

United Capital Balanced Fund

Mutual Funds Factsheet | October 2025

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FUND OBJECTIVE

The objective of the United Capital Balanced Fund is to achieve long-term capital appreciation and income distribution through investment in a portfolio of securities and instruments as specified in the Trust Deed. The Fund is targeted at investors who seek a blend of safety and regular income. The Fund holds equities and fixed income assets in a blended proportion. The securities are held in relatively small proportions to diversify unsystematic risk in the portfolio.

The Fund aims to balance risk and return. The risk profile is structured to be lower than that of a pure equity investment. With assets tactically allocated between fixed income and equity investments, the Fund is structured for investors seeking a blend of safety, income and modest capital appreciation.

The equity portion of the Fund has exposures to mid-cap and large-cap stocks with significant diversification across sectors of the Nigerian economy. Investment decisions are driven by rigorous research in line with carefully designed Enterprise Risk Management framework.

MARKET REVIEW, OUTLOOK AND STRATEGY

In October 2025, the Nigerian equity market recorded a strong performance. Investors gained approximately N7.25trillion compared to N1.81trillion in September as market capitalisation appreciated. Sector performance was slightly divergent in October, though the market closed the month strongly positive. The overall market gain was driven by advances in the Industrial Goods and Oil & Gas sectors, supported by strong earnings and renewed investor interest. However, the financial sector continued to weigh on the market, as the NGX Banking Index declined by 3.15% amid profit-taking in major banking stocks. Despite this drag, the broad gains across non-financial sectors helped sustain the market's upward momentum through the month. Notably, standout performers which lifted the local bourse include DANGCEM (+25.69% month-on-month – m/m), MTNN (+22.96% m/m), BUACEMENT (+12.50% m/m), and SEPLAT (+10.00% m/m). As a result, the NGX-All Share Index (NGX-ASI) gained 8.00% m/m to close at 154,126.45 points. Consequently, year to date returns increased significantly to 49.74% from 38.65% recorded in September. Market capitalisation also closed at N97.83 trillion from N90.58 trillion recorded in September.

In terms of corporate disclosures, there was a wave of earnings releases across sectors, including reports from several notable companies. International Breweries Plc released its 9M-2025 Unaudited Financial Statements, declaring a PBT of N74.21bn and PAT of N57.83bn. Nestle Nigeria Plc released its 9M-2025 Unaudited Financial Statements, declaring a PBT of N127.96bn and PAT of N72.48bn. Cadbury Nigeria Plc released its 9M-2025 Unaudited Financial Statements, declaring a PBT of N13.83bn and PAT of N9.68bn. Vitafoam Nigeria Plc released its Unaudited Financial Statements for the year ended 30 September 2025, declaring a PBT of N21.20bn and PAT of N14.34bn. Unilever Nigeria Plc also released its 9M-2025 Unaudited Financial Statements, declaring a PBT of N13.26bn and a PAT of N7.58bn.

In the secondary money market, the financial system opened in October 2025 with a surplus balance of N6.57 trillion. There were mop-up activities during the month (due to primary market sales by the Apex Bank), inflows from Federation Account Allocation Committee (FAAC),

and Open Market Operations (OMO) helped support liquidity. Nonetheless, the financial system closed the month with a surplus balance of N2.47 trillion. Due to the drop in liquidity, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) fell by 2.00% month-on-month (m/m) and 2.06% m/m to close at 24.50% and 24.86% from 26.50% and 26.92%, respectively.

In the secondary bond market, we observed bullish sentiments amongst investors due to the Monetary Policy Rate (MPR) cut decision by the Monetary Policy Committee (MPC). Thus, the monthly average yields on the 2030, 2032, and 2035 bonds closed lower by 0.58%, 0.36% and 0.56% in October to 15.89%, 15.84% and 15.58% settle at respectively. Similarly, we observed bullish movements in corporate bonds, as average yields in Sep-2025 fell by 0.44% m/m to close at 18.52% (previously, 18.96% in Aug-2025). Likewise, the FGN Sukuk bonds market closed bullish as average yields on Sukuk bonds reduced by 0.47% m/m to close at 16.23% in Oct-2025 compared to the previous month's close of 16.70%.

Looking ahead into November 2025, the Nigerian equity market is expected to sustain its positive momentum, supported by improving macroeconomic conditions and recent monetary policy easing. The upcoming Monetary Policy Committee (MPC) meeting of the Central Bank of Nigeria (CBN) scheduled for November 24-25 will be a key event for investors. We expect the MPC to cut the Monetary Policy rate (MPR) by another 1% when it meets in November 2025. This could support market liquidity and encourage equity participation, especially in consumer goods, industrials, and energy stocks. Inflation is projected to ease toward 16.30%, which may reduce cost pressures and strengthen corporate earnings. However, investor sentiment will remain sensitive to policy decisions, FX movements, and inflation trends. Overall, the outlook for November is cautiously optimistic, with expectations of stable growth and renewed investor interest, provided policy conditions remain favourable.

We expect the fixed income market to stay bullish, supported by strong demand and improved economic fundamentals. Robust liquidity in the financial system could sustain investor interest in sovereign bonds. Meanwhile, corporate and Sukuk bonds could face mild pressure as investors shift toward FGN Bond to lock in at current rates in anticipation of further drop in rates.

FUND FEATURES

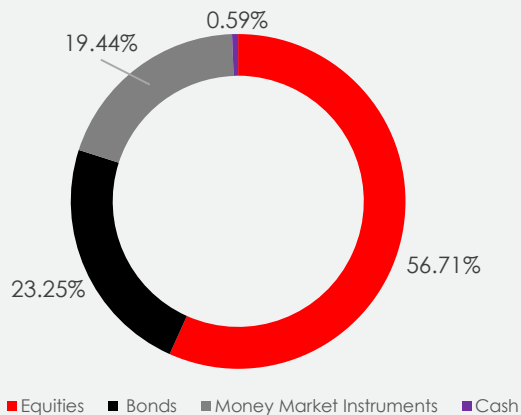
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	3.3bn
NAV Per Share (₦)	2.2181
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.9%
Benchmarks	91-Day T-bills/NGX 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	1.37%
31-60days	15.93%
61-90days	32.84%
91-180days	3.28%
180-365 days	0.00%
>1 year	46.58%

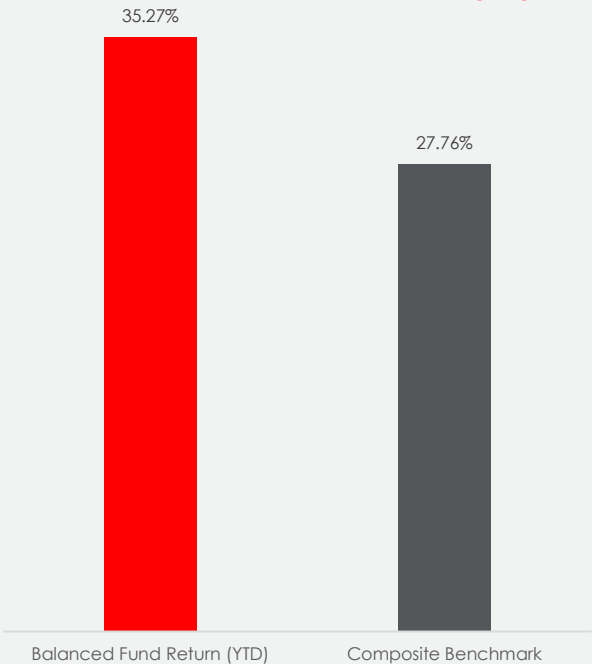
Current Portfolio Holdings



Governance Asset Allocation Ranges:

Quoted Equities (40-60%), Fixed Income (20% - 60%); Money Market Instruments (40% - 60%)

Balanced Fund Return Vs Benchmark (YTD)



RETURN HISTORY

	2020	2021	2022	2023	2024	2025 YTD
UCAP Bal. Fund	14.35%	6.19%	4.89%	42.23%	30.41%	35.27%
Composite Benchmark	25.16%	5.56%	12.82%	19.97%	26.62%	27.76%

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

PERFORMANCE REVIEW

The United Capital Balanced Fund returned 4.02% for the month of October 2025 translating to a YTD return of 35.27% compared to 27.76% posted by the composite benchmark during the same period.

The local bourse continued its positive performance in October as the benchmark index posted a gain of 8.00% for the month translating to a YTD return of 49.74%. The Industrial Goods sector and the Oil and Gas sector led the gainers while the banking sector led the laggards list on the back of sell-offs among tier-one banks.

Looking ahead, we expect that market performance will remain largely positive driven by declining yields in the fixed income market and year-end positioning ahead to the Santa rally. However, the likely impact of the implementation of the new Capital Gains Tax (CGT) law in 2026 will likely lead to cautious sentiment as market participants await further guidelines on implementation. 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.

We will maintain our allocation in line with the investment policy objectives and the Trust Deed.

Past performance is not a reliable indicator of future performance, and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into account your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. Please consult your financial adviser. This information has been compiled from sources considered to be reliable but is not guaranteed. Any potential investor should consider conducting further enquiries in deciding whether to acquire or continue to hold units in a fund.

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 an account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments

