

United Capital Equity Fund | Monthly Fact Sheet



February-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 February, the equity market closed on a bullish note, expanding by 1.65%, majorly on the back of gains in MTN (1.8% m/m), DANGCEM (+4.9% m/m) and GUINNESS (+41.4%).

Our sectoral analysis showed that the positive sentiment was broad-based, as all five indices under our coverage closed in the green. The Oil and Gas sector (+7.9% m/m) led the gainers following gains in SEPLAT (+8.9% m/m) and TOTAL (+9.9% m/m). The Industrial Goods sector grew by 2.8% m/m due to buying interest in DANGCEM (+4.9% m/m), BUACEMEN (+1.1% m/m) and LAFARGE (+5.3% m/m). The Banking sector closed the month 3.2% higher following gains in ZENITH (+4.0% m/m) and ACCESS (+4.5% m/m). The Consumer Goods Sector recorded an appreciation of 2.3% m/m, thanks to gains in GUINNESS (+41.4% m/m) and FLOURMIL (+12.1% m/m). The Insurance Sector inched higher by 2.5% m/m on the back of gains in CORNERST (27.3% m/m) and NEM (8.9% m/m).

During the month, Airtel announced the potential sale of its tower assets in Chad and Gabon to Helios Towers, a telecommunications infrastructure company while Seplat stated its intention to acquire Mobil Producing Nigeria Unlimited (MPNU).

For corporate releases in the financial services sector, United Capital Plc released its FY-2021 results. The company reported growth of 40.3% y/y and 44.1% y/y in Revenue and Profit after Tax to N18.1bn and N11.3bn respectively with a proposed dividend/share of N1.50. In addition, Zenith Bank Plc released its FY-2021 audited results wherein it reported revenue and profit after tax y/y growth of 9.9% and 6.1% respectively. The tier one bank also proposed a final dividend of N2.80/share.

In the Oil and Gas sector, Seplat Energy released its audited FY-2021 results, and it reported that revenue and Profit after Tax expanded y/y by 38.2% and 237.3% respectively to print at \$733.2m and \$117.2m. Seplat proposed a final dividend payment of USD0.025/share.

This month, we expect the market to maintain its bullish momentum as investors continue to take positions in anticipation of the release of additional full-year 2021 corporate earnings. However, towards the end of the month, we expect to see increased investor profit-taking as stocks get closer to their mark down dates.

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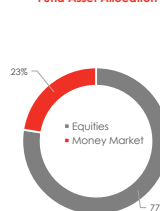
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	1.8bn
NAV Per Share (₦)	1,0001
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	NGX ASI
Investment Style	Aggressive

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

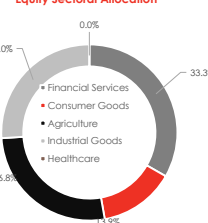
Governance Asset Allocation Ranges:

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

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
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

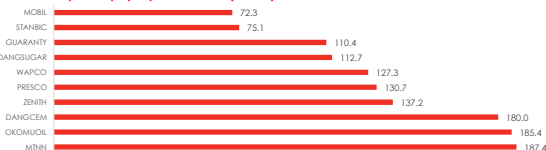
The United Capital Equity Fund returned 3.14% for the month of February 2022, and exceeded the benchmark's (NGX All Share Index) return of 1.65% for the month. The year to date ("YTD") return on the Fund stood at 5.14% compared to the benchmark return of 10.95%.

Due to the persistence of 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.

YTD Return Vs YTD Benchmark



Top Ten Equity Exposures value (million)



Investment Risk

- Prone to equities market volatility

Return History

	2015	2016	2017	2018	2019	2020	2021	YTD 2022
United Capital Equity Fund	-6.0%	-1.0%	36.1%	-5.4%	-1.59%	22.91%	14.43%	5.14%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.6%	-14.60%	50.03%	6.07%	10.95%

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

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.