

United Capital Wealth For Women Fund

Mutual Funds Factsheet | November 2024

Contact Us:

Emmanuel Onoja | +234-703-583-3042 | emmanuel.onoja@unitedcapital.com

Asset Management | +234-1-631-7876 | assetmanagement@unitedcapital.com



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 November, the bears dominated the Nigerian Exchange Limited (NGX) despite pockets of buy-interests during the month. We observed bargain-hunting activities across some fundamentally strong stocks as investors look to position themselves and take advantage of low prices. Nevertheless, activities in the fixed-income market (elevated rates/yields) continue to serve as a key demotivator for risk on sentiments in the equities market. Notably, a standout underperformer was OANDO, which declined by 27.55% m/m. Additionally, losses in large-cap stocks, SEPLAT (-6.02% m/m), MTNN (-2.91% m/m), and BUACEMEN (-2.86% m/m) dragged the local bourse southwards. As a result, the benchmark NGX-All Share Index (NGX-ASI) declined by 15bps to close at 97,506.87 points. Consequently, YTD return weakened to 30.40% from October's print of 30.60%, with market capitalisation settling at N59.11tn.

At the primary market, the CBN conducted two NT-bills auctions during the month. At the first auction, the CBN offered a total of N513.43bn worth of maturing bills across the 91-day, 182-day, and 365-day bills. At the auction, investors' demand was mildly strong, as total subscriptions printed at N669.93bn. The bulk of the bids were skewed towards the longer-tenured instrument (365-day bill), which recorded a total subscription of N608.93bn. Notably, Apex Bank oversold the auction by 1.22x, allotting N626.33bn. As a result, the stop rate of the 91-day, 182-day, and 365-day bills nudged higher by 100bps, 100bps, and 235bps to settle at 18.00%, 18.50%, and 23.00% (previously, 17.00%, 17.50%, and 20.65%).

At the second auction, the CBN offered a total of N610.80bn worth of maturing bills across the 91-day, 182-day and 365-day bills. At the auction, investors' demand was strong, as total subscription printed at N1.18tn, majorly skewed towards the longer-tenured instrument. The 365-day bill received the highest worth of bids (making up 95.38%) as the total subscription settled at N1.12tn.

Notably, the CBN mildly oversold at the auction, allotting a total of N693.05bn. Consequently, the stop rate on the 364-day bill rose 50bps to 23.50%, while the stop rates on the 91-day and 182-day bills remained unchanged at 18.00% and 18.50%, respectively.

Additionally, the Central Bank conducted an Open Market Operations (OMO) auction at the start of the month to mop up the excess liquidity in the financial system. The CBN offered a total of N300.00bn worth of OMO bills across the 91-day, 183-day, and 362-day bills. The auction was met with enormous demand to the tune of N1.45tn (only skewed toward the longest-tenured instrument), implying a bid-to-cover ratio of 4.83x. The CBN opted to meet the demand and oversold, allotting a total of N1.47tn bills. That said, the stop rate on the 363-day bill tapered by 4bps to settle at 24.28% (previously 24.32%). This auction took a heavy chunk out of the financial system, encouraging a surge in activities at the CBN SLF window.

In the secondary market, we saw significant bearish sentiments throughout Nov-2024, given the elevated hawkish monetary policy environment. As a result, the average NT-bills yield rose by 104bps m/m to close the month of Nov-2024 at 25.16% (previously 24.12%). Similarly, the average yield on OMO bills increased by 106bps, settling at 27.19% in Nov-2024 from 26.13% in the prior month.

Looking ahead to December, we expect mixed sentiments to persist in the equities market. Given the developments in the fixed-income market, we expect bearish sentiments amongst investors. The impact of the high yields in the fixed-income market will continue to be a key demotivator as investors switch their asset classes to less risky assets. Additionally, the hawkish monetary policy tone of the Central Bank will continue to drive bearish market sentiments in the background. Nevertheless, we expect pockets of buy-interest as investors cherry-pick undervalued stocks. The bulls will remain incentivised towards fundamentally sound stocks given the medium-long-term opportunities presented. That said, we recommend that fund managers adopt a strategic approach to the equities market and invest in fundamentally solid stocks with strong potential.

