

United Capital Equity Fund

Mutual Funds Factsheet | December 2023

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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

The bulls continued dominating the Nigerian Exchange Limited (NGX) floor in December 2023. Bargain hunt across stocks in the financial services sector led the rally, with tier-1 banks recording new highs. On a broader note, large-cap stocks like MTNN (+10.9% m/m), and AIRTELAFRI (+4.8% m/m) significantly contributed to the bourse's performance in the month under review.

That said, the benchmark NGX-All Share Index (NGX-ASI) climbed by 4.78% m/m to close at 74,773.9 points. Consequently, YTD return strengthened to 45.9%, with market capitalization settling at N40.7tn.

Looking at things from a sectoral perspective, we observed that the market was broadly bearish, with all bullish sentiments skewed toward the financial services.

As a result, three (3) out of the five (5) sectors we cover closed in the red territory. The Industrial goods (-2.5% m/m) sector led the laggards on the back of sell-offs in BUACEMEN (-6.7% m/m). Trailing were the Consumer

goods (-1.8% m/m) and Oil & Gas sectors, on the back of share price depreciation across BUAFOODS (-2.8% m/m), NESTLE (-4.4% m/m), and DANGSUGA (-1.7% m/m).

Meanwhile, at the centre of attraction, the Banking (+19.9% m/m) sector led the gainers, followed by the Insurance (+6.2% m/m) sector, owing to massive buy-interests across ACCESSCO (+28.6% m/m), UBA (+20.1% m/m), ZENITHBA (+13.5% m/m), ETI (+22.9% m/m), FIDELITY (+22.6% m/m), MANSARD (+19.8% m/m), NEM (+6.8% m/m), and AICO (+6.7% m/m).

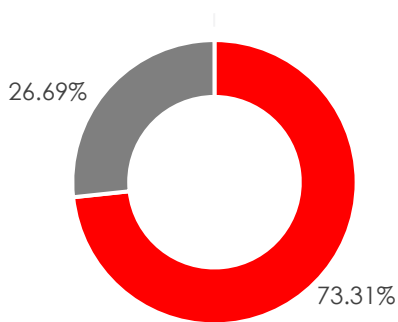
In January 2024, we expect the Bulls to prevail, as bargain hunting continues as the order of the day. Given the global developments across major central banks in advanced economies, high base expectations for inflation, and improved economic growth prospects, we expect the local bourse to record a positive performance in January. Investors may continue to cherry-pick stocks with strong fundamentals, (value or growth). However, value stocks may be choice for dividend scouting investors, ahead of FY-2023 earnings season. At different intervals, we expect mild selloffs, albeit insignificant.

FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	2.7bn
NAV Per Share (₦)	1.3592
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

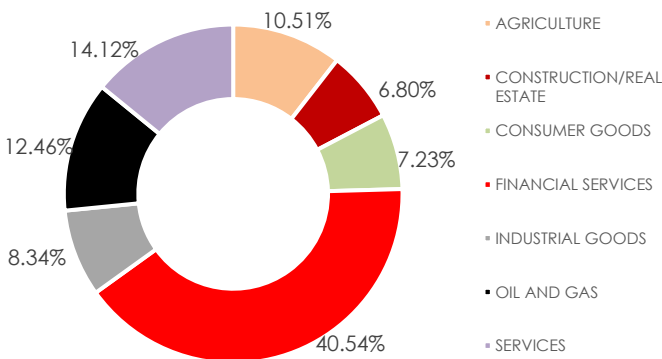
* Inclusive of management fee; Returns are net of all fees

Fund Asset Allocation



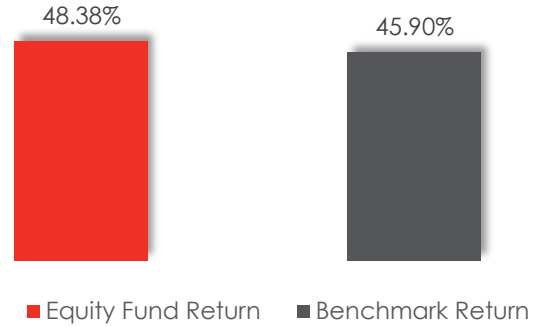
■ Equities ■ Fixed Deposit

Equity Sectoral Allocation

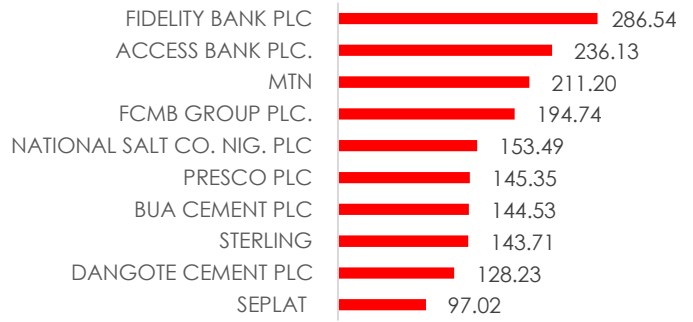


Governance Asset Allocation Ranges:
Money Market(10%-30%); Equities: 70%-90%

YTD Return Vs YTD Benchmark



Top Ten Equity Exposures(Millions)



RETURN HISTORY

	2016	2017	2018	2019	2020	2021	2022	2023
United Capital Equity Fund	-1.0%	36.1%	-5.4%	-1.6%	22.9%	16.4%	7.6%	48.38%
Benchmark (ASI)	-1.9%	42.3%	-17.8%	14.6%	50.0%	6.1%	20.0%	45.90%

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

PERFORMANCE REVIEW

The United Capital Equity Fund returned 4.05% for the month of December 2023, compared to the benchmark All Share Index (ASI) which returned 3.10% for the month. Similarly, the return of the Fund for full year 2023 stood at 48.38% compared to the benchmark return of 45.90%.

The bulls continued dominating the Nigerian Exchange Limited (NGX) floor in December. Positive sentiments amongst investors towards fundamentally sound stocks dominated the market.

We would carefully cherry-pick activities around fundamentally sound stocks with solid performance in anticipation of FY earnings.

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.

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?

- Delivers significantly higher returns than regular domiciliary bank deposits
- A good hedge against depreciation of the Naira
- Seamless Entry and Exit
- Professional management with robust risk framework
- Long term capital preservation and 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.



**Diversify your investments
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Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund