

United Capital Equity Fund

Mutual Funds Factsheet | June 2024

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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

In June, the floor of the exchange was dominated by the Bulls who sought to hunt for bargains across fundamentally sound equities that were technically trading around their oversold region, following the bearish run in April-2024. This was quite reflective in the market's breadth for June, which printed 3.0x implying that 68 stocks advanced, while 23 declined. Notably, share price appreciation across SEPLAT (+12.8% m/m), GTCO (+12.5% m/m), PRESCO (+32.6% m/m), ZENITHBA (+8.2% m/m), and ACCESSCO (+10.2% m/m) led the observed gains in June. None the less, given the activities in the fixed income market on the back of the current elevation of short-term rates, the overall performance of the bourse was significantly dampened. As a result, the benchmark NGX-All Share Index (NGX-ASI) rose by 0.76% m/m to close at 100,057.5 points. Consequently, YTD return strengthened to 33.8% from 32.8% in May, while market capitalisation climbed to close at N56.6tn.

From a sectoral viewpoint, performance was bullish as all the five (5) sectors we cover closed the month of June in the green territory. Leading the band was the Oil & Gas sector (+11.3% m/m) owing share price appreciation across SEPLAT (+12.8% m/m) and TOTAL (+21.0% m/m). Trailing were the Insurance (+6.4% m/m), Banking (+4.1% m/m), Consumer goods (+1.1% m/m), and the Industrial goods (+0.03% m/m) bolstered by share price appreciation across NEM (+13.8% m/m), VERITASK (+55.9% m/m), ZENITHBA (+8.2% m/m), ACCESSCO (+10.2% m/m), GUINNESS (+35.2% m/m), NB (+11.3% m/m), FLOURMIL (+17.1% m/m), and WAPCO (+0.7% m/m).

Access Holdings Plc ('the Company') announced that its wholly owned subsidiary, Access Bank Plc ('the Bank') has completed the acquisition of majority equity stake in African Banking Corporation of Tanzania (ABCT) Limited, a subsidiary of Atlas Mara Limited, a London Stock Exchange listed entity ('the Transaction').

Under the terms of an agreement signed 11 June 2024, Tolaram

will acquire Diageo's 58.02% shareholding in Guinness Nigeria, and enter into long-term license and royalty agreements for the continued production of the Guinness brand and its locally manufactured Diageo ready-to-drink and mainstream spirits brands. The transaction is expected to be completed during Fiscal 2025, subject to obtaining the requisite regulatory approvals in Nigeria.

On 14 June 2024 Seplat Energy noted that it had been notified of the termination of the court proceedings brought by NNPC against MPNU and its affiliates over the proposed divestment of MPNU's shares to Seplat Energy Offshore Limited ("SEOL"). This came after the Nigerian National Petroleum Company Limited (NNPC's) public announcement on the 30 May 2024 regarding the Settlement Agreement between NNPC, ExxonMobil Corporation, Delaware and Mobil Producing Nigeria Unlimited ("MPNU").

Fidelity Bank Plc opened its N127.10bn Rights Issue and Public Offer on Thursday, 20-Jun-24. Fidelity Bank is the first bank to announce a public offer following the CBN's recapitalisation directive issued in March. Fidelity Bank on Thursday commenced its public offer of 10 billion ordinary shares of 50 kobo each at N9.75 Kobo per share and announced Rights Issue of 3.2 billion ordinary shares of 50 Kobo each at N9.25 per share.

Access Holdings Plc through its Stockbrokers, Chapel Hill Denham Securities Limited and Coronation Securities Limited, submitted an application to Nigerian Exchange Limited for the approval and listing of a Rights Issue of Seventeen Billion, Seven Hundred and Seventy-Two Million, Six Hundred and Twelve Thousand, Eight Hundred and Eleven (17,772,612,811) ordinary shares of N0.50 each at N19.75 per share on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held as at the close of business on Friday, 7 June 2024. The Qualification Date for the Rights Issue is 7 June 2024.

