

United Capital Wealth For Women Fund

Mutual Funds Factsheet | February 2025

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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 February 2025, the Nigerian Equities Market (NGX) ended on a positive note despite the undertone of bearish sentiments playing in the background at intervals. Investors remain cautious towards the equities market due to the MPC's decision to hold the benchmark interest rate constant at current levels (MPR = 27.50%). Nevertheless, bargain-hunting activities persist amongst investors across stocks with strong fundamentals, given the FY-2024 earning season and corporate action declarations. Notably, buy-interests in large-cap stocks, DANGCEM (+21.83% m/m), and MTNN (+5.68% m/m) spurred the local bourse northwards. Other standout performers were PRESCO (+34.19% m/m), TRANSCOR (+7.55% m/m), and TRANSCOH (+9.99% m/m). As a result, the benchmark NGX-All Share Index (NGX-ASI) climbed by 318bps m/m to close at 107,821.40 points. Consequently, YTD return strengthened to 4.76% from January's print of 1.53%, with market capitalisation settling at N67.19tn.

The financial system opened in February 2025 with a surplus balance of N721.34bn. During the month, the financial system was mainly in the deficit terrain. This was due to mop-up from the OMO auction and primary market activities moderating excess liquidity. As a result, we saw increased activities at the Standing Lending Facility (SLF) window as banks sought to meet their short-term obligations. Although there were inflows from coupon payments, OMO maturities, and FAAC payments (N395.29bn, N1.5tn, and c.N500.0bn, respectively), it was not sufficient to bolster the system liquidity. Thus, the financial system closed the month with a surplus balance of N130.94bn. Nevertheless, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) climbed by 272bps m/m and 242bps m/m to print at 31.74% and 32.00% from 29.02% and 29.58%, respectively.

Importantly, the Central Bank of Nigeria (CBN) concluded its 299th Monetary Policy Committee (MPC) meeting, unanimously deciding to hold all monetary policy tools constant at current levels. For context, the Monetary Policy Rate (MPR) was held at 27.25%, the Liquidity ratio at 30.00%, and the Asymmetric corridor at +500/-100bps around the MPR. Additionally, the Cash Reserve Ratio (CRR) for commercial banks and merchant banks remained unchanged at 50.00% and 16.00%, respectively.

The DMO conducted February's bond auction with total offer of N350.00bn across the 2029s and 2031s. The auction was met with overwhelming demand to the tune of N1.63trn, despite the prevailing system illiquidity at the time of the auction. This indicates a bid-to-cover ratio of 4.66x. That said, the DMO oversold the auction by 2.60x, selling papers to the tune of N910.38bn. Consequently, marginal rates across the bills tapered by 259bps and 317bps to settle at 19.20% and 19.33%, respectively (previously, 21.79% and 22.50%).

In the secondary Bonds market, we observed bullish sentiments, particularly as unmet bids in the month's PMA sought fulfilment given the outsized demand. As a result, average yields on sovereign bonds fell to 18.53% in Feb-2025, 216bps m/m higher than the 20.69% print in Jan-2024.

Looking ahead into Mar-2024, we maintain our positive outlook for the domestic equities market for Q1-2024, supported by the commencement of the FY-2024 earnings season. Investors will continue bargain-hunting stocks with strong fundamentals. We strongly anticipate impressive outings among corporates in the financial services sector (particularly the banks) given the impact of the Foreign Exchange (FX) revaluation gains and elevated interest rate environment in 2024. Thus, we expect an increased appetite among investors towards corporates in the financial services sector. Additionally, investors will look to position themselves in dividend-paying stocks ahead of full-year dividend declarations. Lastly, the neutral monetary policy stance by the MPC and the declining yield environment will further stimulate bullish sentiments in the equities market.

