

# United Capital Money Market Fund

## Mutual Funds Factsheet | March 2025

Contact Us:  
Philip Ndunaka | +234-703-192-1664 | [philip.ndunaka@unitedcapital.ng](mailto:philip.ndunaka@unitedcapital.ng)  
Asset Management | +234-1-631-7876 | [asset.management@unitedcapital.ng](mailto:asset.management@unitedcapital.ng)

### 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 March 2025 with a surplus balance of N582.95bn. During the month, the financial system was mainly in the deficit terrain. This was due to the absence of significant inflows at the start of the month and week-on-week primary market activities. As a result, we saw increased activities at the Standing Lending Facility (SLF) window as banks sought to meet their short-term obligations. Nevertheless, at the tail-end of the month, there were significant inflows from bond maturity, NT-bill maturities, and coupon payments, which were sufficient to bolster system liquidity.

Thus, the financial system closed the month with a surplus balance of N969.77bn. Consequently, the monthly average Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 157bps m/m and 139bps m/m to print at 30.17% and 30.63% from 31.74% and 32.02%, respectively.

At the primary market, CBN conducted four NT-bills auctions during the month. At the first auction, the CBN offered a total of N650.00bn across the 91-day, 182-day, and 364-day bills. At the auction, investors' demand was strong, as total subscriptions printed at N1.92tn, indicating an oversubscription rate of 2.96x. The bids were majorly skewed towards the longer-tenured instrument, "364-day bill", which received total bids of N1.80tn. As a result, the stop rates on the 182-day and 364-day bills declined by 25bps and 61bps from 18.00% and 18.43% at the last auction in Feb-2025 to settle at 17.75% and 17.82%, respectively. Meanwhile, the stop rate on the 91-day remained unchanged at 17.00%.

At the second auction, the CBN conducted an NT-bill auction with an offer size of N550.00bn across the 91-day, 182-day, and 364-day bills. At the auction, investors' demand was strong, as total subscriptions printed at N1.27tn, indicating an oversubscription rate of 2.30x. Surprisingly, the stop rates on the 182-day and 364-day bills climbed by 9bps and 57bps

from 17.75% and 17.82% to settle at 17.79% and 18.39%, respectively. Meanwhile, the stop rate on the 91-day remained unchanged at 17.00%.

At the third auction, the CBN conducted an NT-bill auction with an offer size of N800.00bn across the 91-day, 182-day, and 364-day bills. At the auction, investors' demand was relatively strong, as total subscriptions printed at N901.04bn, indicating an oversubscription rate of 1.13x. Surprisingly, the stop rates on the 91-day, 182-day, and 364-day bills climbed by 100bps, 71bps, and 155bps from 17.00%, 17.79%, and 18.39% to settle at 18.00%, 18.50%, and 19.94%, respectively.

Lastly, the CBN conducted an NT-bill auction with an offer size of N700.00bn across the 91-day, 182-day, and 364-day bills. The stop rate on the 364-day bill declined by 31bps from 19.94% to settle at 19.63%. Meanwhile, the stop rates on the 91-day and 182-day bills remained unchanged at 18.00% and 18.50%.

In the secondary market, we observed buying sentiments across the curve. This buy-interest can be attributed to investors locking in funds at the current high rates, given the prognosis which indicates further decline in rates and a reversal of the yield curve. As a result, the average NT-bills yield fell by 45bps m/m to close the month of Mar-2025 at 19.44% (previously 19.89% in Feb-2025). Meanwhile, the average yield on OMO bills climbed by 168bps, settling at 24.20% in Mar-2025 from 22.52% in the prior month.

