

March-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 March, the equity market closed on a bearish note, declining by 0.9% on the back of dividend mark-downs in names such as ZENITH (-17.3% m/m), GTCO (-16.9% m/m) while another heavyweight, BUAFOODS shed -3.1% m/m. We observed that the bearish sentiment in the market was on the back of a mix of profit-taking by investors and what was deemed by some as a less-than-impressive earnings season.

Our sectorial analysis reflected the broad negative sentiments, as four out of five key indices closed in the red. The Banking Index (-9.8% m/m) led the losers following declines in ZENITH (-17.3% m/m) and ACCESS (-3.9% m/m). Furthermore, the Consumer Goods (-5.8% m/m), the Insurance (-2.6% m/m) and the Industrial Goods indices (-0.9% m/m) trailed in that order, owing to sell pressures in NESTLE (-2.8% m/m), NB (-13.6% m/m), AICO (-2.9% m/m), MANSARD (-1.3% m/m) and WAPCO (-12.1% m/m). On the other hand, the Oil and Gas index (+3.8% m/m) notched gains following buy interest in SEPLAT (+8.2% m/m).

First, Zenith reported a 9.9% y/y growth in Gross Earnings to ₦765.6bn, while Profit after Tax (PAT) grew 6.1% y/y to ₦244.6bn. The bank announced a final dividend of ₦2.80/s. On its part, GTCO reported that Gross Earnings and net income fell by 1.6% y/y and 13.2% y/y respectively to print at ₦447.8bn and ₦174.8bn. The bank subsequently proposed a dividend of ₦2.70/share. For UBA, Gross Earnings and PAT rose by 7.0% y/y and 8.7% y/y respectively to ₦660.2bn and ₦118.7bn. The bank announced a dividend payment of ₦0.80/share.

In the industrial goods sector, DANGCEM released its FY-2021 numbers showing that Revenue and PAT expanded by 33.8% y/y and 32.0% y/y to print at ₦1.4tn and ₦364.4bn. The company announced a dividend payment of ₦20.0/s. In the Agriculture sector, OKOMU declared a 59.7% y/y growth in Revenue, with PAT accelerating 292.2% y/y. The company announced a dividend payment of ₦8.0/s.

This month, we expect broad-based market sentiment to turn bearish in the absence of any significant positive market catalysts. We also anticipate that a likely reversal in fixed income yields will keep investor activity muted on the equity side

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

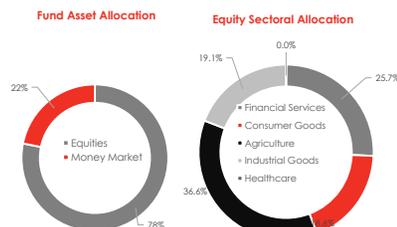
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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	1.8bn
NAV Per Share (₦)	0.9964
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
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 shed -0.41% in the month of March 2022, while benchmark (NGX All Share Index) slipped by a wider margin of -0.91% for the month. The year to date ("YTD") return on the Fund printed at 4.71% as at month-end, compared to the benchmark return of 9.95%.

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%	16.43%	4.71%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.8%	-14.60%	50.03%	6.07%	9.95%

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