

United Capital Equity Fund

Mutual Funds Factsheet | November 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 November. Positive sentiments amongst investors towards fundamentally sound stocks dominated the market. Buying interests in large-cap stocks such as AIRTELAF (+18.1% m/m) and SEPLAT (+22.8% m/m) spurred the rally. As a result, the benchmark NGX-All Share Index (NGX-ASI) climbed by 3.1% m/m to close at 71,365.3 points. Consequently, YTD return strengthened to 39.2%, with market capitalization settling at N39.1tn.

Market activities were broadly bullish on a sectoral level, as three (3) sectors under our coverage closed in the green zone while the other (1) closed in the red zone. The Oil & Gas (+11.9% m/m) index posted monthly gains as the best-performing sector. Primarily due to gains in SEPLAT (+22.8% m/m) and CONOIL (+7.9% m/m). Followed by the Insurance sector (+8.7% m/m) which gained due to bargain hunting in NEM (+16.8% m/m), SUNUASSU (+48.9% m/m) and MANSARD (+4.5% m/m). The Banking sector (+4.4% m/m) also rallied, buoyed by price appreciations in ETI (+13.3% m/m), ACCESSCO (+5.0.0% m/m) and ZENITHBA (+2.7% m/m). Posting monthly losses was the Industrial goods sector (-1.9% m/m) owing to selloffs in DANGCEM (-2.4% m/m) and BUACEMEN (-2.8% m/m). The Consumer goods (-0.6% m/m) sector also ended the month red due to losses in BUAFOODS (-1.9% m/m) and DANGSUGA (-7.9% m/m).

On corporate actions, Seplat Energy Plc announced a proposed dividend of N29.90k/share, with qualification and payment dates set at 11 November 2023 and 24 November 2023, respectively. MeCure Industries Plc's 4,000,000,000 ordinary shares of 50 Kobo each at N2.96k/share were listed on the entry segment of the Nigerian Exchange Limited (NGX) Growth Board on Tuesday, 07 November 2023. Following the approval of Courtville Business Solutions Plc's application to delist its entire shares from NGX, it was disclosed that the entire issued share capital of Courteville was, on Friday, 10 November 2023, delisted from the Daily Official List of NGX.

In addition, during last month, C & I Leasing Plc announced a bonus issue of two (2) ordinary shares for every three (3) ordinary shares held at the close will be credited to shareholders whose names appear in the

Register of Members as at the close of business on Thursday, 04 January 2024.

Also, Airtel Africa Plc has confirmed the default currency and options on currency election for the proposed interim dividend recommended by the Board to be 2.38 cents per ordinary share payable to shareholders on 15 December 2023. The currency exchange rate applicable for the dividend payment are \$1.0 = N858.24 and \$1.0 = £0.8190.

Furthermore, Union Bank of Nigeria Plc (the Bank) has notified that it is finalizing the process of obtaining approval to delist the Bank's shares from the Nigerian Exchange (NGX), upon which shareholders of the Bank will receive a scheme consideration of N7.70 per share.

MTN Nigeria Communications Plc notified the Nigerian Exchange Limited (NGX) and the investing public of its proposed issuance of up to N72.1bn series 10 commercial paper notes under its N250.0bn commercial paper issuance programme. The issuance is part of the company's strategy to diversify its funding sources of funds deployed for short-term working capital requirements.

In addition, Jaiz Bank Plc notified the NGX and the public of the appointment of Haruna Musa as the substantive Managing Director/CEO of the Bank. Furthermore, the NGX notified Trading License Holders and the investing public that trading in the shares of Consolidated Hallmark Insurance Plc (the Company) was suspended on Monday, 20-Nov-2023. The suspension is necessary to prevent trading in the Company's shares and enable the Company to reconcile its books with CSCS for the delisting of Consolidated Hallmark Insurance Plc and listing of Consolidated Hallmark Holdings Plc. The suspension is required to determine the shareholders who qualify for the consideration.

