

## 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 June, the Nigerian Stock Exchange (NSE) was overrun by bearish investor sentiment fuelled by profit-taking on the back of an increased interest environment. Increased sell pressure in blue-chip companies like NB (-15.2% m/m), AIRTELAFRI (-1.3% m/m), BUACEM (-3.2% m/m), GTCO (-10.5% m/m), and ZENITHBA (-9.0% m/m) significantly impacted in the m/m decline of the local bourse in the period under review. That said, the benchmark NGX-All Share Index (NGX-ASI) fell 3.4% m/m to close at 51,817.6 points. Consequently, YTD return moderated to 20.4%, from May's 24.7% print, with market capitalisation settling at N27.9tn, shedding a total of N981.0bn in June. Similarly, activity level was broadly bearish as average volume and value traded closed lower by 30.1% m/m and 31.1% m/m to print at 267.7m units and N3.7bn, respectively.

Our sectoral analysis reflected overall negative sentiment, as all the five (5) sectors under our coverage closed red. The Banking (-6.6% m/m) led the laggards owing to sell pressure in ZENITHBA (-7.5% m/m), UBA (-3.9% m/m), and ETI (-15.2% m/m). Trailing behind were the Industrial goods (-5.3% m/m), which was dragged down by losses in BUACEM (-3.2% m/m), DANGCEM (-0.7% m/m), WAPCO (-2.4% m/m), NB (-5.8% m/m), INTBREW (-20.3% m/m), FMN (-8.1% m/m). The Consumer goods (-4.3% m/m) closed in the red, on the back of increased investor profit-taking activities in BUACEM (-3.2% m/m), DANGCEM (-0.7% m/m). The Insurance also lost (-1.6% m/m), dragged by losses in ALLCO (-7.2% m/m), MANSARD (-5.7% m/m). The losses in the Oil and Gas sector (-1.2% m/m) were driven by ARDOVA (-14.1% m/m), CONOIL (-9.3% m/m), and OANDO (-0.7% m/m).

Looking forward into July, we expect the local bourse to show some buying interest following improved earnings as we approach the H1-2022 earning season. However, we expect that investors will continue to cherry-pick stocks based on performance.

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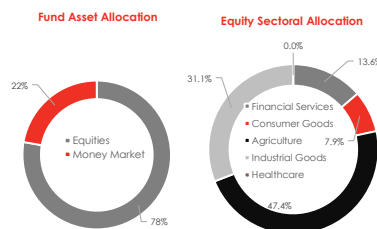
The United Capital Equity Fund is regulated by the Securities & Exchange Commission

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	1.9bn
NAV Per Share (₦)	1.0313
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

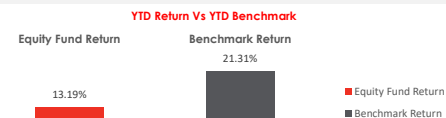
## How to Participate

1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Equity Funds"
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 -6.89% for the month of June 2022, compared to the benchmark All Share Index (ASI) which returned -2.20% for the month. However, the Year to date ("YTD") return on the Fund stood at 13.19% compared to the benchmark return of 21.31%.

With the H1-22 earnings season on the horizon, we believe investors will be looking for clues on the sustainability of the decent corporate earnings released for Q1-22. However, we expect mixed market performance as bargain hunting in stocks with attractive dividend yields will be matched by intermittent profit-taking activities. The fund would continue to take positions in only fundamentally justified stocks as the unimpressive 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.



## 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%	13.19%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.8%	-14.60%	50.03%	6.07%	21.31%

\*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.