will continue bargain-hunting stocks with strong fundamentals. Overall, while the positive momentum from May is expected to continue, investors may adopt a more cautious approach amid global uncertainties. The 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 June depending on corporate results and market reactions.

FUND FEATURES

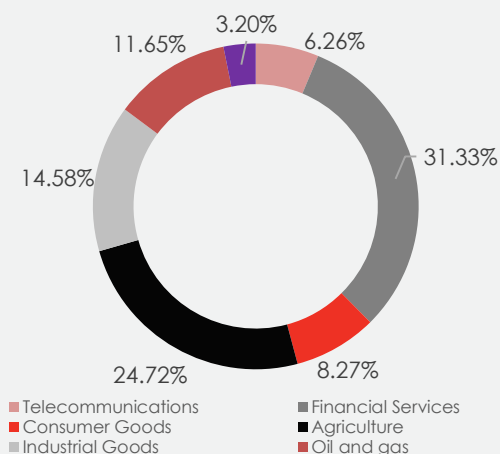
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	4.3bn
NAV Per Share (₦)	1.7034
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

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

Current Portfolio Holdings

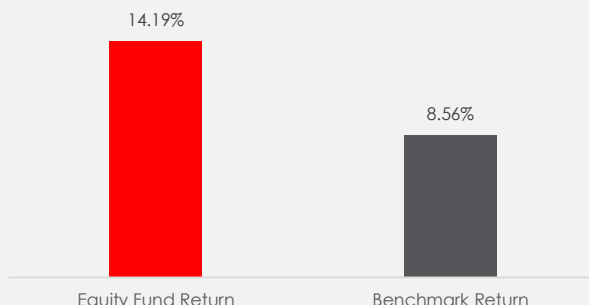


Equity Sectoral Allocation



Governance Asset Allocation Ranges:
Money Market(10%-30%); Equities: 70%-90%

Equity Fund Performance Vs Benchmark



Top ten equity exposures (million)



RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UCAP Equity Fund	22.91%	16.43%	7.55%	48.40%	35.60%	14.19%
Benchmark (ASI)	50.03%	6.07%	19.98%	45.90%	37.65%	8.56%

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

PERFORMANCE REVIEW

The United Capital Equity Fund returned 5.10% for the month of May 2025 translating to a YTD return of 14.19%, relative to the return of 8.56% posted by the benchmark for the same period.

The Nigerian stock market continued its bullish run in May as the benchmark index gained 5.62% on a MoM basis translating to a YTD return of 8.56%. Following the MPC decision during the month to hold rate at 27.50%, there was minimal reaction in the equities market. The strong performance was attributable to bargain hunting activities by investors amid the release of Q1 2025 earnings by few corporates and dividend payments.

Looking ahead for June 2025, we expect that market performance will continue to improve as investors will begin to take position ahead of the release of H1 earnings report. We also expect profit taking activities to continue as prices reach all-time high. 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
2. Click on **"Equity Fund"**
3. Click on **"Open and account"**.
4. Fund your account online with a one-time payment or recurrent payments.