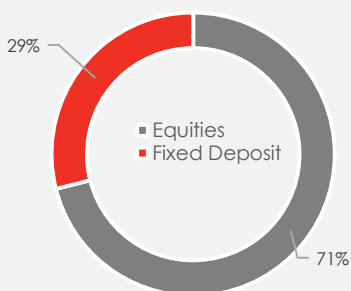
Looking ahead, we expect mixed sentiments in the equities market in Dec-2023. First, we believe the bulls' dominance will linger as the positive sentiments towards the market continue to drive the rally. Hence, we recommend cherry-picking activities around fundamentally sound stocks with solid performance in anticipation of FY earnings. However, the downside risk is potential profit-taking activities off strong-performing stocks amongst investors conducting year-end portfolio rebalancing.

FUND FEATURES

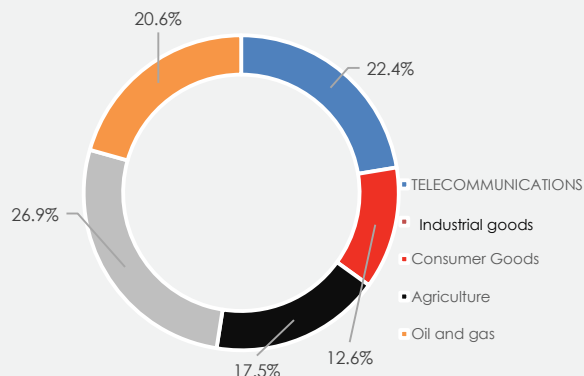
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	2.6bn
NAV Per Share (₦)	1.2643
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmark	NGX ASI
Investment Style	Aggressive
Base Currency/Start Year	Growth Oriented

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

Fund Asset Allocation



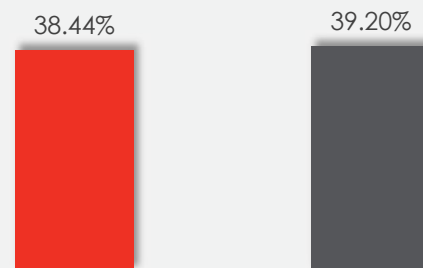
Equity Sectoral Allocation



Governance Asset Allocation Ranges:

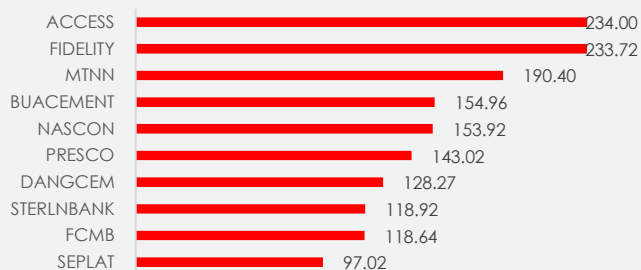
Money Market(10%-30%); Equities: 70%-90%

YTD Return Vs YTD Benchmark



■ Equity Fund Return ■ Benchmark Return

Top Ten Equity Exposures(Millions)



RETURN HISTORY

	2016	2017	2018	2019	2020	2021	2022	YTD
United Capital Equity Fund	-1.0%	36.1%	-5.4%	-1.6%	22.91%	16.43%	7.55%	38.44%
Benchmark (ASI)	-1.9%	42.3%	-17.8%	14.6%	50.03%	6.07%	19.98%	39.20%

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

PERFORMANCE REVIEW

The United Capital Equity Fund returned 1.53% for the month of November 2023, compared to the benchmark All Share Index (ASI) which returned 3.10% for the month. Similarly, the year to date ("YTD") return on the Fund stood at 38.44% compared to the benchmark return of 39.2%.

The bulls continued dominating the Nigerian Exchange Limited (NGX) floor in November. 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.



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Nigerian Eurobond Fund Sukuk Fund Wealth for Women Fund