

United Capital Equity Fund | Monthly Fact Sheet

August-21



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 local bourse closed on a bullish note for the month of August despite the somewhat bearish sentiment that dominated the local bourse during the month. We note that investors had an extended period of profit taking following the strong gains recorded in Jul-2021. However, strong gains in telecoms stocks (which contributes 30.9% of total market cap) outweighed the broad-based negative sentiments as MINN (+4.5% m/m) and AIRTELAF (+22.0% m/m) combined to push the domestic equities market to another positive close. In addition, we noticed some form of cautious buying as well as hesitant sellers as investors keep an eye on developments in the fixed income market, hoping for a repeat of the Q4-2020 stock market rally, opening room for a tight nervy end to the month. All in, the benchmark NGX All Share Index (ASI) gained 1.7% m/m as YTD loss moderated to 2.6% with the index printing at 39,219.61 points.

Across sectors, performance was bearish, as all the five broad sectors that we track closed the month in the red. Leading the laggards, the Consumer goods sector (-7.6% m/m), closed in the red after sell pressures in NESTLE (-9.1% m/m) and NB (-4.5% m/m) weighed. Similarly, the Insurance (-3.4% m/m) and Oil & Gas (-2.3% m/m) sectors closed southwards due to losses in MANSARD (-1.1% m/m), ALLCO (-4.6% m/m), SEPLAT (-1.3% m/m), and OANDO (-6.7% m/m). Lastly, Industrial goods (-1.4% m/m) and Banking (-1.2% m/m) sector rounded up the losers following price depreciation in DANGCEM (-2.1% m/m), WAPCO (-3.9% m/m), ZENITH (-1.2% m/m), and ACCESS (-2.2% m/m).

In the past month, Guinness Nigeria Plc (GUINNESS) released its financial results for the fiscal year ended 30th June 2021. The brewer increased Revenue by 53.7% to N160.4bn and Net Income by c.109.9% to N1.3bn, up from a loss of N12.7bn. In addition, Zenith bank Plc (ZENITH) announced H1-2021 results, which showed a 0.2% decrease in Gross Earnings to N345.6bn and a 2.2% increase in Profit After Tax (PAT) to N106.1bn. In a similar vein, Access bank recorded impressive growth its H1-2021 results as Gross Earnings grew by 13.6% to N450.6bn and PAT climbed by 42.4% to N86.9bn. On corporate actions, Eterna Plc (ETERNA) announced the acquisition of a majority shareholdings (c.61.0%) in the company by Preamble Limited. Also, Dangote Cement Plc (DANGCEM) announced a new N150.0bn Commercial Paper Programme ("CP") slated for "working capital and general corporate purposes". Zenith Bank Plc (ZENITH) declared a N0.30k interim dividend, the same as last year, with a qualification date of 10-Sep-2021 and a payment date of 20-Sep-2021. In addition, Access Bank (ACCESS) also declared interim dividend payment of N0.30k/share, higher than the N0.25k/share announced in H1-2020.

In the coming month, we expect investors to focus attention on development in the fixed income market particularly as we approach the final earnings season for 2021. We expect investors' interest in the equities market to pick up if yields in the fixed income market sustain a downward pattern.

Contact Us:

Emmanuel Akehomen | +234-703-180-3064

emmanuel.akehomen@unitedcapitalplcgroup.com

Asset Management | +234-1-631-7876

mutualfunds@unitedcapitalplcgroup.com

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

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.

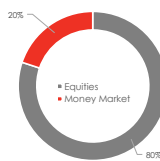
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (M)	1.7bn
NAV Per Share (N)	0.8692
Minimum Entry (N)	10,000
Additional Investment (N)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.6%
Benchmark	NSE ASI
Investment Style	Aggressive

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

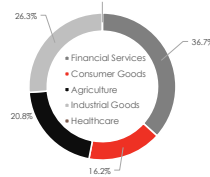
Governance Asset Allocation Ranges:

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 an account".
4. Fund your account online with a one-time payment or recurrent payments.

PERFORMANCE REVIEW

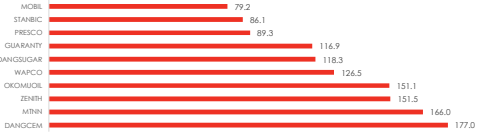
The United Capital Equity Fund returned -0.29% for the month of August 2021, compared to the benchmark All Share Index (ASI) which returned 1.74% for the month. Similarly, the Year to date ("YTD") return on the Fund stood at 9.57% compared to the benchmark return of -2.62%.

We believe earnings from the Big banks will bring some breath of fresh air to the local bourse. Particularly, as the declaration of interim dividends will accompany the results. As a result, we expect portfolio rebalancing activities into cyclical stocks and positioning in dividend-paying stocks to shape market performance in the short term. 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 2021
United Capital Equity Fund	-6.0%	-1.0%	36.1%	-5.4%	-1.59%	22.91%	9.57%
Benchmark (ASI)	-17.4%	-1.9%	42.2%	-17.8%	-14.60%	50.03%	-2.62%

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