

United Capital Money Market Fund

Mutual Funds Factsheet | June 2025

Contact Us:

Philip Ndunuka | +234-703-192-1644 | philip.ndunuka@united-capitalgroup.com

Asset Management | +234-1-631-7876 | mutualfunds@united-capitalgroup.com



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

The financial system opened in June 2025 with a surplus balance of N331.05bn. During the month, system liquidity was bolstered by inflows from FAAC payments, N1.23tn from OMO maturities, and N216.76bn from bond coupon payments. Additionally, we observed increased activities at the Standing Deposit Facility (SDF) window as banks placed their excess liquidity with the Central Bank. However, there were primary market auctions and mop-up activities (via the OMO auction), which reduced the excess liquidity in the system. Thus, the financial system closed the month with a surplus balance of N534.68bn. Consequently, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) climbed by 0.61% points m/m and 0.59% points m/m to print at 27.29% and 27.77% from 26.68% and 27.18%, respectively.

At the primary market, CBN conducted an NT-bills auction with an offer size of N450.00bn across the 91-day, 182-day, and 365-day bills. At the auction, investors' demand was strong, as total subscriptions printed just at N1.31tn, indicating an oversubscription rate of 2.91x. The bids were majorly skewed towards the longer-tenured instrument, "365-day bill", which received total bids of N1.2tn. Notably, the Apex Bank sold the exact amount on offer. That said, the stop rates on the 91-day and 365-day bills declined by 0.02% points and 0.21% points from 18.00% and 19.56% to settle at 17.98% and 19.35%, respectively. Meanwhile, the stop rate on the 182-day bill remained unchanged at 18.50%.

At the second auction, CBN conducted an NT-bills auction with an offer size of N162.02bn across the 91-day, 182-day, and 365-day bills. At the auction, investors' demand was strong, as total subscriptions printed just at N1.23tn, indicating an oversubscription rate of 7.61x. The bids were majorly skewed towards the longer-tenured instrument, the "365-day bill", which received total bids of N1.10tn. Notably, the Apex Bank sold the

exact amount on offer. That said, the stop rates on the 91-day, 182-day, and 365-day bills declined by 0.18% points, 0.15% points, and 0.51% points from 17.98%, 18.50%, and 19.35% to settle at 17.80%, 18.35%, and 18.84%, respectively.

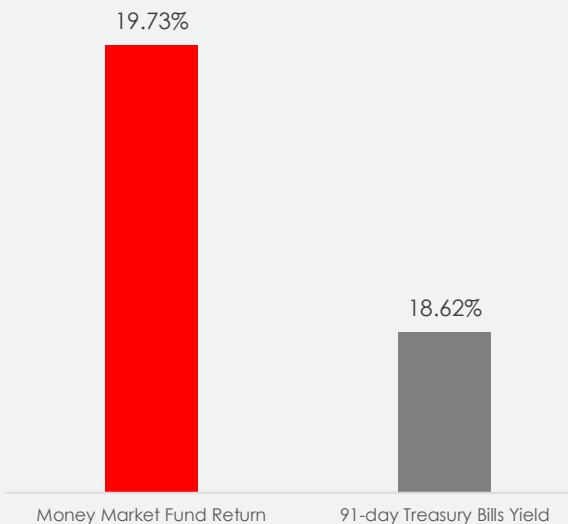
In the secondary market, bullish sentiments prevailed as investors took advantage of attractive yields. Buy interest was primarily driven by the downward pressure on rates in the primary market, as investors sought to lock in funds at current levels before a further decline. As a result, the average yield on NT-bills fell by 0.54% points m/m to close the month of Jun-2025 at 20.20% (previously 20.74% in May-2025). Meanwhile, the average yield on OMO bills increased by 0.65% points, settling at 26.35% in Jun-2025 from 25.70% in the prior month.

Looking ahead to July 2025, we anticipate lower liquidity inflows into the financial system, driven by expected total inflows of N1.01tn emanating from N281.95bn from coupon payments, N428.06bn from NT-bill maturities, and N300.00bn from OMO maturities. This represents a 40.59% decline from June's inflows of N1.70tn. Given the magnitude of the drop, we do not anticipate that the financial system will remain significantly awash with liquidity. As a result, we project that interbank funding rates will likely firm up and trade at elevated levels through most of the month. That said, the CBN may still intervene by conducting OMO auctions to mop up any excess liquidity present in the financial system during the month. Overall, FID and money market rates are likely to stay at current levels, with a potential downward bias. Meanwhile, bullish sentiments are expected to persist in the secondary market as investors continue to take positions given the dovish outlook for rates. Lastly, the Monetary Policy Committee (MPC) is scheduled to meet on the 21st & 22nd of July. The MPC's decision will be pivotal for the direction of rates in Q3 2025.

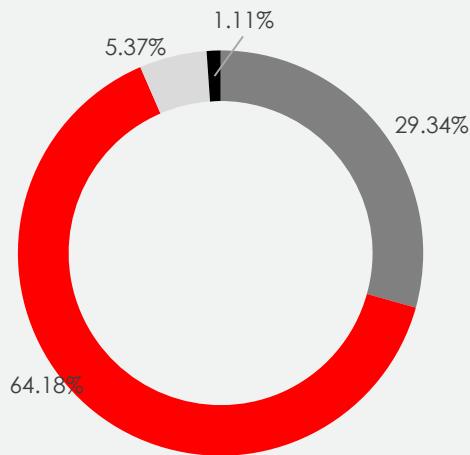
FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	147.85bn
NAV Per Share (₦)	1
Minimum Entry (₦)	10000
Additional Investment (₦)	5000
Structure	Open Ended
Minimum Holding Period	Nil
Benchmark	91-day T-Bills Yield
Management Fee	1.5%
Total Expense Ratio*	1.8%
Risk Profile	Low
Income Distribution	Income Oriented

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

Money Market Fund Return vs Benchmark**MATURITY PROFILE OF ASSETS**

0-30days	35.1%
31-60days	22.5%
61-90days	12.4%
91-180days	12.1%
180-365 days	17.9%

Current Portfolio Holdings

■ Treasury Bills ■ Fixed Deposit ■ Commercial Paper ■ Cash

Governance Asset Allocation Ranges:

Money Market Fixed Deposits (60%-75%); Short Term Securities: (25%-40%)

RETURN HISTORY

	2020	2021	2022	2023	2024	Jun-25
Money Market Fund Return	5.42%	6.91%	9.34%	12.15%	22.18%	19.73%
Benchmark Returns	1.52%	3.34%	3.97%	7.00%	18.84%	18.62%

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

PERFORMANCE REVIEW

The United Capital Money Market Fund recorded a net return of 19.73% as at end of June 2025, from 19.48% in the previous month. The benchmark return however closed at 18.62% as at the end of June 2025.

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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 current yield environment.

WHY CHOOSE THE FUND?

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

INVESTMENT RISK

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

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.



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