

April-21

FUND OBJECTIVE

The objective of the United Capital Balanced Fund is to achieve long-term capital appreciation and income distribution through investment in a portfolio of securities and instruments as specified in the Trust Deed. The Fund is targeted at investors who seek a blend of safety and regular income. The Fund holds equities and fixed income assets in a blended proportion. The securities are held in relatively small proportions to diversify unsystematic risk in the portfolio.

The Fund aims to balance risk and return. The risk profile is structured to be lower than that of a pure equity investment. With assets tactically allocated between fixed income and equity investments, the Fund is structured for investors seeking a blend of safety, income and modest capital appreciation.

The equity portion of the Fund has exposures to mid-cap and large-cap stocks with significant diversification across sectors of the Nigerian economy. Investment decisions are driven by rigorous research in line with carefully designed Enterprise Risk Management framework.

MARKET REVIEW, OUTLOOK AND STRATEGY

The Nigerian equity market closed the month in the green, primarily driven by positive earnings releases by blue-chip tickers towards the end of the month. The benchmark index, NSE All-Share Index, returned 2.0% on a m/m basis, closing the month at 39,840.2 points. Consequently, YTD loss moderated to -1.1% while market capitalization printed at 1.0% at the end of Apr-2021.

Conversely, the money market continued to witness strong bearish sentiments following sustained uptick in yields at recent PMAs. In the secondary NT-bills market, average NT-bills yield closed the month at 4.7%, up 61bps m/m from the average yield of 4.1% at the end of March. Similarly, the bonds market remained bearish as average sovereign bond yield surged by 211bps m/m to 11.9% in April from 9.8% at the end of March.

This month, we expect the equity market trajectory to remain sideways with bearish sentiments dominating as investors book profits from gains recorded in Apr-2021. For the fixed income and treasury markets, we expect rates will continue to rise at the primary and secondary markets fueled by dealers' appetite for higher yields and government's need for finances. Thus, we retain our policy guide of underweighting equities and staying short in the Fixed income market.

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

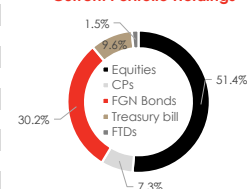
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	906.3m
NAV Per Share (₦)	1.3401
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmarks	91-Day T-bills/NSE ASI
Risk Profile	Moderate
Investment Style	Market Oriented

Maturity Profile of FI and MM Assets

0-30days	3.2%
31-60days	0.0%
61-90days	0.0%
181-365days	53.2%
365days & above	43.6%

* Inclusive of management fee; Returns are net of all fees
 FI= Fixed Income, MM=Money Market

Current Portfolio Holdings



Governance Asset Allocation Ranges:

Money Market (40-60%); Fixed Income (Minimum 20%); Equities (40%-60%)

Why choose the Fund?

- Low volatility of Investment returns
- Well diversified portfolio
- Seamless entry and exit
- Professional management with robust risk framework
- Automatic rebalancing in times of rising or falling markets
- Ability to enjoy long term capital growth as well as safety

How to participate

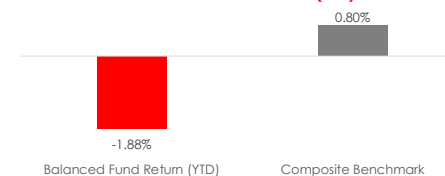
1. Log in to our online platform www.investnow.ng
2. Click on "Balanced Fund"
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments

PERFORMANCE REVIEW

The United Capital Balanced Fund returned -1.88% on a year to date ("YTD") basis, relative to 0.80% posted by the composite benchmark during the same period.

The mixed trend in the equities market impacted negatively on the Fund while active trading in short term fixed income instruments helped moderate losses in light of the increasing interest rate. We remain conservative in line with the investment policy objectives, as our selection of fundamentally strong stocks and high yielding money market instruments should further enhance the performance of the Fund going forward.

Balanced Fund Return Vs Benchmark (YTD)



Investment Risks

- Market risk of equity exposure
- Macroeconomic instability

Return History

	2015	2016	2017	2018	2019	2020	YTD
United Capital Bal. Fund	8.0%	5.0%	22.4%	1.2%	3.77%	14.35%	-1.88%
Composite Benchmark	-1.7%	5.1%	22.7%	1.7%	-1.73%	25.16%	0.80%

Past performance is not a reliable indicator of future performance. 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.