Looking ahead into March 2025, we anticipate higher levels of financial system liquidity driven by some factors, including FAAC payments, CRR refunds, coupon payments, and OMO maturities. We expect a total of N1.16tn worth of inflow emanating from coupon payments (N600.99bn) and a bond maturity (N562.45bn). Although this represents a 38.61% decrease compared to February's inflow of N1.90tn, we expect the financial system to be supported by FAAC payments and possible CRR refunds. However, we do not rule out the likelihood of the CBN resorting to OMO auctions to mop up anticipated liquidity in the financial system. Nevertheless, we expect the neutral posture by the Apex bank, particularly in response to the progress of inflation in Jan-2025, to continue to support the downward trend of rates in the fixed-income market. Ultimately, FTD and money market rates will likely trend lower in Mar-2025, while secondary market activities will be bullish as investors look to look in funds at their current rates.

We expect the cautious trend in the bonds market to persist as investors remain attracted to the interest rates at the shorter end of the yield curve, particularly keeping in view the neutral/dovish outlook of monetary policy in H1-2025.

FUND FEATURES

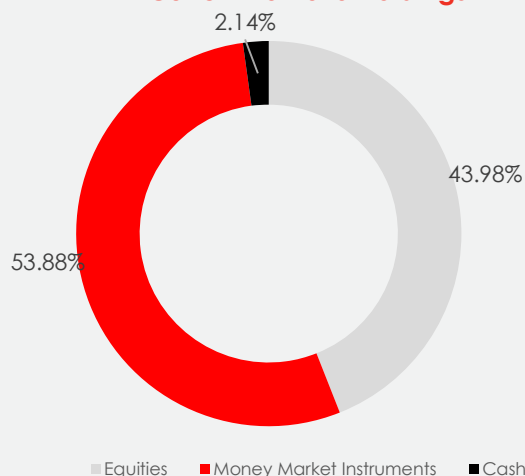
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (₦)	1.3bn
NAV Per Share (₦)	1.6291
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Minimum Holding Period	90 days
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmarks	91-Day 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	16.97%
31-60days	15.75%
61-90days	54.23%
91-180days	0.00%
181-365days	13.06%

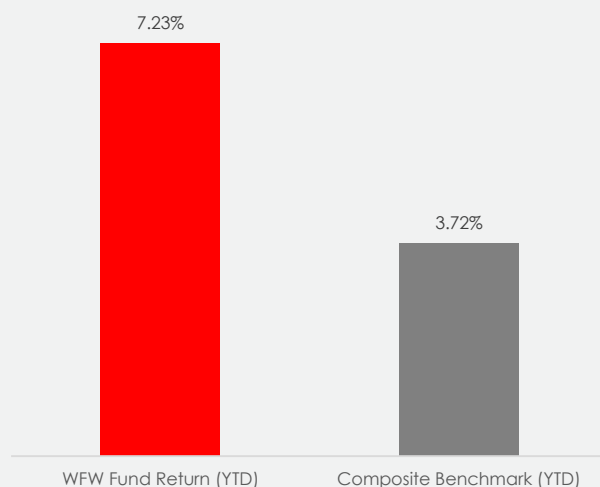
Current Portfolio Holdings



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	2025 YTD
UCAP WFW	7.79%	3.12%	6.60%	12.33%	31.93%	28.11%	7.23%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	23.99%	28.25%	3.72%

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

PERFORMANCE REVIEW

The United Capital Wealth For Women Fund returned 3.75% for the month of February 2025 translating to a YTD return of 7.23% compared to the composite benchmark (91-day T-bills and the ASI) return of 3.72% for the same period.

The Nigerian stock market maintained its bullish streak in February as the benchmark index gained 3.18% on a MoM basis translating to a YTD return of 4.76%. The positive sentiment was driven majorly by impressive FY 2024 earnings releases and corporate action announcements.

Looking ahead, we would actively monitor activities in the equities market ahead of the release of more FY 2024 earnings reports especially from banking tickers. The fund manager will continue to take position in tickers with good fundamentals and ensure a mix with money market instruments to take advantage of the current attractive yield environment.

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.

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

