

March-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 stock market traded sideways in March but ended the month in the red due to persistent interest rate concerns. The benchmark index, NSE All-Share Index, returned -1.9% on a m/m basis, closing the month at an index level of 39,045.1pts. The YTD return and market capitalization ended the month at -3.0% and 20.4tn, respectively. On the other hand, we saw the money market continue to witness strong bearish sentiments as yields across the different segments of the market continued to surge higher. Similar sentiments drove the bond market during the period amid persistent demand for higher yields. Accordingly, the average sovereign bond yield rose by 58bps m/m to 9.82% as of 31st March from 9.24% at the end of February. This remains in line with our outlook that investors' desire for higher yields at the primary market amidst an increased deficit financing program will drive a repricing of fixed income yields and weigh on the equity market.

This month, we expect the equity market to remain soft as fixed-income yields climb further. We do not, however, rule out bargain hunting in lucrative dividend-paying stocks. We expect continued bearish activity in the fixed income market in the coming month. We reiterate our outlook that investors' desire for higher yields at the primary market amidst an increased deficit financing program will drive a repricing of fixed income securities. In the face of the likelihood of further yield reversal, we will remain at the short end of the yield curve as yields on long-term bonds continue to rise.

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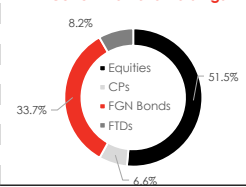
The United Capital Balanced Fund is regulated by the Securities & Exchange Commission

| | |
|---------------------------|-------------------------------------|
| Fund Manager | United Capital Asset Management Ltd |
| Base Currency/Start Year | Naira/2006 |
| Fund Size (₦) | 895.4m |
| NAV Per Share (₦) | 1.3233 |
| 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 | 13.3% |
| 31-60days | 0.0% |
| 61-90days | 0.0% |
| 181-365days | 47.7% |
| 365days & above | 39.0% |

Current Portfolio Holdings



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

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

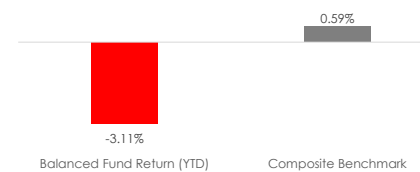
1. Log in to our online platform www.investnow.ng
2. Click on "Balanced Fund"
3. Click on "Open and account" and complete the online form
4. Fund your account online with a one-time payment or recurrent payments

PERFORMANCE REVIEW

The United Capital Balanced Fund returned -3.11% on a year to date ("YTD") basis, relative to 0.59% posted by the composite benchmark during the same period.

The bearish 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% | -3.11% |
| Composite Benchmark | -1.7% | 5.1% | 22.7% | 1.7% | -1.73% | 25.16% | 0.59% |

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.