

# United Capital Wealth For Women Fund

Mutual Funds Factsheet | April 2024

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## FUND OBJECTIVE

The objective of the United Capital Wealth for Women Fund is to promote the financial inclusion of the female gender by increasing their access to financial investment products and addressing the current imbalance of most investment products being skewed towards the male gender.

The Fund Manager seeks to maintain a balance between realized income and capital growth to ensure regular distribution payments and continuous appreciation in asset values while ensuring optimal safety of assets and adequate liquidity to meet the Fund's obligations as they fall due. The Fund invests in money markets and equities. The equity portfolio is tilted towards companies with significant female representation on their boards and management teams.

## MARKET REVIEW, OUTLOOK AND STRATEGY

In April, the bears dominated the Nigerian Stock Exchange (NGX). We observed portfolio rebalancing activities, with investors mostly risk-averse (particularly given the hawkish monetary policy environment). We observed quite significant sell-offs across the banks, with deeper analysis indicating that foreign NGX participants continue to reserve concerns with regards to the recapitalization exercise, and the potential of the banks to raise the required capital, within the stipulated time frame. As a result, the benchmark NGX-All Share Index (NGX-ASI) declined by 6.1% m/m to close at 98,225.63 points. Consequently, YTD return weakened to 31.4% from March's print of 39.8%, with market capitalisation settling at N55.6tn.

At the primary market, the Central Bank of Nigeria (CBN) conducted two (2) NT-bills auctions during the month to roll over maturing bills to the tune of N292.2bn. Investors demand at the auctions was very significant, with total demand amounting to N2.6tn, implying bid-to-cover ratio of 8.8x. Compared to the total amount of NT-bills that was set to be rolled over at the auctions, the CBN over-allotted the two auctions, allotting NT-bills to the tune of N1.3tn, arriving at an over-allotment of 4.5x. Unlike riskier asset classes, money market assets (also known as non-risk securities) continue to be highly sought after by investors, as seen by the substantial demand at the auctions in April 2024. However, despite the significant over-allotment rate, stop rates across the 91-day and 182-day bills remained unchanged at primary market levels throughout the month under review. However, the stop rate on the 364-day bill declined 42bps to record close at 20.7% from 21.12% which was recorded at the last auction in March 2024.

In the secondary market, we saw significant bearish sentiments, primarily spurred by foreign investors who sought to exit the Nigerian markets, to take positions in more attractive markets in advanced economies (particularly the United States). Also, a blend of the appreciating Naira and CBN's commitment to meet FX obligations incentivized the move by the foreign investors (particularly those who had trapped funds and were actively seeking to exit). Thus, the average yields on NT-bills at secondary market levels, rose by 454bps m/m to close the month of Apr-2024 at 22.20% (previously 17.66%). Similarly, the average yield on OMO bills climbed by 29bps to settle at 18.75% in Mar-2024 from 18.46% in the prior month.

The Debt Management Office (DMO) conducted the Apr-2024 FGN bond auction, with an offer size of N450.0bn across the newly open 2029s (5-YR paper), and the reopened 2031s (7-YR paper) and 2034s (10-YR paper). At the auction, investors' demand was significantly strong, with total subscription printing at N920.1bn, implying an oversubscription of 2.0x. Notably, the DMO oversold the auction by 1.4x, allotting a total of N626.8bn worth of papers. Irrespective of the CBN overselling the auction, the marginal rates on the reopened 2031 and 2034 paper fell by 25bps and 45bps from 20.00% and 20.45% to settle at 19.75% and 20.00%, respectively. Meanwhile, the marginal rate on the newly opened 2029 paper printed at 19.30%.

**Looking ahead into May-2024, we expect the bearish sentiments amongst investors to persist in the local equities market given the recent developments in the fixed-income market. The impact of the high yields in the fixed-income market will continue to drive sell-offs as investors switch their asset classes to less risky assets.**

**In fixed-income markets, we expect short-term rates to remain around current levels. We expect the financial system to remain mostly illiquid, in line with the CBN's posture to an elevated interest rate environment. Changing perspectives, we see a class of investors who will look to take advantage of the current elevation of short-term rates, holding on to the paradigm that short-term rates have possibly reached their peak levels. We expect bond yields to trend northwards as bearish investors' sentiments resurface, underpinned by concerns about the nation's fiscal health and the efficacy of its monetary policy.**

