

# United Capital Money Market Fund | Monthly Fact Sheet

November-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

Last month, in line with our expectations, activities in the money market remained bullish as rates trended lower. The financial system became reflatated with heavy liquidity due to maturities from coupon inflows, FAAC credits totaling over N700.0bn (due to October delayed FAAC inflows) and N350.0bn N-POWER inflows (a Federal Government Social Intervention program). As a result, interbank rates fell to the single digit terrain during the month. However, the Central Bank of Nigeria (CBN) sustained its mop-up activities via OMO, NT-bills and Bonds auctions as well as CRR debits as it attempted to control the amount of liquidity within the system. Nevertheless, the heavy liquidity in November pushed interbank rates lower for the month as average Open Buy Back (OBB) and Overnight rates (OVN) fell 417bps and 405bps to print at 17.25% and 17.75%, respectively.

At the primary market, the CBN conducted three OMO auctions and two NT-bills auctions. For the OMO auction, the CBN sold the sum of N80.0bn 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. At the NT-bills auctions, the CBN sold the sum of N411.9bn across the 91-day, 182-day and 364-day bills, despite offering to sell just N269.6bn during the auctions, keeping in line with the bank's strategy of overselling auctions. Across the auctions, stop rates on the 91-day and 182-day bills remained unchanged at 2.5% and 3.5% respectively. On the other hand, the 364-day bill dipped 49bps and 61bps at the two auctions, closing the month at 5.9%.

In the secondary market, bullish sentiments dominated as average NT-bills yield closed lower by 68bps m/m to close at 4.8% (previously 5.5%). Similarly, in the OMO bills market, average yield fell by 87bps m/m to 5.5% (previously 6.4%). Activities in the secondary market continues to be focused on the short end of the curve which has continued to drive short term rates lower.

**Looking ahead, we expect the NT-bills market to maintain a bullish posture as investors continue to be expressively interested in short tenor instruments. We expect demand-led activities to drive money market rates lower in December.**

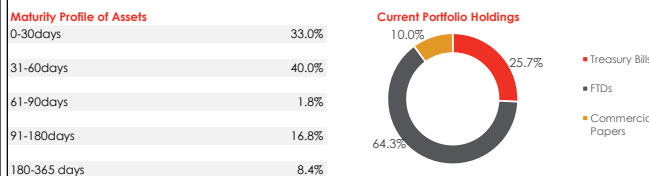
## Contact Us:

Emmanuel Akehomen | +234-703-180-3064  
[emmanuel.akehomen@unitedcapitalciqgroup.com](mailto:emmanuel.akehomen@unitedcapitalciqgroup.com)  
 Asset Management | +234-1-631-7876  
[mutualfunds@unitedcapitalciqgroup.com](http://mutualfunds@unitedcapitalciqgroup.com)

The United Capital Money Market 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 (₦)	22.1bn
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



\*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](http://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%	12.67%	5.42%	8.97%
Benchmark Returns	2.4%	13.7%	11.0%	12.6%	11.16%	1.52%	3.82%

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

## PERFORMANCE REVIEW

The United Capital Money Market Fund yielded an average return of 8.97% for the month of November 2021, higher than the benchmark rate of 3.82%. 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.