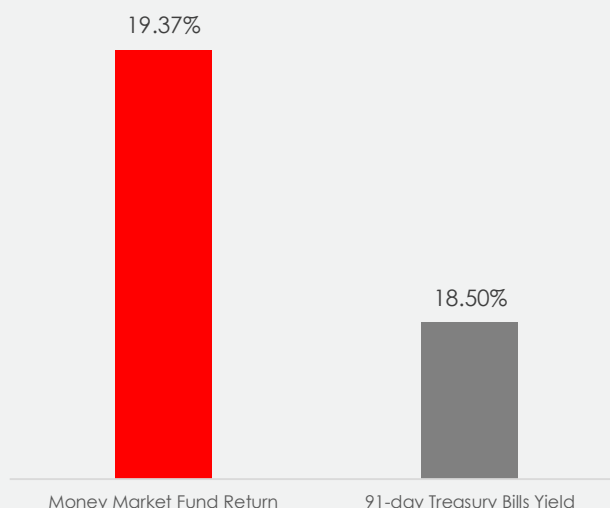
**Looking ahead into April 2025, we anticipate total inflows of N3.13tn, comprised of N431.23bn in coupon payments, N1.25tn from NT-bill maturities, and N1.45tn from OMO maturities. Although this represents a 16.99% decrease compared to March's inflow of N3.77tn, we expect the financial system to be supported by FAAC payments and possible CRR refunds. Meanwhile, we do not rule out the likelihood of the CBN resorting to OMO auctions and primary market activities to mop up anticipated liquidity in the financial system. Nevertheless, we expect the neutral posture by the Apex bank, particularly in response to the recent easing inflationary pressures, to continue to support the downward trend of rates in the fixed-income market. Ultimately, FTD and money market rates will hover at current levels with a likelihood tapering in Apr-2025, while secondary market activities will be bullish as investors look to lock in funds at their current rates.**

## FUND FEATURES

Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2006
Fund Size (₦)	111.55bn
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

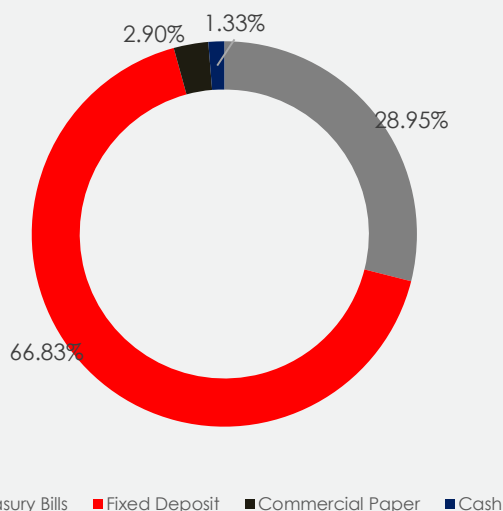
## Money Market Fund Return vs Benchmark



## MATURITY PROFILE OF ASSETS

0-30days	53.2%
31-60days	20.6%
61-90days	14.4%
91-180days	5.4%
180-365 days	6.5%

## Current Portfolio Holdings



## Governance Asset Allocation Ranges:

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

## RETURN HISTORY

	2016	2017	2018	2019	2020	2021	2022	2023	2024	Mar-25
Money Market Fund Returns	13.03%	14.20%	12.90%	12.87%	5.42%	6.91%	9.34%	12.15%	22.18%	19.37%
Benchmark Returns	13.70%	11.00%	12.60%	11.16%	1.52%	3.34%	3.97%	7.00%	18.84%	18.50%

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

## PERFORMANCE REVIEW

The United Capital Money Market Fund returned an annualized net return of 19.37% as at end of March 2025, from 20.94% in the previous month. The benchmark return however closed at 18.50% as at end of March 2025.

At the primary market, the CBN conducted four (4) NT-bill auction every week of the month with increased interest across the longer dated bills moving. The persistent auction week on week triggered more interest in the secondary market as investors tried to find the best pricing for the January, February and March 2026 bills resulting in higher yields than what we saw in February. A similar trend was seen in the fixed deposit space as uncertainties regarding rates pushed the market to give out short term rates for investments mainly to keep near cash for the purchase of bills.

Looking into April, we expect rates to hover around the same levels we saw in March with rates tapering down slightly as we expect the CBN to resort to OMO auctions and primary market activities to mop up anticipated liquidity in the financial system and investors would also try to lock in rates prevalent in the market with expectations of a further drop in rates in the coming months

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](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.