Looking ahead into July 2024, the equities market would be mixed as investors continue to explore opportunistic investment strategy, which involves trading the current market volatility. Hence, we anticipate cherry picking of fundamentally sound stocks persist in July. Similarly, market activities will increase due to ongoing banks recapitalization, Q2/H2 2024 filings, and envisaged corporate actions in the weeks ahead.

Conversely, activities in the fixed income market to continue to stand as a demotivator toward a broader/deeper scale of equities investments. Overall, fund managers and investors should continue to adopt an opportunistic investment strategy to take advantage of whatever opportunities the market presents at each given time.

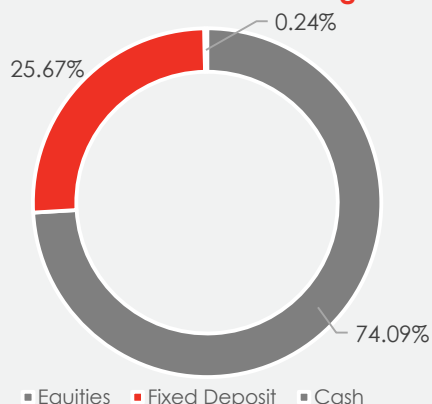
Past performance is not a reliable indicator of future performance, and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into 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.

FUND FEATURES

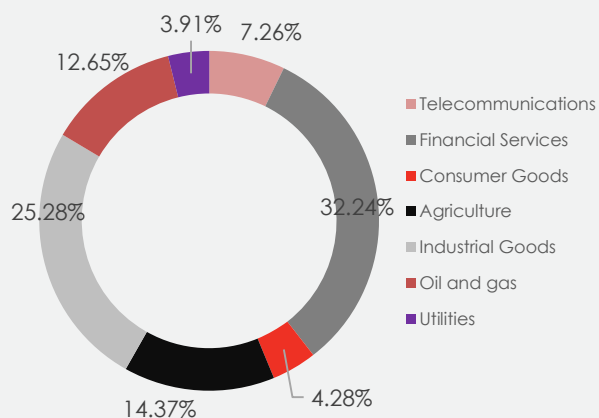
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	3bn
NAV Per Share (₦)	1.2709
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

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

Current Portfolio Holdings

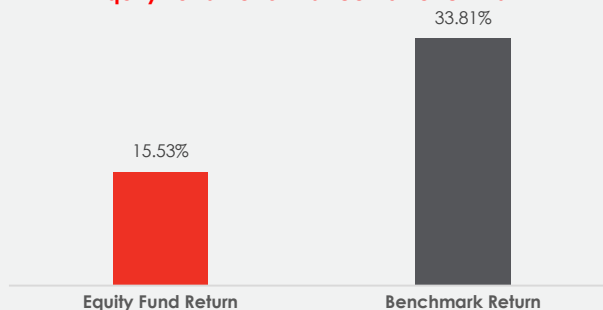


Equity Sectoral Allocation



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

Equity Fund Performance Vs Benchmark



Top ten equity exposures (million)



RETURN HISTORY

	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
UCAP Equity Fund	-1.00%	36.10%	-5.42%	-1.59%	22.91%	16.43%	7.55%	48.38%	15.53%
Benchmark (ASI)	-1.90%	42.30%	-17.80%	14.60%	50.03%	6.07%	19.98%	45.90%	33.81%

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

PERFORMANCE REVIEW

The United Capital Equity Fund returned 2.81% for the month of June 2024 translating to a YTD return of 15.53%, relative to the return of 33.81% posted by the benchmark for the same period.

The equities market continued to improve in June 2024, as the NGX All Share Index gained 0.76% MoM. The increase was on the back of sustained interest in fundamentally strong tickers that were trading below the oversold region.

For the second half of the year, we would actively monitor activities in the equities market ahead of the release of H1 financial performance. Exposure to the market will remain on the lower limit while also taking position in attractive tickers that are currently undervalued and increase exposure to fixed income market given the attractive yield in that space.

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.

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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 with our Mutual Funds today.

Balanced Fund Equity Fund Fixed Income Fund Money Market Fund

Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund