

United Capital Children Investment Fund

Mutual Funds Factsheet | October 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 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. In the Oil and Gas Sector, Seplat Energy Plc released its 9M-2025 Unaudited Financial Statements, declaring a PBT N878.99bn and PAT of N146.64bn. As a result, Seplat declared an interim dividend of US 5.0 Cents, along with a special dividend of US 2.5 Cents with a Qualification Date of 13 November 2025, Closure of Register from 10 November to 14 November 2025 and a Payment Date of 28 November 2025. Similarly, Aradel Holdings Plc also released its 9M-2025 Unaudited Financial Statements, declaring a PBT N300.68bn and PAT of N245.12bn. As a result, Aradel declared an interim dividend of N10.00, with a Qualification Date of 20 November 2025, Closure of Register of 21 November to 14 November 2025 and a Payment Date of 28 November 2025. Oando Plc also released its 9M-2025 Unaudited Financial Statements, declaring a PBT N19.46bn and Profit After Income Tax Credit of N201.31bn. Total Energies Marketing Nigeria Plc released its 9M-2025 Unaudited Financial Statements, declaring a Loss Before Tax N11.92bn and Loss After Tax of N14.10bn.

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.

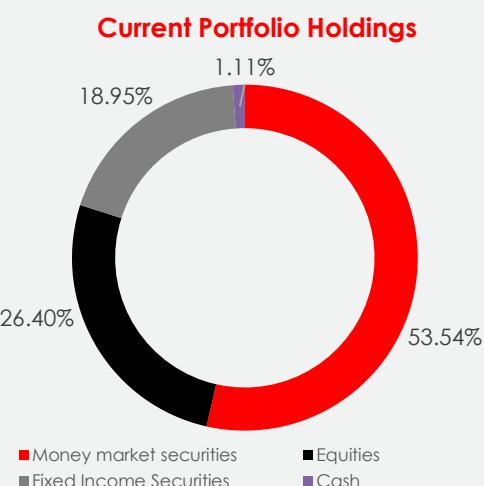
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2025
Fund Size (₦)	168mm
NAV Per Share (₦)	1.1055
Minimum Entry (₦)	5,000,000
Additional Investment (₦)	1,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	2.0%
Total Expense Ratio*	3.1%
Benchmarks	91-Day T-bills/NSE ASI/3-year FGN Bond
Risk Profile	Moderate
Investment Style	Market Oriented

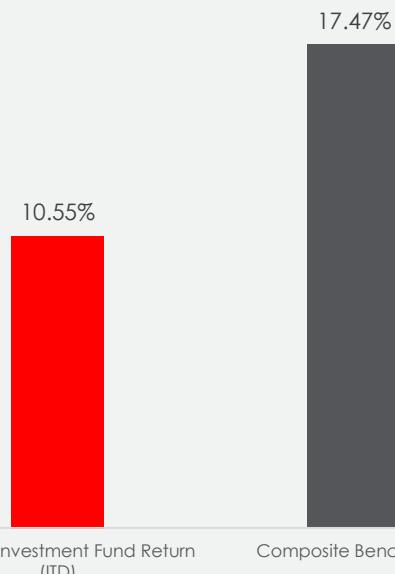
* Inclusive of management fee; Returns are net of all fees

MATURITY PROFILE OF ASSETS

0-30days	1.50%
31-60days	0.00%
61-90days	0.00%
91-180days	36.94%
180-365 days	35.81%
>1 year	25.74%

**Governance Asset Allocation Ranges:**

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

Children Investment Fund Return Vs Benchmark (ITD)

ITD- Inception to date

RETURN HISTORY

	2025 ITD
UCAP Children Investment Fund	10.55%
Composite Benchmark	17.47%

*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 10.55% in October compared to 17.47% 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 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.

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

INVESTMENT RISK

- Market risk of equity exposure
- Macroeconomic instability

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1. Log in to our online platform www.investnow.ng
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