

FUND OBJECTIVE

The United Capital Equity Fund invests in quoted equities that are traded on the Floor of the Nigerian Stock Exchange ("NSE"). 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

The month of June closed on a bearish note as the telecoms sector dragged the broad market index significantly after investors sold off their positions in AIRTELAF (-20.3% m/m). The sell-off in AIRTELAF followed increased government interventions in the currency market; the stock has been used as a tool to repatriate funds due to its dual listing status. As such, the NSEASI shed 1.4% month on month (m/m) as year to date loss expanded to 5.9%, while the NSEASI printed at 37,907.28 points.

Across sectors, performance was strong, as four (4) of the five (5) indices under our coverage closed in the green. Leading the gainers, the Consumer Goods index (+1.7% m/m), Banking index (+2.6% m/m), Oil & Gas index (+1.7% m/m) and the Industrial Goods index (+0.3%) closed northwards at the end of June. On the other hand, the Insurance index (-2.5% m/m) closed in the red in the past month.

In the past month, Flourmills Nigeria released its FY-2020/21 results, which showed revenue growth of 34.6% year on year (y/y) to ₦771.6bn in 2021. PAT was also up 126.0% y/y to ₦25.7bn in FY-2020. Regarding corporate actions, GUARANTY was temporarily delisted to allow its emergent holding company, Guaranty Trust Holding Company (GT HoldCo) Plc, to be listed. Ardova PLC acquired a 100.0% stake in Enyo, another player in the downstream oil and gas sector. Dangote Cement announced the resumption of its share buyback programme in H2-2021. The company is looking to purchase about 10.0% of shares in free float; in December, its previous share buyback exercise only saw the company purchase 0.24% of its total free float.

In the coming month, we expect to see buying interest on stocks that deliver solid corporate earnings amidst the broad bearish sentiments. However, our long-term position for the quarter on equities remains largely bearish.

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

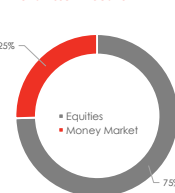
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Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	1.8bn
NAV Per Share (₦)	0.9341
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	NSE ASI
Investment Style	Aggressive

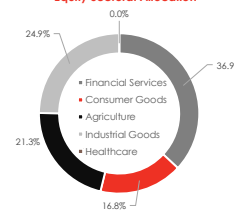
* Inclusive of management fee; Returns are net of all fees

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 5.68% for the month of June 2021, compared to the benchmark All Share Index (ASI) which returned -1.38% for the month. Similarly, the Year to date ("YTD") return on the Fund stood at 7.95% compared to the benchmark return of -5.87%.

We expect more of a "choppy theme" as investors continue to watch out for clues on the direction of yields in the FI market. Following the moderation in the share prices of bellwether stocks, we expect the bulls to make a re-entry in dividend-paying stocks ahead of H1-2021 dividend declarations, which intermittent profit-taking activities would match. 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 to continue to 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	YTD
United Capital Equity Fund	-6.0%	-1.0%	36.1%	-5.4%	-1.59%	22.91%	7.95%
Benchmark (ASI)	-17.4%	-1.9%	42.3%	-17.8%	-14.60%	50.03%	-5.87%

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