

United Capital Balanced Fund | Monthly Fact Sheet



September-21

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

The local bourse closed on a bullish note for the month of September as positive sentiments despite the somewhat bearish sentiment that dominated the local bourse during the month. We note that the rally seen at the end of the month was due to the end of the quarter portfolio adjustments by portfolio managers. As such, the benchmark NGX All Share Index (ASI) grew 2.6% m/m as YTD loss moderated to 0.0%, while the index printed at 40,221.17 points.

In the NT-bills market, the market remained relatively tight following the uncertain interest rate direction at PMAs. In the OMO bills market, the average yield rose by 8bps to 6.25% (previously 6.18%). Contrarily, in the corporate bond market, the average yield on corporate bonds declined by 24bps m/m at 11.5% in the period under review.

In the coming month, we expect to see increased market activity as investors will become increasingly active in anticipation of 9M earning release. We expect bearish sentiments to dominate activities in the money market as sovereign debt managers will continue to bid higher, following the recent upturn in stop rates at PMAs.

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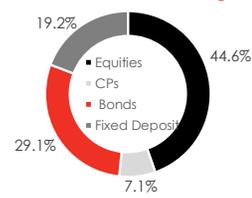
The United Capital Balanced Fund is regulated by the Securities & Exchange Commission

| | |
|---------------------------|-------------------------------------|
| Fund Manager | United Capital Asset Management Ltd |
| Base Currency/Start Year | Naira/2006 |
| Fund Size (₦) | 926.3m |
| NAV Per Share (₦) | 1.3137 |
| Minimum Entry (₦) | 10,000 |
| Additional Investment (₦) | 5,000 |
| Structure | Open Ended |
| Entry/Exit Charges | Nil |
| Management Fee | 1.5% |
| Total Expense Ratio* | 1.6% |
| Benchmarks | 91-Day T-bills/NSE ASI |
| Risk Profile | Moderate |
| Investment Style | Market Oriented |

Maturity Profile of FI and MM Assets

| | |
|-----------------|-------|
| 0-30days | 0.0% |
| 31-60days | 34.7% |
| 61-90days | 12.8% |
| 91-180days | 15.6% |
| 365days & above | 36.9% |

Current Portfolio Holdings



* Inclusive of management fee; Returns are net of all fees
 FI= Fixed Income, MM=Money Market

Governance Asset Allocation Ranges:

Money Market (40-60%); Fixed Income (Minimum 20%); Equities (40%-60%)

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

How to participate

1. Log in to our online platform www.investnow.ng
2. Click on "Balanced Fund"
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments

PERFORMANCE REVIEW

The United Capital Balanced Fund returned 2.72% on a year to date ("YTD") basis, relative to 3.44% posted by the composite benchmark during the same period.

The mixed trend in the equities market impacted positively on the Fund while active trading in short term fixed income instruments helped moderate losses. We remain conservative in line with the investment policy objectives, as our selection of fundamentally strong stocks and high yielding money market instruments should further enhance the performance of the Fund going forward.

Balanced Fund Return Vs Benchmark (YTD)



Investment Risks

- Market risk of equity exposure
- Macroeconomic instability

Return History

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | YTD |
|--------------------------|-------|------|-------|------|--------|--------|-------|
| United Capital Bal. Fund | 8.0% | 5.0% | 22.4% | 1.2% | 3.77% | 14.35% | 2.72% |
| Composite Benchmark | -1.7% | 5.1% | 22.7% | 1.7% | -1.73% | 25.16% | 3.44% |

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

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.