**FUND FEATURES**

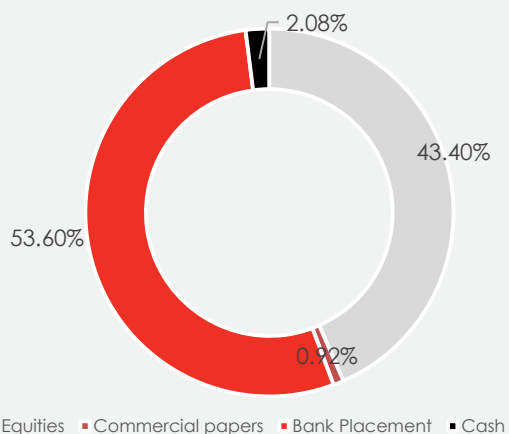
<b>Fund Manager</b>	United Capital Asset Management Ltd
<b>Base Currency/Start Year</b>	Naira/2017
<b>Fund Size (₦)</b>	1.1bn
<b>NAV Per Share (₦)</b>	1.5849
<b>Minimum Entry (₦)</b>	10,000
<b>Additional Investment (₦)</b>	5,000
<b>Structure</b>	Open Ended
<b>Entry/Exit Charges</b>	Nil
<b>Management Fee</b>	1.5%
<b>Total Expense Ratio*</b>	1.8%
<b>Benchmarks</b>	91-Day T-bills/NGX ASI
<b>Risk Profile</b>	Moderate
<b>Investment Style</b>	Market Oriented

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

**MATURITY PROFILE OF ASSETS**

0-30days	96.42%
31-60days	0.00%
61-90days	3.58%
91-180days	0.00%
181-365days	0.00%

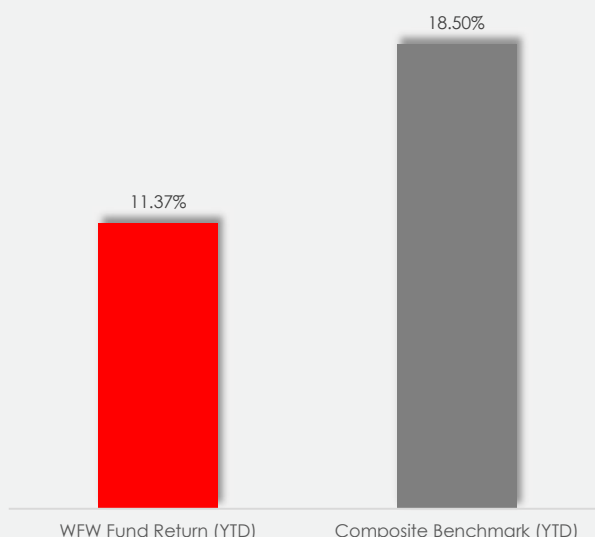
**Current Portfolio Holdings**



**Governance Asset Allocation Ranges:**

Equities (10%-80%), Money Market Instruments (20% -90%)

**WFW Fund Return Vs Benchmark (YTD)**



**RETURN HISTORY**

	2019	2020	2021	2022	2023	2024 YTD
UCAP WFW	7.79%	3.12%	6.60%	12.33%	31.90%	11.37%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	23.99%	18.50%

\*Represents the Fund's Annualized Return vs the Benchmark's Annualized Return

**PERFORMANCE REVIEW**

The United Capital Wealth For Women Fund returned -3.72% in April 2024, translating to a YTD return of 11.37% compared to the composite benchmark (91-day T-bills and the ASI) return of 18.50% for the same period.

The equities market declined in April 2024, as the NGX All Share Index lost 6.06% MoM. The decline was on the back of the recent recapitalization in the banking sector and foreign participants exiting their position following the appreciation of the currency during the month.

In line with current market realities and ahead of the release of more Q1 2024 earnings reports, we would rebalance the equities position of fund and increase exposure to fixed income market given the attractive yield in that space.

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 returns of the Fund going forward.

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.

### 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

### INVESTMENT RISK

- Market risk of equity exposure
- Macroeconomic instability

### HOW TO PARTICIPATE

1. Log in to our online platform [www.investnow.ng](http://www.investnow.ng)
2. Click on "Wealth for Women 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.



**Diversify your investments with our Mutual Funds today.**

Balanced Fund   Equity Fund   Fixed Income Fund   Money Market Fund

Nigerian Durable Fund   Sukuk Fund   Wealth for Women Fund