In the fixed-income market, we expect the financial system to be bolstered by the influx of liquidity into the financial system. We anticipate a total of N342.56bn worth of inflows emanating from coupon payments (N216.76bn) and OMO maturities (N125.80bn). This represents a 96.87% increase compared to October's inflow of N174.00bn. Nevertheless, we expect that the efficacy of the CBN's mop-up mechanisms will determine the extent/magnitude of liquidity in the financial system. That said, we project that FTDs and money market rates will remain at current levels with the likelihood of tapering further. Lastly, we foresee the recent +25bps MPR hike fueling mild bearish strides in the background.

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.

FUND FEATURES

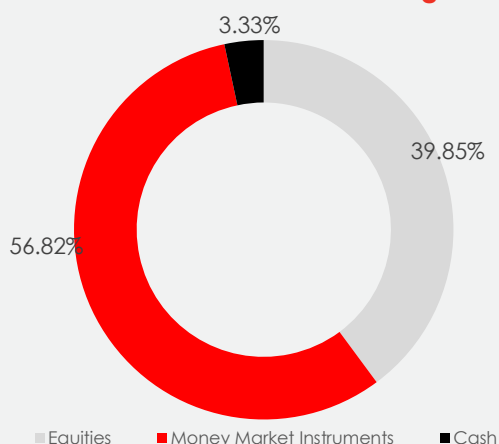
Fund Manager	United Capital Asset Management Ltd
Base Currency/Start Year	Naira/2017
Fund Size (₦)	1.2bn
NAV Per Share (₦)	1.4681
Minimum Entry (₦)	10,000
Additional Investment (₦)	5,000
Structure	Open Ended
Entry/Exit Charges	Nil
Management Fee	1.5%
Total Expense Ratio*	1.8%
Benchmarks	91-Day T-bills/NGX ASI
Risk Profile	Moderate
Investment Style	Market Oriented

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

MATURITY PROFILE OF ASSETS

0-30days	18.78%
31-60days	15.89%
61-90days	65.34%
91-180days	0.00%
181-365days	0.00%

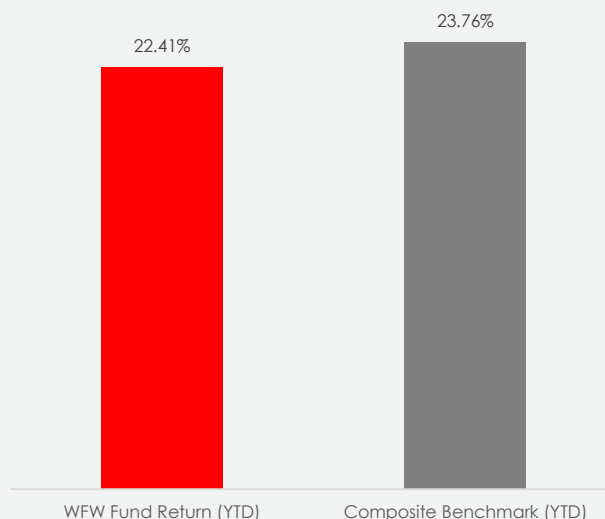
Current Portfolio Holdings



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%	22.41%
Benchmark Return	1.12%	25.16%	5.56%	2.10%	23.99%	23.76%

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

PERFORMANCE REVIEW

The United Capital Wealth For Women Fund returned 2.23% in November 2024, translating to a YTD return of 22.41% compared to the composite benchmark (91-day T-bills and the ASI) return of 23.76% for the same period.

The Nigerian stock market ended the month of November on a bearish note as the market index further shed 0.15%. The negative sentiment was as a result of selloffs in SEPLAT, MTNN and OANDO which overshadowed gains recorded in WAPCO, UBA and ZENITH.

Looking ahead, we would actively monitor activities in the equities market ahead of the year-end portfolio rebalancing. The fund manger will continue to take position in tickers with good fundamentals and ensure a mix with money market and fixed income instruments.

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