

United Capital Wealth For Women Fund

Mutual Funds Factsheet | February 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

The Nigerian equities market ended its four months positive streak in February. The negative performance is attributable to the positive performance in the fixed income market and weak earnings report of some of the large tickers. At the end of the month, only two (Consumer goods and Oil and Gas) out of the five sectors closed in the green. As a result, the benchmark index (NGX-ASI) YTD return declined by 1.16% to 33.71%, settling at 99,980.30 points. Consequently, market capitalization reduced to N54.71tn.

The fixed income market experienced significant increase in yields which was driven by the expected rate hike by the apex bank to curb inflation and reduce liquidity in the system. At the primary auction, the DMO on behalf of the government offered two new bonds (Feb 2031, Feb 2034) which were undersubscribed. In the secondary market,

average yields rose by 273bps MoM to close at 17.22%.

In the NTB space, the CBN conducted two auction s in February. Average stop rate at the auction increased compared to the previous month. Specifically, the 1-year treasury bill closed at 19% at the end of the month compared to 11.54% in the last auction in January. Consequently, in the secondary market, average yield increased by 775bps MoM to 16.90%.

Given the hawkish stance (as shown in the last MPC meeting) of the apex bank, we expect a shift in investors' interest from the equity market to the fixed income market. As such, we expect to see further sell-offs in the equity market. Additionally, we expect to see more FY'23 earnings report during the month. This is also expected to drive investors' sentiment in the coming month.

We expect yields to rise further in the fixed income market. From the Q2 NTB calendar released, the CBN is expected to return to the market frequently in March. From the liquidity profile, system liquidity is projected to improve compared to February driven by bond maturity, coupons and NTB maturity. The expectation is that the liquidity will be mopped up via the auctions (NTB, Bonds and OMO). Overall, the high yield environment is expected to persist.

FUND FEATURES

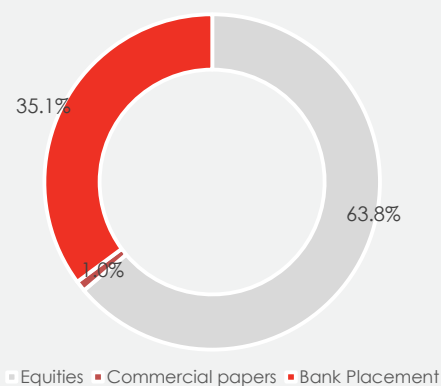
| Fund Manager | United Capital Asset Management Ltd |
|---------------------------|-------------------------------------|
| Base Currency/Start Year | Naira/2017 |
| Fund Size (₦) | 1.1bn |
| NAV Per Share (₦) | 1.6395 |
| Minimum Entry (₦) | 10,000 |
| Additional Investment (₦) | 5,000 |
| Structure | Open Ended |
| Entry/Exit Charges | Nil |
| Management Fee | 1.5% |
| Total Expense Ratio* | 1.8% |
| Benchmarks | 91-Day T-bills/NGX ASI |
| Risk Profile | Moderate |
| Investment Style | Market Oriented |

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

MATURITY PROFILE OF ASSETS

| | |
|-------------|--------|
| 0-30days | 45.36% |
| 31-60days | 54.64% |
| 61-90days | 0.00% |
| 91-180days | 0.00% |
| 181-365days | 0.00% |

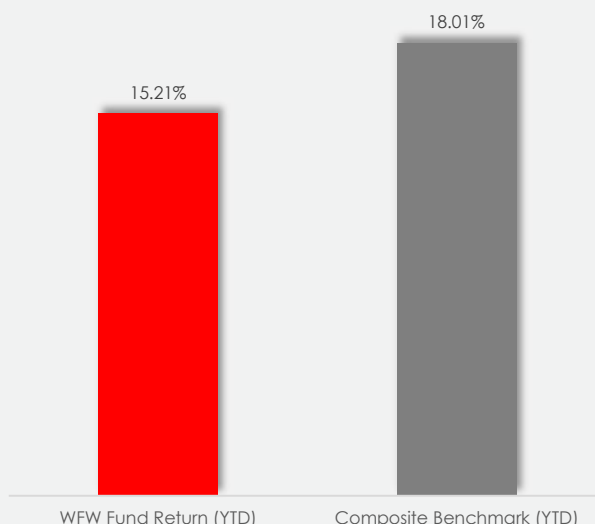
Current Portfolio Holdings



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% | 15.21% |
| Benchmark Return | 1.12% | 25.16% | 5.56% | 2.10% | 23.99% | 18.01% |

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

PERFORMANCE REVIEW

The United Capital Wealth For Women Fund returned 15.21% for January 2024, compared to the composite benchmark (91-day T-bills and the ASI) return of 18.01% for the same period.

The bears dominated the equities market in February following the positive performance in the previous month. This is largely attributable to the high yield environment in the fixed income market and weaker than expected FY '23 earning report. These factors led to sell-offs by investors in the market. Consequently, the equities market lost 1.16% month on month.

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
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