

United Capital Equity Fund | Monthly Fact Sheet

January-22



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 January, the equity market rallied, expanding by 9.2%, on the back of gains in AIRTELAF (+33.1% m/m) following increased demand by index fund managers (after the stock's addition to the FTSE 100 in the UK), SEPLAT (+21.7% m/m) following rising oil prices and ETI (+43.7% m/m). Increased demand in the final days of the month buoyed by unaudited FY-2021 earnings releases from some blue-chip companies also bolstered sentiments.

Our sectoral analysis showed a mixed performance, as three of the five indices under our coverage closed in the green. The Oil and Gas sector (+14.1% m/m) led the gainers following gains in SEPLAT (+21.7% m/m) and TOTAL (+8.6% m/m). The Banking sector (+8.7% m/m) also closed in the green following gains in ETI (+43.7% m/m), ZENITH (+3.6% m/m) and ACCESS (+6.8% m/m). The Industrial goods sector (+3.4% m/m) also closed in the green following buy interest in DANGCEM (+1.6% m/m) and BUACEMENT (+5.5% m/m). On the other hand, the Consumer Goods index (-2.4% m/m) and the Insurance sector index (-6.3% m/m) closed in the red in the past month.

On corporate releases, in the Banking sector, Fidelity announced a 21.7% growth in gross earnings to ₦249.4bn, while PAT grew by 43.1% to ₦38.1bn. Similarly, ETI grew its gross earnings and PAT by 13.4% and 324% to ₦953.6bn and ₦143.1bn, respectively.

In the Oil and Gas sector, Total Energies PLC grew its Revenue by 66.7% to ₦341.7bn in the period under review. In the Oil palm sector, Presco reported a 97.7% and 258.6% growth in Revenue and PAT to ₦47.7bn and ₦18.8bn, respectively. Okomu also reported growth in topline by 60.0% to ₦34.7bn in the period under review.

MTN Nigeria also released its audited FY-2020 earnings, with Revenue growing by 23.3% to ₦1.6tn, PAT also increased by 45.5% to ₦298.7bn. The company proposed a final dividend of ₦8.57 kobo per share, bringing the total dividend paid to ₦13.12/share.

This month, we expect the market to maintain its bullish momentum as investors continue to take positions in anticipation of the forthcoming end-of-year releases.

Contact Us:

Emmanuel Akehomen | +234-703-180-3064
emmanuel.akehomen@unitedcapitalplcgroup.com
 Asset Management | +234-1-631-7876
mutualfunds@unitedcapitalplcgroup.com

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

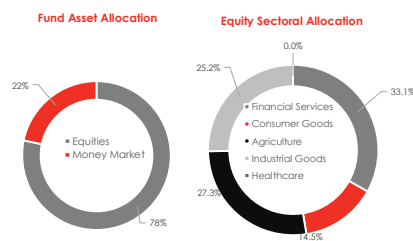
Past performance is not a reliable indicator of future performance and individual investors' returns may differ depending on individual investment period. Performance is net of fees and charges. This information has been prepared for the purpose of providing general information, without taking into account 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 Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	1.7bn
NAV Per Share (₦)	0.9466
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	NGX 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%



Why Choose the Fund?

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

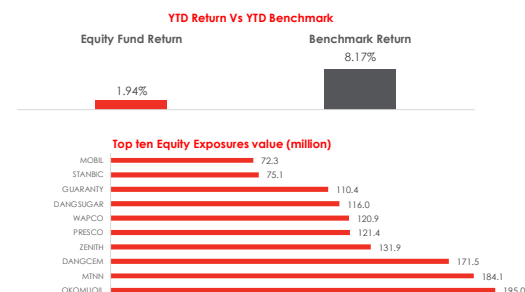
How to Participate

1. Log in to our online platform www.investnow.ng
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 1.94% for the month of January 2022, compared to the benchmark All Share Index (ASI) which returned 8.17% for the month. Similarly, the year to date ("YTD") return on the Fund stood at 1.94% compared to the benchmark return of 8.17%.

With the outcome of the MPC meeting aligning with market expectations amid negative real returns in the fixed income market, we expect investors to continue to cherry-pick stocks with attractive dividend yields. 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 will outperform its benchmark given our selection of fundamentally strong stocks with attractive dividend yields.



Investment Risk

- Prone to equities market volatility

Return History

	2015	2016	2017	2018	2019	2020	2021	Jan-22
United Capital Equity Fund	-6.0%	-1.0%	36.1%	-5.4%	-1.59%	22.91%	16.43%	1.94%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.8%	-14.60%	50.03%	6.07%	8.17%

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