

# United Capital Equity Fund | Monthly Fact Sheet

September-21



## FUND OBJECTIVE

The United Capital Equity Fund invests in quoted equities that are traded on the Floor of the Nigerian Stock Exchange ("NSE"). 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 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. Towards the end of the month increased portfolio restructuring by Asset managers saw a late rally in the last week of the month. All in, 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.

Across sectors, performance was bullish, as three of the five indices under our coverage closed in the red. Leading the laggards is the Insurance (-9.4% m/m) on the back of selloffs in MANSARD. Similarly, the Banking (-1.6% m/m) and Oil and Gas indices (-0.3% m/m) closed southwards due to losses in STANBIC and FCMB. On the flip side, the Industrial (+7.2% m/m) and Consumer Goods (+2.7% m/m) indices closed in the green due to price appreciation in DANGCEM and NESTLE.

In the past month, tier-1 lenders, UBA and GTCO released financials for H1-2021. UBA posted a 5.1% y/y increase in Gross Earnings to N316.0bn, buoyed by 8.3% y/y growth in Interest Income. The Bank also reported a 36.3% y/y jump in PAT to N60.6bn and announced an interim dividend of N0.20/share. GTCO's Gross Earnings declined by 7.7% y/y to N207.9bn, as Interest Income dipped 18.0%. Similarly, PAT for the period declined by 15.8% y/y to N79.4bn. The HoldCo announced an interim dividend of N0.30/share for the period.

On corporate actions, Access Bank Plc notified the NGX of the authorization of Joint Bookrunners and Financial Advisers to facilitate a series of global investor calls, commencing on September 11, 2021. The bank further announced the successful launch of its \$500.0m senior unsecured Eurobond, which was significantly oversubscribed by 3.0x and issued with a 6.125% coupon. The bill is due to mature in September 2026.

**In the coming month, we expect to see increased market activity as investors will become increasingly active in anticipation of 9M earning release.**

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

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Noira/2006
Fund Size (₦)	1.7bn
NAV Per Share (₦)	0.8886
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	NSE ASI
Investment Style	Aggressive

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

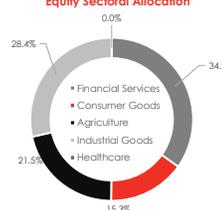
## Governance Asset Allocation Ranges:

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

Fund Asset Allocation



Equity Sectoral Allocation



## Why Choose the Fund?

- Diversification across sectors
- Seamless entry and exit
- Low entry threshold
- Professional management with robust risk framework
- Long term capital growth

## How to Participate

1. Log in to our online platform [www.investnow.ng](http://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.

## PERFORMANCE REVIEW

The United Capital Equity Fund returned 2.23% for the month of September 2021, compared to the benchmark All Share Index (ASI) which returned 2.6% for the month. Similarly, the Year to date ("YTD") return on the Fund stood at 11.81% compared to the benchmark return of -0.1%.

We expect the bears to dominate market performance in the short term as investors cash out on the gains across bellwether stocks and also intermittent profit-taking activities to persist as investors search for clues on the direction of yields in the FI market. Nonetheless, the Fund would continue to focus on taking positions in only fundamentally justified stocks as the weak macro story remains a significant headwind for corporate earnings. We will maintain our allocation in line with the investment policy objectives and the Trust Deed. We expect the Fund to continue to outperform its benchmark given our selection of fundamentally strong stocks with attractive dividend yields.

YTD Return Vs YTD Benchmark

Equity Fund Return: 11.81%  
 Benchmark Return: -0.10%



## Investment Risk

- Prone to equities market volatility

## Return History

	2015	2016	2017	2018	2019	2020	YTD 2021
United Capital Equity Fund	-6.0%	-1.0%	36.1%	-5.4%	-1.59%	22.91%	11.81%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.8%	-14.60%	50.03%	-0.10%

\* 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.