

United Capital Money Market Fund | Monthly Fact Sheet



October-21

FUND OBJECTIVE

The United Capital Money Market Fund allows investors to invest in high quality money market instruments like Treasury bills and certificates, Commercial papers and Bankers' acceptance. The Fund is an income Fund. It provides liquidity, capital preservation, as well as moderate and stable return. The Fund is appropriate for corporate and individual investors who desire less volatility in returns using their surplus funds for short periods of time. The main objective of the Fund is to achieve consistent income streams through investment in a portfolio of money market securities and investments specified in the Trust Deed. The money market fund preserves capital, offers quarterly interest payment as well as safety and liquidity.

MARKET REVIEW, OUTLOOK AND STRATEGY

Activities at the interbank window were bullish in the month of October, as financial system liquidity maintained a decent level through most of the month. Consequently, interbank rates fell as average OBB and OVN rates declined 17bps m/m and 38bps m/m respectively to close at 12.79% and 13.78%.

In line with the NT-bills auction calendar, the apex bank conducted two NT-bills Primary Market Auction (PMA) auctions, as stop rates on the 91-day and 182-day bills remained unchanged, while the 364-day bill dipped 25bps and 33bps consecutively, closing the month at 6.99%. At the primary OMO market, the CBN conducted two OMO auctions selling, the sum of N100.0bn worth of OMO bills across the three auctions with stop rates remaining unchanged at 7.0%, 8.5% and 10.1% across the short, mid, and long end of the curve.

In the secondary market, we observed some sell pressures as the average yield rose by 11bps m/m to 5.33%, with investors selling across the mid-end of the curve. as the initial rate hold by the CBN left investors sitting on the sidelines and waiting for rate direction. Similarly, in the secondary OMO bills market, we saw the average yield moderate by 24bps to 6.3% in October-2021.

Looking ahead, we expect the NT-bills market to take a bullish posture as we expect investors to remain standoffish in the bonds market, potentially shifting a lot of demand to the NTB market, we expect this to moderate rates in November.

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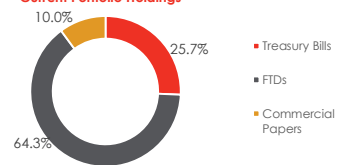
The United Capital Money Market Fund is regulated by the Securities & Exchange Commission

| | |
|---------------------------|-------------------------------------|
| Fund Manager | United Capital Asset Management Ltd |
| Base Currency/Start Year | Naira/2006 |
| Fund Size (₦) | 20.6bn |
| NAV Per Share (₦) | 1.0 |
| Minimum Entry (₦) | 10,000 |
| Additional Investment (₦) | 5,000 |
| Structure | Open Ended |
| Minimum Holding Period | 30 days |
| Benchmark | 91-day T-Bills |
| Management Fee | 1.0% |
| Total Expense Ratio* | 1.1% |
| Risk Profile | Low |
| Income Distribution | Quarterly |

Maturity Profile of Assets

| | |
|--------------|-------|
| 0-30days | 37.6% |
| 31-60days | 29.7% |
| 61-90days | 6.7% |
| 91-180days | 19.5% |
| 180-365 days | 6.4% |

Current Portfolio Holdings



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

Governance Asset Allocation Range

Money Market (100%)

Why Choose the Fund?

- Short-term capital preservation
- Seamless entry and exit
- Low entry threshold
- Professional management with robust risk framework

How to Participate

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

Return History

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Oct-21 |
|---------------------------|-------|-------|-------|-------|--------|-------|--------|
| Money Market Fund Returns | 11.3% | 13.1% | 14.2% | 12.9% | 12.87% | 5.42% | 8.96% |
| Benchmark Returns | 2.4% | 13.7% | 11.0% | 12.6% | 11.16% | 1.52% | 4.04% |

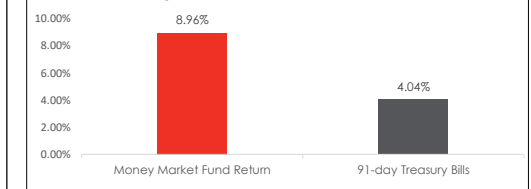
* Represents the Fund's Effective yield vs the Benchmark Return

PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 8.96% for the month of October 2021, higher than the benchmark rate of 4.04%. The performance of the Fund was driven by lower interest rate reflected by decrease in yields in money market instruments.

The Fund will continue to invest in high quality money market instruments that generate competitive returns for the benefit of the subscribers. The Fund is well positioned to deliver above-average returns despite the declining yield environment.

Money Market Fund Return vs Benchmark



Investment Risks

- Market risk relating to policy somersault
- Macroeconomic instability
- Interest Rate Risk

* 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.