

United Capital Balanced Fund

Mutual Funds Factsheet | September 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 September 2025, the Nigerian equity market gained modestly, picking up momentum in the middle of the month. Investors gained approximately N1.81trillion compared to N0.35 trillion in August as market capitalisation appreciated.

Notably, standout performers which lifted the local bourse include BUAFOODS (+39.70% month-on-month – m/m), BUACEMENT (+8.20% m/m), GUINNESS (+53.90% m/m), and TRANSCOR (+2.90% m/m). As a result, the NGX-All Share Index (NGX-ASI) gained 1.72% m/m to close at 142,710.50 points. Consequently, year to date returns increased marginally to 38.65% from 36.31% recorded in July. Market capitalisation also closed at N90.58 trillion from N88.77 trillion recorded in August.

On a sectoral level, market activity was bullish, as Three(3) of the Five (5) sectors under our coverage closed in the green while two (2) closed in red. The Oil and Gas sector (+5.94% m/m) led the gainers mainly driven strong gains in ARADEL (+20.59% MoM). Aradel's price increase followed Capital Alliance Private Equity (CAPE) IV Limited's full divestment of its approximately 16.0% equity stake to a consortium of 6 investors. The Consumer Goods sector closed positive (+5.65% m/m) following share price appreciations in BUAFOOD (+6.73% m/m), and GUINNESS (+41.46% m/m). This was followed by the Industrial sector (+1.89% m/m) on account of gains in BUACEMENT.

However, the Banking and Insurance Sectors were the major losers, shedding 0.95% and 7.21% respectively mainly driven by losses in some large cap stocks and profit taking activities across major tickers in the industry.

At the primary market, CBN conducted two NTBs auctions during the month. The first auction had an offer size of N480.00bn worth of bills across the 91-day, 182-day, and 364-day tenors. Investors' demand was strong, with total subscriptions amounting to N1.012 trillion, representing a subscription rate of 2.11x. Following the auction, the stop rates on the 91-day bill and 364-day bill settled at 15.32% and 17.69% respectively. Meanwhile, the stop rate on the 182-day bills remained unchanged at 15.50%. At the second auction, CBN offered a total of N290bn worth of bills across the 91-day, 182-day, and 364-day tenors. The stop rates on

the 91-day, 182-day and 364-day bills fell by 0.98%, 0.99% and 0.95%, settling at 15.00%, 15.30% and 16.78%, respectively.

In the secondary market, the monthly average yields on the 182-day and 364-day bills fell by 0.34% and 0.74% to settle at 17.94% and 18.76%, respectively.

The Debt Management Office (DMO) conducted the September 2025 bond auction with a total offer size of N200.00bn, split between the reopened 2030 ("5-year") and 2032 ("7-year") bond papers. Investors' demand was strong, with total subscriptions reaching N1.260 trillion, representing a subscription rate of 6.3x. Notably, the DMO over-allotted, selling a total of N576.62billion worth of bills. The marginal rate on the 2030 bond paper fell by 0.89%, from 18.00% to settle at 16.00% and the 2032 bond paper fell by 0.90%, from 17.95% to 16.20%.

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 0.60%, 0.72% and 0.30% in September to settle at 16.47%, 16.20% and 16.14% respectively.

Looking ahead into October 2025, the Nigerian equity market is poised for a cautiously optimistic performance as expectations of improved Q3 results start to enter the market. The market should benefit from improved liquidity in the financial market on account of the recent CBN's monetary policy easing. The improving macroeconomic environment in Nigeria is expected to boost investors' confidence in the equity market leading to improved participation.

In the money market, expected decline in the inflation rate, stability in the FX market and improving external sector should continue to exert downward pressure on yields in the market.

The bond market is expected 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

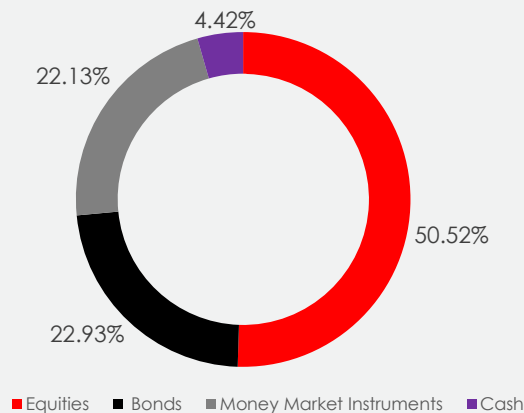
Fund Manager	United Capital Asset Management Ltd
Investment Manager Rating	A+(IM)
Base Currency/Start Year	Naira/2006
Fund Size (₦)	3.3bn
NAV Per Share (₦)	2.1323
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	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	35.79%
31-60days	0.00%
61-90days	15.04%
91-180days	9.01%
180-365 days	0.00%
>1 year	40.17%

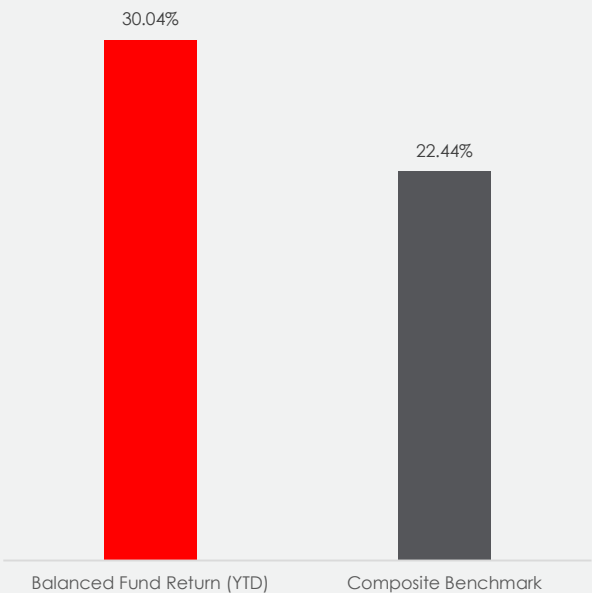
Current Portfolio Holdings



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%	30.04%
Composite Benchmark	25.16%	5.56%	12.82%	19.97%	26.62%	22.44%

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

PERFORMANCE REVIEW

The United Capital Balanced Fund returned 0.15% for the month of September 2025 translating to a YTD return of 30.04% compared to 22.44% posted by the composite benchmark during the same period.

The local bourse continued its positive performance in September as the benchmark index gained 1.72% on a MoM basis translating to a YTD return of 38.65%. The Oil and Gas sector and the Consumer goods sector led the gainers while the Insurance sector led the laggards list on the back of profit taking activities following the gains in the prior month.

Looking ahead, we expect that market performance during the month will be shaped by the release of 9M earnings report. Also, given the dovish stance by the apex bank, we expect to see increased activities in the equities market as investors continue to seek for superior returns. 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

